



CHINA-CEE INSTITUTE

**CENTRAL AND EASTERN EUROPE'S
RESPONSES TO THE CORONAVIRUS
PANDEMIC**

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Central and Eastern Europe's Responses to the Coronavirus Pandemic

Chief Editor

Chen Xin

CHINA-CEE INSTITUTE

Budapest, May 2020

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Preface

COVID-19 pandemic is the most serious global public health emergency since the end of World War II. The virus respects no borders or races. When the virus started to spread in Central and Eastern Europe, different kinds of measures had been taken to combat the virus. It occurred serious impact on the political, economic and social structure, as well as individual lives.

This book is providing a brief analysis on the situation of combating pandemic in Central and Eastern Europe. The structure of the book is divided into four aspects: domestic politics, economic situation, social development and external relations. The book is based on a collection of reports by the associate researchers of the China-CEE Institute. The reports are originally from the April issue of the 2020 Weekly Briefings, a core product by the China-CEE Institute. The views in the book are represented by the individual authors instead of the China-CEE Institute.

The China-CEE Institute, registered as a non-profit limited company in Budapest, Hungary, was established by the Chinese Academy of Social Sciences (CASS) in April 2017. The China-CEE Institute builds ties and strengthens partnerships with academic institutions and think tanks in Hungary, Central and Eastern European countries, as well as other parts of Europe. The China-CEE Institute aims to encourage scholars and researchers to carry out joint research and field studies, to organize seminars and lecture series, to hold some training programs for younger students, and to publish academic results, etc.

I hope this book will help enrich the knowledge of the situation of combating the pandemic in the region and promoting the bilateral relations between China and CEE countries.

Prof. Dr. CHEN Xin

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Part I Political Perspective

Governance and COVID-19 in Albania

Marsela Musabelliu

Albanian Government initiated a total lockdown of the entire country just one week after the first confirmed cases of COVID-19. From that day on, the political scene has taken nuances never witnessed before at this extent: meaning the ruling force takes control of the actions, the narrative and the direction of the country in these challenging times. Being the major concern the wellbeing of citizens, political animosity has faded away; the opposition forces have lowered the tones and adjusted their agenda to the exceptionality of the situation – at least initially. As all gatherings, meetings, or other activities are cancelled, the only channels of communication for politicians remain mass media, online platforms and social networks.

Practical advantages of the ruling political force in times of emergency

The astute sense of Rama's public relations impact on the Albanian society has been enhanced in the times of "State of Emergency" situation. If prior to the events caused by the spread of COVID-19 the political discourse was somehow balanced, with the impact of the opposition forces, from March 9th and onwards the only central figure of Albanian politics remains Prime Minister Edi Rama. Since the start of the restrictive measures to date - the escalation of severity of governmental special decrees, starting with restricted movements of people and vehicles, closure of all public recreational activities, national curfew with specific hours and leaving home with special permit from authorities to intensifying of punitive measures – the messages were delivered to Albanians by Rama himself.

Rama's quest for protagonism appears to have found fertile grounds for expansion; his attitude and reaction to the crisis were embellished by sensationalism as well as recall for obedience in fatherly terms. Addressing

Albanians from his castle-like home in the outskirts of Tirana his tones went from alarming to intimidating and he took the reins of this health emergency by displaying every moment the achievements of his Government and by antagonizing every unfavorable opinion.

“We are at war” he stated and Albanians should behave as they are living in a battlefield with an invisible enemy. What the National Emergency situation entails is an extensive power supply in the Legislative body of the country, meaning Rama’s cabinet.

In managing the situation with an iron fist, Rama demonstrated once again that his advantages in the political sphere of the country are way beyond what was imagined earlier, in addition, the situation is in his favor because the contrary voices (meaning the opposition) are too weak to make a difference, or even to be heard. Thus, either Albanian prefer it or not, the center of information, deliberation and directives are coming from Edi Rama.

Albanians relation with governance

The shortcomings of a system created and upheld for the powerful (and with the powerful) are highlighted enormously in times of crises. The first outcome of this eroded trust in institutions was the neglecting of the rules and regulations coming from the central Government, until penalties were set in place and the fear of monetary penalization up to jail time for the rule violators became effective. The main issue is deeply rooted in the political perception of the Government by its own subjects, such as state as a whole and citizen as a separate entity.

Albanians attitude towards Government regulations is a byproduct of almost 30 years of detachment of power from people. An Albanian analyst, Bedri Islami, would compare the attitude of people in the previous regime and in the current by arguing that prior to 1991, even some might have not been sympathetic to the regime they trusted the state and its strength. However, the situation is different in recent times, people distrust the Government because one establishment after the other, have proven to

turn into vile political class and distancing themselves and their circles from the masses while establishing a grip on power on rotation bases.

Albanians lost their faith in solutions coming from institutions gradually not immediately: when they realized that the power extension from one establishment to the other would circle around the same group of people. When promises were delivered but never kept; when unaccountability for abuse of power and corruption became the norm; when equal opportunities for all remained a pledge in paper never effective, all the above spread in time subconsciously create a sense of distrust. The problems arisen in the times of total lockdown are just a simple manifestation of citizens' relationship with power: to them power is politics and politics has failed Albanians repeatedly.

The Government delivers promises however, in Albania every misfortune has been accompanied by promises and every aftermath has been accompanied by oblivion.

Could politics find common grounds for action in face a major challenge?

It has been noted around Europe that no opposition is aggressive in times of COVID-19; even in Italy where the numbers of positive cases and casualties has taken dramatic turns, besides some initial fiery statements, no further deterioration of narrative has been displayed.

In Albania, the opposition was quite silent in the first two weeks, and then the discourse started to shift, not in aggressive terms but rather in diminishing Government's achievements and proposal after proposal for measures to adapt. However, these call for actions were totally disregarded, not only because it was a political adversary that claimed so, but firstly because these proposals was delivered by politicians rather than health experts; and secondly, because Rama would disdain any recommendation that is not approved by him or his entourage.

Apparently, this crisis is not bringing together Albanian politicians, but even if it were the contrary, it would not make any practical difference;

at the end, it is the ruling force that decides the direction of events in a total state of emergency. According to the Prime Minister, the Albanian model of fighting COVID-19 is successful because the pillars where its stands are” the people” and “the resistance”; however, neither the people nor “the resistance” can face this emergency without intense governmental support and coordination

What is perplexing in these difficult times is the Prime Minister’s attitude and his propagandist philosophy.

Rama’s condescendence is omnipresent! When addressing his people, the tone, body language and egotism are widely perceived as alarming and aggressive.

Governing vs. patronizing

As political debate in the country is vanishing, the scene for display is only in the hands of the Government.

By all considerations, there are more important and pressing issues than disputes over politics. Nevertheless, how is the governing and the managing of the situation proceeding?

Primarily, it should be noted that coercive measures worked! The State Police and Army on the streets induced many, especially the elderly, to obey to rules and regulations. Less people on the streets, less chances of spreading the virus, but these preventive measures do not mean alleviation.

Restrictive and punitive measure could work initially, but following up the situation on the ground is more difficult task. Providing basic means of survival for citizens in extreme difficulty (the elderly, people living in remote rural areas, citizens with special needs) due to the emergency created should be the number one priority. Besides the harsh social conditions created there are several shortcomings in need of urgent addressing related immediately to the spread of the virus, such as:

- Many health experts in Albania believe that the number of positive cases in the country is higher than the confirmed ones by authorities; they

fear that the limited number of test swabs for COVID-19 is the main concern in detecting potential cases.

- The high prices of masks, gloves and sanitizers have affected the majority of the population forcing them not to buy, because they simply cannot afford them!

- Lack of proper hospital equipment. It is feared that if the number of affected patients in need of Intensive Care Units (ICU) rises, there will not be enough respiratory machineries for them. The problem is that Albanian authorities do not even reply when asked how many ICU ventilators are there in the health care system.

Conclusions

The personalization of charge in the hands of only one man (Rama) did not affect Albanians in time of crises. In this challenging situation, trust was mainly injected by doctors and specialist; with their remarks, they shifted the attitude to massive added carefulness and awareness. Consensus in these delicate times is a rarity as everything is contested, from the number of infected to the public statistics. COVID-19 spread in Albania caught everyone by surprise but it is an added concern for political representatives who have to make electoral calculations. In addition, while Rama is addressing Albanians more frequently than ever before, his political agenda is subtle, but his momentous and his political capital is boosted by the day.

Governments everywhere are under scrutiny for what they say, how accurately they report facts, and what actions they are proposing. It is noted in Albania that even if there is a contingency plan or some swift temporary solutions in the short-term approach; there is no comprehensive program on how to act in the near future.

On a tactical level, governance may appear present while on the strategic level, there are no clear or complex operational patterns, methods or projections.

BiH Dealing with Coronavirus Epidemic Outbreak

Zvonimir Stopić

Political life in Bosnia and Herzegovina during April was not characterized with the usual antagonist discourse one is accustomed to. Not only the tensions between the entities politicians were significantly lower, the usual political issues almost completely disappeared. Throughout the April, entities' leaders were focused on the day-to-day handling of the SARS-CoV-2 coronavirus epidemics outbreak, as well as on the rising economic issues within the country, which left them little time to deal with the usual and always present animosities. During the first half of the month, Bosnia and Herzegovina political leaders were mostly focused on introducing and maintaining the various restrictions and managing resources needed to fight the spread of the coronavirus. As the number of new cases began dropping toward the end of the month, the focus began shifting in the direction of easing the restrictions and managing all of the inevitable serious economic issues. Under the surface of the successful handling of the epidemics, however, traces of discord between the various and complex branches of the government could have been noticed.

The first case of COVID-19 in Bosnia and Herzegovina was reported on March 5. At that time, the Bosnia and Herzegovina's politicians were emerged in the usual and not to productive discourse, which existed without break since the Dayton Accords. After what at the time seemed to be a rapid spread of the SARS-CoV-2 coronavirus throughout Bosnia and Herzegovina became a reality around mid-March, the Bosnia and Herzegovina political leaders placed all of the political issues aside and turned their attention almost solely to the containment of the spread of the coronavirus. Within the last ten days of March, the country was placed

under a lockdown, which included quarantine of the people entering the country, self-isolation solutions, various travel restrictions, banning of the movement of all individuals under the age of 18 and over 65, as well as the overnight curfew.

Since the April began in the more or less the same overtones regarding the coronavirus epidemics outbreak, political leaders in Bosnia and Herzegovina continued to introduce new and adjust the old restrictions according to daily development of the situation on the field. As during the March, it was the entity of Republika Srpska which took the lead in designing and implementing restrictions. On April 2, it was decided that all public transportation within Republika Srpska (transport lines under 50 km) will be halted. On the next day, Republika Srpska entered a state of emergency, which was previously decided by the Republic Srpska Assembly on March 28. On the same day, the Republika Srpska Emergency Situation Headquarters also banned all citizens to travel outside of their place of residence during the weekends. The only exception were the workers, certified by a special permission. Within the first week of April, the Republika Srpska Government also set up the € 1,825,000 worth field hospital, bought from a German producer, with 500 beds. Later in the month, some other Bosnia and Herzegovina cantons implemented stricter restrictions. On April 9, the Federation of Bosnia and Herzegovina canton hit by the coronavirus epidemics the hardest, the Herzegovina-Neretva Canton, introduced a ban on movement of the people outside of their place of residence. This was followed by the nearby West Herzegovina Canton on the following day. On April 10, the Government of Bosnia and Herzegovina decided to put everyone who wishes to enter the country into quarantine. On the same day Republika Srpska went as far as making the wearing of the protection masks and gloves an obligatory. Individuals caught without such protective gear outside of their homes were subsequently fined.

As it was reported in the press and various government officials statements, general population during April began to show a certain

reluctance and even disobedience when it came to following the safety guidelines issued by the state, entities' or local government or the Civil Defense. Senior citizens of Federation of Bosnia and Herzegovina acted first. Already by April 1 they managed to collect several thousands signatures in a petition demanding that they should be allowed to leave their homes at least on some hours during the week. The previously introduced restriction, which forbid all individuals under the age of 18 and over the age 65 to leave their homes prevented senior citizens to get to their income (pensions) or food. Few days after the petition the Headquarters of Civil Defense of Federation of Bosnia and Herzegovina allowed people older than 65 to leave their homes from 8 am to 12 pm, Monday to Friday, so that they can collect their pensions, do shopping, or simply take a walk. The relaxation of this measure, unfortunately, created an unwanted effect on the very next Monday (April 6), because much too many senior citizens left their homes at the same time, creating dangerous crowds in banks, post offices and other administrative institutions. The situation was, luckily, put under control within a few days, without incidents or additional spread of the coronavirus. Although the senior citizens did get what they asked for with the petition, the issue of locking the senior and young population in their homes was not completely resolved at that time. Quite the contrary, the issue was taken under consideration by the Constitutional Court of Bosnia and Herzegovina, which on April 22 ruled that the restrictions concerning the movement of the citizens younger then 18 and older than 65, implemented on March 20 and 27 by the Headquarters of Civil Defense of Federation of Bosnia and Herzegovina, were unconstitutional and violate human rights of the citizens in question. Following its ruling, the Constitutional Court then issued an order to the Headquarters of Civil Defense and Government of Federation of Bosnia and Herzegovina to adjust the restrictions in question according to the constitution of Bosnia and Herzegovina. The issue was finally resolved on April 24, by the adjusting condition of the ban. As it was decided by the Headquarters of Civil Defense, starting with April 27 (Monday), citizens older than 65 will

be able to spend time outside of their homes on Mondays, Wednesdays and Fridays from 09:00 to 13:00, while citizens under the age of 18 will be able to do the same thing on Tuesdays, Thursdays and Saturdays from 14:00 to 20:00. It is worth mentioning that the overall slowing down of the epidemics helped in reaching this consensus.

Besides the consensus between the government and general population, other, much serious cases of disobediences occurred. Throughout April, in all of Bosnia and Herzegovina entities, dozens of individuals were caught breaking the restrictions on a daily basis. People would get caught ignoring the overnight or weekend curfew, they would group in groups larger than three, senior citizens over the age of 65 would leave their homes during undesignated hours. Probably the largest unrest connected to the quarantine occurred in Zenica on April 21. On that day dozens of citizens, forcefully quarantined in a local hotel, started hunger strike demanding to be transferred to a self-isolation within their homes, which they assessed to be safer than a collective hotel quarantine. The local government had no other option than to allow 86 people to continue their quarantine in their homes.

Besides the examples of public disobedience, which in several occasions occurred as a result of a hastily made or clumsy implemented restrictions, the population of Bosnia and Herzegovina also experienced an unpleasant and unwarranted changes in the prices of some goods. Throughout April, the state institutions were battling against such occurrences. From mid-March until end of April, the state inspectors reported more than 300 violations in trade, all of which were fined.

Conclusion

The situation in Bosnia and Herzegovina regarding the SARS-CoV-2 coronavirus epidemics outbreak was proclaimed stable by deputy Health Minister Goran Čerkež on April 17. Already at that date, the removal of some of the restrictions was hinted, but no steps in these directions were taken for another week. On April 23, the Chief of police of Bosnia and

Herzegovina Aljoša Čampara proposed the lifting of the ban on movement of citizens and curfew, both of which were abolished in Federation of Bosnia and Herzegovina the following day. Republika Srpska acted more cautious than Federation of Bosnia and Herzegovina, leaving the most of the restrictions active at least until May 10.

Emergency Legislation and Political Clashes in Bulgaria in the Context of Coronavirus Pandemic

Evgeniy Kandilarov

For the first time in Bulgarian modern history, a State of Emergency has been voted into effect. The vote was approved unanimously by Parliament on March 13, at the proposal of the government, to enable augmented responses to Covid-19 new coronavirus. The State of Emergency will be in effect until April 13. An extension will require a further vote by the National Assembly. It is expected that the measures will include a one-year sentence of imprisonment for those who break their quarantine. Deputy Prime Minister Tomislav Donchev told in a briefing after the vote in the National Assembly that the intention was to untie the hands of state institutions so that they could take steps not currently implemented, including a fast-track procedure between officials, the government and parliamentary committees to get legislation passed urgently.

How a State of Emergency works in Bulgaria is governed by provisions in the constitution, the Disaster Protection Act and the Defence Act. Under the Defence Act, a State of Emergency entitles the state authorities and the armed forces to restrict or prohibit civilian flights, impose restrictions and special rules regarding shipping, and restrictions on crossing Bulgaria's borders.

It is expected that bans may be imposed on people travelling from certain countries may be barred from entering Bulgaria, and that Bulgarians may be banned from travel to certain countries. The authorities also are entitled to restrict movements on major thoroughfares, the movement of trains and impose controls on the movement of passengers and goods. Access to government agencies may be restricted. Some laws may be suspended. If this happens, a public announcement is required.

In spite of the state of emergency, some constitutional rights are untouched and remain in effect. These include the right to life, the right

not to be subjected to torture, to cruel, inhuman or degrading treatment or to forced assimilation, the right not to be subjected to medical, scientific or other experiments without his or her voluntary written consent.

Criminal liability remains in force. No one shall be compelled to plead guilty or be convicted solely on the basis of his / her confession. Everyone has the right to defense against unlawful interference with his private and family life and against encroachment on his honor, dignity and reputation. Freedom of thought cannot be restricted.

The measures in the current situation are expected to include conferring on the government the power to decree closures of public places such as theatres, concert halls and discos, as well as schools and universities.

Bulgarian Parliament approved the second reading of the bill on State of Emergency measures after a marathon 13-hour sitting on March 20, intended to limit the spread and overcome the consequences of the Covid-19 epidemic.

Drafted by the Justice Ministry and tabled late on March 16, the bill was heavily amended between readings, prompting lively debates among MPs from the government coalition and the opposition, both during the committee hearing on March 19 and on the House floor.

The bulk of the bill focuses on the anti-epidemic measures already ordered by Health Minister Kiril Ananiev on March 13, while allowing for more drastic measures that could be implemented at the recommendation of the Covid-19 crisis staff. Most of the amendments were focused on the bill's transitional and final provisions, which contained changes to a number of other laws, including the Penal Code, Labor Code and Social Security Code, among others. Amendments to the Penal Code envision a prison term of up to three years and fines of up to 10 000 leva (about 5100 euro) for disseminating "untrue information about the spreading of an infectious disease".

Among those that caused the most consternation among opposition MPs was the provision that allowed the use of armed forces to enforce

State of Emergency measures – including ID checks and preventing the movement of persons, powers that are otherwise limited only to the police. The opposition was also strongly opposed to an amendment that gave authorities the right to request location data of mobile devices from telecom providers. Ruling coalition MPs argued that this was needed to ensure self-isolation orders were not being breached, but the opposition saw a dangerous encroachment on individual freedoms. Both amendments were adopted despite the opposition's arguments.

Just two days after that the Bulgarian President Roumen Radev imposed a partial veto on the State of Emergency Measures Bill. Radev announced the veto on two provisions of the bill in a televised address on March 22, which drew a swift and scathing rebuke from Prime Minister Boiko Borissov several hours later.

The provisions vetoed by Radev – amendments to the Penal Code that would have imposed heavy fines and carried possible jail terms for spreading false information, and a clause aimed at preventing profiteering by requiring retailers to sell goods at the same prices as before the State of Emergency was declared – were struck from the bill.

Bulgarian president motivated his decision to veto part of the emergency measures with the argument that *"There is no one-size-fits-all definition of 'false information', but on this basis Bulgarian citizens are threatened with fines and prison terms. Experts, journalists, and citizens will be forced to censor themselves in the context of a rapid transformation of our knowledge about the epidemic, and a need to compare alternative positions in this regard"*.

The president, however, emphasized the rule that punishes with three years in prison and a 10,000 *lev* fine (5,000 Euros) "those who spread [...] false information on the spread of the epidemic", and which the government intends to keep in force even after the end of the current crisis. In particularly serious cases, penalties could be increased to 5 years of imprisonment and fines of up to 50,000 *lev* (25,000 Euros).

Radev defined the law requires emergency measures against the coronavirus outbreak as inadequate. *"Bulgarians do not need threats but support"*, the Bulgarian head of state firmly said. According to him no battle has ever been won with fear and a total blockade will only exacerbate the crisis.

This television address of the President brought the end of the political truce between Rumen Radev and Prime Minister Boiko Borissov for the sake of the fight against Covid-19, as Borissov hit back at Radev with accusations of breaking his word.

At a briefing lasting more than 90 minutes and broadcast live, Borissov, holding a printout of Radev's statement, lashed out with point-by-point rejection of what the President had said in a live broadcast to the nation.

Repeatedly, Borissov, who along with members of the Cabinet and the crisis staff met Radev at the Presidency two days earlier, emphasised that at that meeting, Radev had accepted the measures proposed and had described them as timely. Borissov asked who had got Radev to change his stance and the direct accusation was that he did it under the influence of the Bulgarian Socialist Party.

The presidential veto sparked the anger of Prime Minister Boyko Borisov which can be easily seen in his words: *"I don't think I saw Queen Elizabeth or any other European head of state contest the measures taken by their own governments"*. The Prime Minister directly accused Radev of populism and political opportunism.

Responding to the President's criticisms about the bill's provisions handing expanded powers to the military to control the civilian population, Borissov was caustic, saying that the intention was not to put tanks on the streets but to have the military available to assist if needed to make deliveries to pensioners and keep order if people put health at risk by gathering in large groups. He rejected Radev's assertion that the government was intruding on the President's prerogatives as commander in chief of the armed forces.

Borissov expressed consternation at Radev's charge that the bill's provisions for heavy fines for posting false information amounted to extinguishing the last remnants of free speech in Bulgaria. According to the prime minister, the criminalization of "fake-news" on coronavirus had the sole purpose of avoiding the spread of panic in the population.

Repeatedly likening the fight against Covid-19 to a war, Borissov said that Radev had generated bad energy and a bad environment. Borissov, several times in his remarks, emphasised the need for national unity and a national effort as the only way to get through the crisis.

In conclusion, despite the confidence flaunted by the Prime Minister, the parliament convened again on Monday 23rd to discuss and vote on the veto imposed by President Roumen Radev on the State of Emergency measures bill. In fact, despite the institutional clash with Radev, the Prime Minister asked his parliamentary group to approve the veto, in order to quickly and without further delay pass the package of emergency rules already voted. The veto was backed by the senior partner in government coalition, Borissov's Gerb, and one of its coalition partners, as well as the two largest opposition parties, the socialists and the predominantly ethnic Turk Movement for Rights and Freedoms. Some of Gerb's MPs abstained and the second of two ultra-nationalist parties that form its junior coalition partner opposed the veto. MPs from the smallest party in Parliament, populist Volya, did not attend the sitting, having also walked out during the debate to pass the bill at second reading on March 20. In total, 118 MPs backed the veto, 14 were opposed and 56 abstained.

While the controversial norm on "false information" was rejected, the debate ignited another, even more controversial measure that emerged after the official publication of the new provisions. In order to monitor the people placed under compulsory quarantine Bulgarian police forces can request and obtain from the telephone and Internet operators information concerning citizens' private communications. Such data will enable the police to trace the physical position of citizens and monitor who they talked to and which sites they visited (but not the content of conversations

or communications via the Internet). Interior minister Mladen Marinov reassured citizens that the new legislation only applies to people under compulsory quarantine, and the procedure will continue to be supervised by the courts. So according to him the Police access to citizens' telephone and Internet data will not be uncontrolled. However, many remain deeply skeptical about the real impact of the new norms.

Bulgaria's National Assembly voted on March 26 to suspend regular sittings and convene only for legislation related to the State of Emergency or other urgent legislative amendments. Questions to Cabinet ministers will be solely in written form. BSP leader Kornelia Ninova, opposing the vote, said that it amounted to suspending the parliamentary republic and the constitution. "*The dictatorship comes into force tomorrow,*" she said. Meanwhile Bulgaria's Council of Ministers on April 1 decided to propose to the Parliament to extend the state of emergency to 13 May 2020. The Speaker of Bulgaria's National Assembly, Tsveta Karayancheva, has called a special sitting to be held on April 3. On the agenda is the proposal about the extension of the State of Emergency for one more month. The strongest argument for that is the growing number of confirmed cases of Covid-19 in Bulgaria which rose on April 3 to a total of 485 people. This total includes 14 previous deaths, and 30 patients who had been discharged from hospital after recovering. The majority of the Bulgarian population approves the restrictive emergency legislation in the hope that it will indeed enable Bulgarians to emerge from this humanitarian crisis with as little loss as possible.

The Approach of Croatian Government to the COVID-19: institutions, measures and implications

Benjamin Petrović

Summary

Entering the month of April 2020, global governments, economies, health and security systems and daily lives of the world population have been significantly slowed down by the continuous worldwide spread of a new global pandemic called COVID-19. This new strain of coronavirus, which broke out from the Chinese Wuhan province in the late 2019, has proven to be a tough challenge to contain on several levels, with no vaccine on the horizon. Croatia is facing the outbreak on several fronts, attempting to preserve public health, provide security measures in line with the protection of basic needs and freedoms keep the national economy as functional as possible.

The current situation and global measures

As the COVID-19 virus outbreak keeps spreading around the globe, at the moment of writing there are 827,419 confirmed cases of infection worldwide in 206 countries, with the number of deaths reaching 40,777. As the virus kept on spreading, China as the source of the virus is no longer the country with the highest number of infected population. That position is now claimed by the United States. According to the World Health Organization, there are 163,199 cases of infection across the United States with 2850 fatalities. Italy is the second most disease stricken country with staggering numbers of 105,792 infected and 12,430 deaths, which is the highest number of dead caused by the pandemic worldwide. The situation in Spain is just slightly less terrifying where 94,417 people are infected

and 8189 lost their lives. Croatia currently counts 1011 cases of infection with 7 fatalities and a number 88 cured people.

Worldwide, various public health and social measures were undertaken to prevent the spread of the outbreak at national and global levels. The focus expands from governments, institutions, international organizations to individuals to stop the further spread of COVID-19. As the primary measure to achieve progress, social distancing is required in order to stop the transmission of the disease. People are asked to reduce personal contact, keep a safe distance, a vast majority works from their homes, with schools, universities, sporting events, religious and cultural places of assembly cancelled for the time being. Countries, in a higher or lesser degree, have arranged different strategies to preserve public health and reduce the negative consequences of the disease such as online and tele-schooling, isolating the diseased people, tracing and testing their contacts, basically implementing measures which encompass all members and elements of society, various communities and professional groups.

The reactions of the Government of Croatia

In development of the first steps in creating a viable and effective plan for public health protection, the Government of Croatia, under the Prime Minister Andrej Plenković declared the Headquarters for Civil Protection, under the Ministry of the Internal Affairs, as the main coordinating body during the period of execution of measures for outbreak prevention. With the elaboration on how such a decision is needed because of the clear and present danger for national security and the need for a centralized approach in the decision making process by the Minister of Health Vili Beroš, and the Minister of Interior Davor Božinović, the designated parliamentary committees and the Parliament itself have accepted the new role of the Headquarters for Civil Protection.

In line with those steps, since the 19th of March, based on the recommendations of experts from the Ministry of Health and respected epidemiologists, a set of measures on a national scale was brought forward,

with a goal of preventing the COVID-19 virus from spreading across the nation. Therefore, strong actions of social distancing are suggested such as avoidance of physical contact closer than 1 meter, suggestion that those who can work from home, suspension of all public gatherings and events stemming from culture, religion or business, but also of general services which imply close contact such as hair salons or gyms. Regarding those services which are necessary to proceed with their daily operations such as pharmacies and general stores, their functioning is organized in a manner which will provide as much social distance as possible with extra hygienic measures adopted and notifying the customers and public about the safety precautions required.

With the University Hospital for Infectious Diseases Dr. Fran Mihaljević, serving as a medical reference point in the time of the outbreak of the COVID-19 pandemic, and the designated hospital where the infected members of population are being treated, Croatian Government, with the help of the Armed Forces of the Republic of Croatia, established an expedition camp with 200 hospital beds, next to the hospital in Dubrava, Zagreb. Such a camp is another measure of precaution in case the number of infected population outgrows the capacities of designated hospitals across the country.

Additionally, as the number of infected population in Croatia kept on surging and dispersing across the country, measures preventing travel between local municipalities were brought forward. Furthermore, travel between states has been put under additional surveillance, with all of those coming from foreign countries, being directed to self-isolate for a minimum of two weeks. Both the President of Croatia Zoran Milanović, and the Prime Minister Andrej Plenković, have addressed the citizens stating how there is no place for panic, but highlighted the need for caution, and adoption of the measures undertaken by the Government and the Headquarters of Civil Protection.

Matter of conducting tests and a parallel structure

Nonetheless, after the implementation of all the principles noted above, after taking a look at practices of other countries, questions can be raised on the lacking in processes of testing the Croatian citizens on the virus. Of course, Croatia is too small of a country to organize mass public tests like South Korea, and the shortcomings in necessary equipment need to be taken in account. In spite of that, certain media analysts highlighted the shortage of conducted tests, at least on the level of those who were in contact with the infected population, as one of the main causes of COVID-19 spread. Taking the quality of reaching uniformity in the processes of making fast and correct decisions on the benefit of the whole population aside, those with a deeper understanding of crisis management and public security in national emergency situations were left wondering about the Croatian Homeland Security System, which was established as a central unit of coordination in periods of crises. Such an institutional structure, designated for actions which are undertaken in these moments, have become a parallel entity, waiting to be used to fulfil its purpose.

The Zagreb earthquake and the role of the Armed Forces

On Sunday, 22nd of March, the listed measures proved to be effective, but in regards to another, unexpected disaster. On that day, a series of earthquakes struck the Croatian capital Zagreb, causing severe damage to public property, private homes and taking one young life. The listed measures, brought forward with a purpose of preventing the outbreak, helped saving lives from the damage caused by the earthquakes because the citizens of Zagreb were in their homes, already ready for extreme security conditions. Such a turn of events added further complications to the COVID-19 containment process, but with the help of the military and a zealous approach of all of those working in civil protection, the conditions were re-established to provide safe circumstances in defence against the pandemic. Soon, additional measures were undertaken. Public playgrounds were closed, the working hours of department stores with

basic goods were shortened, and leaving one's place of residence, without a special permit, was forbidden indefinitely.

Implications of securitization

Regardless of the severity of the situation and the efficiency of the undertaken measures of prevention of the outbreak, it is of value to note that voices of concern were raised on the progressive securitization of the issue, with significant restrictive actions being implemented. Not attempting to discredit such operational manoeuvres, especially considering the seriousness of the breakout abroad where some implications of COVID-19 were taken for granted, and facing the problem of undisciplined citizens who were significantly breaking the suggestions of maintaining social distance, the lack of true civil protection mechanisms and instruments is evident in dealing with the current crisis.

The already mentioned Homeland Security System, developed and upheld for situations exactly like this one, has been unmentioned except by some security analysts who keep track on the various existing structures. Moreover, the use of military forces in the establishment of expedition camps, and cleaning up the rubbles off the city streets, no matter how effective and how praiseworthy its dedication is, should be a task of civil protection units stemming from the previously systematically developed system. In that way, the existence of parallel organization would be avoided, and clear lines of command and unified approach would be available in future crises.

Additionally, measures at hand are a great way to practice and prepare for other, similar threats, more specifically, the development of quick, easy to adopt measures, not endangering the basic human rights. Restrictive measures such as prevention of travel between municipalities, prevention of public gathering are needed and justified, but it is also necessary to recognise the limitations of such measures and how to act if and when someone breaks them. Unfortunately, there have been numerous examples of people in self-isolation who broke their isolation and directly

endangered all of those in close contact. The question, in a situation when there is not enough police personnel to supervise their movement, is whether it is acceptable to trace those self-isolated people by their phones. From that question, a plethora of other ones can be raised on both legality and morality of such an approach, and the line between necessary surveillance in a time of crisis and breaking the general right to privacy.

Answering the stated question, the Government of Croatia suggested an act amendment on the Law on electronic communications to the Croatian Parliament. In its amendment, the Government asks to be able to process the location data of certain persons in situations of natural disasters, epidemics when health and lives of citizens are endangered. It is yet to be decided on the suggested amendment in the Croatian Parliament, with members of the opposition already criticising such an idea and describing it as an attempt to abuse power. Nevertheless, even though the securitization of the COVID-19 pandemic is inherent, as it is a threat not only to public health, but also national and global economics, trade and development, and could cause potential social upheavals, protection of human rights, civil liberties and values of transparency and democratic process should never be neglected, even when the specificity of threats asks for their slight distortion.

Conclusion

After taking a look at the containment measures undertaken by the Croatian Government and its Headquarters for Civil Protection, it can be stressed how the implemented precautions and mechanisms are indeed required in facing the global pandemic COVID-19. Regardless of certain hierarchy issues and the puzzling existence of civil protection structures in the shape of a Homeland Security System, when it comes to achieving a moderate expansion of the disease and protecting public health, the upheld measures and designated institutions are commendable. Yet, if the outbreak proves to be a too tough of a challenge, extensive testing processes, which could have been implemented sooner, and coping with

potential disregard of democratic values and human rights in achieving a disciplinary adoption of security measures can be a tall order for the Croatian Government in the coming weeks.

State of Emergency and Nationwide Quarantine: The Czech Answer to the Coronavirus Crisis

Ladislav Zemánek

The Czech Republic was struck by the global pandemic at the beginning of March. Since then, the situation has been evolving dynamically. In the analysis, I will summarise measures adopted by the Government, endeavouring to capture the leading tendency and “intrinsic logic” of its anti-crisis policy. In the second part, a discourse analysis will be conducted focusing on the key speeches delivered by the President Miloš Zeman and the Prime Minister Andrej Babiš. The analysis will be supplemented by the reactions among the political elite.

Adopting radical restrictive measures

Following the first occurrence of the disease in the Czech Republic on the 1st of March, the Government decided to adopt quite radical restrictive measures, whereby they endeavoured to control the progress of the epidemic in order to avoid an overcharge and subsequent collapse of the health system. At first, it was possible to trace movement of the diseased and ascertain the circle of those who could be infected. But soon, the cases started to rise exponentially, thus thwarting an effective isolation of infected individuals and protection of the society. Therefore, the Government adopted general measures which were tightening up gradually. A turning point can be seen in the declaration of state of emergency on the 12th of March when 116 infected were registered. The state of emergency has been accompanied by a decision on the ban of events with the participation of more than 30 persons, closure of all shops and businesses with exception of food stores and chemists, closure of the state frontiers, interruption of school and university classes, limitation of operation of medical facilities, companies as well as state administration, mandatory

and global mask-wearing in public, culminating with the prohibition of free movement of persons. These are the main features of the nationwide quarantine. Its goals are defined as follows: (1) to control the development of the disease and protect the health of the citizens; (2) to maintain the operation of the economic system by means of home office, e-communication and provision of financial aid and subsidies; (3) to restore the *status quo ante* as soon as possible. It is more than obvious that the Czech Government has drawn upon the Asian countries' tactics towards the fighting with coronavirus, refusing the opposite method which was chosen by Britain originally and then by some other countries, including Sweden.

One can observe an evolution of the Government's policy which has led through adoption of the severe measures towards attempts at prolongation of the state of emergency accompanied, at the same time, by loosening in some areas on condition that a concept of a "smart quarantine" is introduced. Its preparation started in March. It is to be a new system of identification and monitoring of the infected based on mobile phone and payment card data. These data would serve to determine places in which the person concerned occurred, and trace back people with whom he/she came into contact. Subsequently, hygienists will impose quarantine on possible infected, testing them. The Government expects active involvement of the army in these processes. It should be noted in this regard that the authorities will not be authorised to the identification and monitoring without consent from the person (in the adjacent Slovakia such a consent is not required). Nevertheless, it is not excluded that this substantial condition, limiting the power of the state bodies, could be eliminated in case the situation would not be getting better.

The highest representatives on the crisis

Now, let's move to the analysis of the three main speeches which have been delivered since the beginning of the crisis in the Czech Republic

so far. The first was given by the President Miloš Zeman on the 19th of March; two others were delivered by the Prime Minister Andrej Babiš on the 23rd and on the day after of the month. Both the President and the PM turned to the public via TV, the last of the PM's speeches being presented in the Chamber of Deputies.

Miloš Zeman repeated his full support of the Government's measures, warning against two extreme positions. The first is downplaying of the current situations with its risks and dangers. The second, opposite position is characterised by panic and fear. The President therefore called upon the citizens to be courageous. Although the President's attitude is clearly supportive of the Government, he did not evade criticism regarding a substantial shortage of medical and protective equipment, considering it the gravest problem hampering the fight against the coronavirus. In this regard, Miloš Zeman appreciated a massive support provided by the People's Republic of China, expressing hope that the support will continue in the future. Besides the abovementioned critical remark towards the Government, the President subjected to criticism some media, journalists and commentators who misuse the crisis to politically motivated attacks and depreciation of the State's policy. He made an appeal to the political opposition to play a constructive role and abstain in attacks on the ruling coalition and the Prime Minister. In addition, Miloš Zeman welcomed spontaneous activities of volunteers who have been assisting where necessary. The speech as a whole was positive, proportionately critical but excessively confrontational in some places, which is, nevertheless, generally expected.

The speech provoked the most positive reaction among the communists and populists from the Freedom and Direct Democracy movement who considered it balanced, realistic and statesmanlike. A chairman of the liberal Pirate Party appreciated the fact that the President drew attention to the lack of medical equipment, however, rejecting his opinion, according to which the opposition should pass the Government's measures in silence. In response, a leader of the right-wing Civic

Democratic Party stated that the opposition would support “reasonable measures”, using, at the same time, the right to criticise what they perceived a misstep. Representatives of other, marginal opposition parties stressed that, delivering such a speech, the President continued driving a wedge among the society, or disapproving his positive remarks about China’s assistance.

The Prime Minister’s speech intended for the public was marked by a slightly different spirit. It was longer but more percussive, modest and humble, warm, without any truculent moments. He avowed full political responsibility for flaws, shortcomings and missteps committed by the Government including the problem of shortage of medical and protective equipment. Andrej Babiš emphasised that the main goal was to save people’s lives and protect their security, maintaining economic activities at the same time. According to the PM, the quarantine is aimed at restricting social interactions as much as possible in order to halt spreading of the disease. Notwithstanding mistakes, he is convinced that strict and severe attitude adopted by the Government from the very beginning, is right, enabling avoidance of the Italian or Spanish scenario.

Unlike the President’s speech, the PM’s one was appreciated and respected by an overwhelming majority of the political representation regardless of the party affiliation. Both the coalition partners and opposition rivals welcomed Babiš’ thanks dedicated to medics, rescuers, volunteers and all citizens who abide by the restrictive measures, as well as his obvious effort to unite the society and contribute to the social compactness. The major reproach concerned an insufficient presentation of future plans and policies. The leader of the strongest opposition party Petr Fiala reiterated that the opposition forces were prepared to support the Government and help them to cope with the complex situation in the country. Nevertheless, a wide array of opposition representatives stressed that the Government should be more communicative, open and comprehensible in relation to the public, explicating them the reasons and goals of the adopted measures. It is undeniable that a due communication

is crucial for acceptance, adoption and observance of the extraordinary measures, infringing in civil rights in a high degree, by the citizens.

On the 24th of March, the Prime Minister made a speech in the Chamber of Deputies within a session summoned with the aim of deliberation over the need for the approval of a state of legislative emergency by the upper chamber, thus enabling faster passing of the Government's decrees and laws, and more effective fight against impacts of the crisis. The current state was described as "the gravest times of the Czech Republic's contemporary history" by the PM. Given that he appealed to the deputies for suspension of the political struggles and remaining united. While some critics of the Government have spoken about their alleged endeavours to make use of the situation to strengthen the executive powers, Andrej Babiš assured the deputies that his cabinet would not misuse the state of emergency for the disruption of the liberal democratic system. On the other hand, however, there are other values, for instance, security, public health, economic stability and sustainability or securing functions of the State, which have to be taken into account under current conditions. The task should therefore be a due balancing of these, more or less contradictory claims and seeking of a reasonable and generally acceptable compromise. It is evident that the leadership is aware of such a dilemma.

Estonia in the crisis: taking changes and considering advantages

E-MAP Foundation MTÜ

The main bit of political news for Estonia in April has just been announced – the country’s Government agreed that the emergency situation will be extended until 17 May, while “not all restrictions will end at the same time”¹. By the middle of the month, it was clearly indicated that the statistical data on the COVID-19 started showing some signs of encouragement. Having monitored the situation on the 24/7 basis, Prime Minister Jüri Ratas noted the following:

We have reached a pivotal moment in the emergency situation - the number of new infections per week in Estonia has for the first time turned to decline. [...] We can start talking about the gradual lifting of restrictions next week.²

What would be the compelling reason for the Estonian Government to commence the process of deliberation if not yet on a post-crisis life, but definitively on loosening those numerous restrictions, which were put in place for the emergency situation? Both *Table 1* and *Table 2* (see below) indicate a range of trends that, presumably, ‘told’ a good story to the Prime Minister on how the country is going through the crisis. For example, despite the fact that the number of ‘Confirmed cases’ of the virus-holders is constantly growing, it is corresponding to the downhill trend on ‘Active cases estimate’ and upward-going indicator of ‘Discharged from hospital’ (*Table 1*). Another lot of examples, outlined by *Table 2*, give an impression of a well-managed process on taking tests per days as well as the ratio

¹ ‘Government extends emergency situation’ in *ERR*, 24 April 2020. Available from [<https://news.err.ee/1082079/government-extends-emergency-situation>].

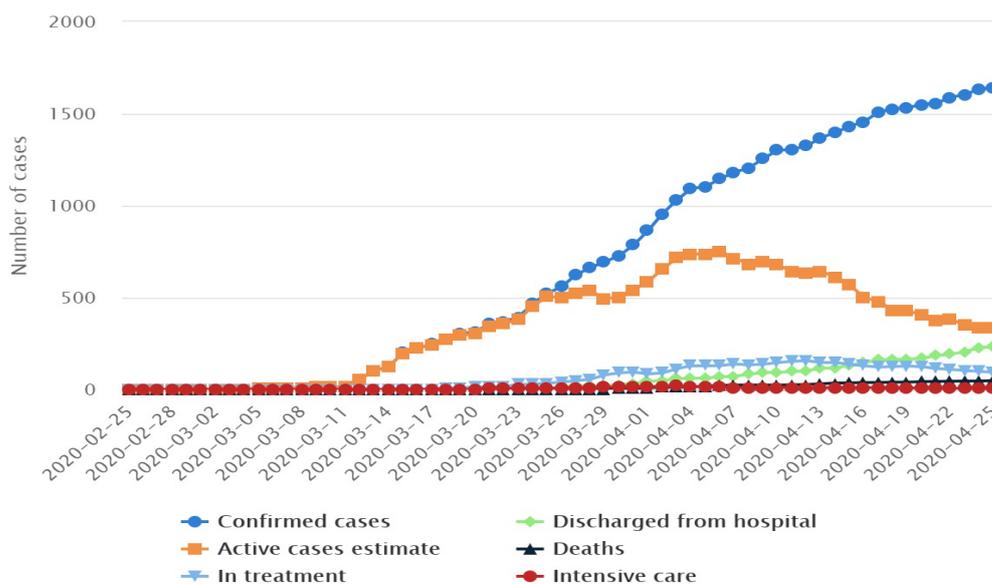
² Jüri Ratas as cited in ‘Ratas: Next week, we can start discussing easing restrictions’, *ERR*, 17 April 2020. Available from [<https://news.err.ee/1078946/ratas-next-week-we-can-start-discussing-easing-restrictions>].

between positive and negative results. In a way, it is difficult to disregard an objectively non-partisan commentary given by Mart Laar, the Republic of Estonia’s former Prime Minister, who is, probably, not the biggest ‘political fan’ for the country’s current governmental coalition:

[...] I can still commend the government. If only for managing to stay calm and make decisions. Decisions can go wrong during a crisis, but even a mistake is better than endless dawdling. The worst decision is failing to make one.³

Table 1

Cases

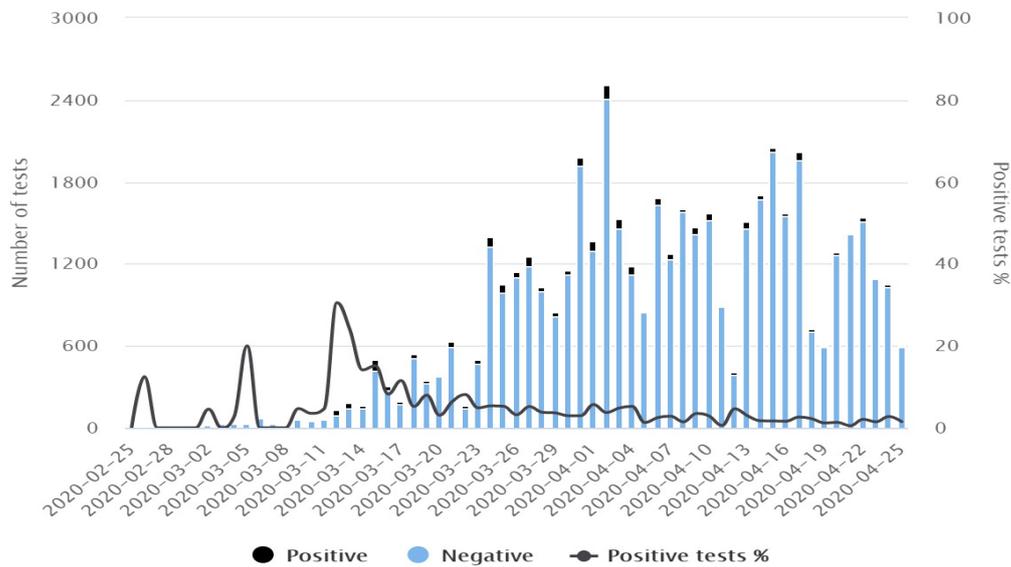


Source: ‘Koronakaart’ in *Terviseamet*

³ Mart Laar in Aimar Altosaar, ‘Mart Laar: Estonia has an advantage over Europe in crisis’, *Postimees*, 22 April 2020. Available from [<https://news.postimees.ee/6955765/mart-laar-estonia-has-an-advantage-over-europe-in-crisis>].

Table 2

Tests per day



Source: ‘Koronakaart’ in *Terviseamet*

Considering the most recent nationally averaged poll, on 11 April 2020, the electorate reflected on the Government’s handling the COVID-19 crisis with some kind of appraisal of the Jüri Ratas-led cabinet of Ministers. The party of the Prime Minister, the *Centre Party*, together with the *EKRE* and *Pro Patria*, which also ‘supplied’ people to hold ministerial portfolios, correspondingly enjoy 24.6%, 16.7%, and 5.6% of popular support (to be compared with the March-collected figures of 22.2%, 18.5%, and 5.5%⁴). Once again, as it was the case back in March, the aforementioned results, if added up together, do not give the three coalitional partners a desirable percentage to form yet another Government – some support from another political party will be required, should this political coalition remain unbreakable for the future.

⁴ ‘Estonia’ in *Europe Elects*. Available from [<https://europeelects.eu/european-union/estonia/>].

At the same time, the *Reform Party*, which is country's biggest oppositional party in the *Riigikogu*, is currently 'staying' in the vicinity of 29.9% (comparing with the January's 31.3% and the March's 29.4%)⁵. Within an imaginary new governmental coalition, the 'reformists' can get some support from their partners-in-opposition 'social-democrats' (7.9%) and the non-parliamentary *Eesti 200* (9.2%). This trio is also not quite there in regards of reaching the needed threshold to be in a position of forming a prospective Government, but on an election's day miracles do occur.

In this context, should the data from the above-described averaged poll, which represents the result of a smoothing cubic spline fitted to a dataset of all national polls collected in Estonia within a period, be substituted for a moment by the most recent data collected by *Kantar Emor*, a significantly different discussion may be taking place. The whole point is that, in their poll, *Kantar Emor* includes only those respondents who have already established their political party-related preferences; those survey participants, who found it difficult to answer the question on what party they would vote for, were excluded from the overall result. Having collected the data on 20-22 April, *Kantar Emor* put the 'reformists' on the top with 30% – it is almost an identical figure to what was detected by the averaged poll a bit less than two weeks before. However, it was the end for any other major similarity – the next spot in line was taken by the *EKRE* or 'Conservative People's Party of Estonia' (19%), which was followed by, surprise-surprise for the Prime Minister, the *Centre Party* with 18% only⁶.

In the reported material, the pollster was visibly excited to detect that the *Eesti 200*, the party that has not been remarkably active in the field where they need to be proposing different agendas or pushing for policy changes, is enjoying a very high level of popularity (in the vicinity of 13-

⁵ 'Estonia' in *Europe Elects*.

⁶ 'Kantar Emor: рейтинг центристов и ЕКРЕ сравнялся, 'Эстония 200' опережает соцдемов и Isamaa' in *ERR*, 27 April 2020. Available from [<https://rus.err.ee/1082740/kantar-emor-rejting-centristov-i-ekre-sravnjalsja-jestonija-200-operezhaet-socdemov-i-isamaa>].

14% from February until now)⁷. It looks like, for the *Eesti 200*, it is simply enough to just be in existence to collect the fallen ‘political fruits’ from the other parties’ ‘tries’. Intriguingly, for a prospective composition of the next *Riigikogu*, if the *Kantar Emor*-detected *status quo* represents the unvarnished actuality, then the ‘reformists’, the *Eesti 200*, and the ‘social democrats’ (with their 10% of popular support) can easily form a Government on their own, effectively switching the sides with the current governmental coalition. Arguably, in a similar way to what was taking place in Estonian politics in November-December 2018 (pre-electoral period for the March 2019 parliamentary elections), the *Eesti 200*, appears to be an ace-holder for the next *Riigikogu*-focused contest, scheduled for taking place in March 2023. If only this non-parliamentary party does not waste its electoral ‘capital’, once again...

In the meantime, the same Government is battling through the same global crisis. The country’s budget was destined to be revised in April, and the actual changes made to it will be discussed in another thematic brief. In such a complicated context, however, the latest interview with Mart Laar, who served as the country’s Prime Minister in extremely difficult times (1992-1994 and 1999-2002), was very timely to appear. One of the most internationally acclaimed European reformers of the 1990s, Laar systematised a couple of important lessons for the current Estonian Government to learn:

The first lesson is that crises can be fundamentally different, which is why there is no one recipe for solving them. The crisis today is fundamentally different from the previous economic crisis, meaning that ways for solving it are also different. This is the first time so many countries find themselves in crisis together and the first time that ties between them have been severed to such a degree. The second thing I have learned is that crises cannot be solved based on fixed ideas, solutions must be creative. The circus revolving around the work permits of foreigners

⁷ ‘Kantar Emor: рейтинг центристов и ЕКРЕ сравнялся, ‘Эстония 200’ опережает соцдемов и Isamaa’.

who got stuck in Estonia is a good example. [...] Estonia has an advantage over most European countries as its governments have managed to keep public debt low even during previous crises. While I sympathize with countries that are having serious problems in the current crisis, the saying about reaping what you sow comes to mind.⁸

In a very paradoxical way, the COVID-19 has dramatically pushed the Estonian Government as well other representatives of Estonian political elites towards re-discovering their own country to find out that **a)** Estonia has a capable society who can quickly adopt into a resilience-driven mode; **b)** the Estonian political system is battling through the crisis with minimal ‘giveaways’ to a non-democratic way of life; **c)** Estonian administrative division makes sense, and different territorial units communicate effectively during the crisis; **d)** there has been no big concerns detected in regards of any corruption mechanisms being engaged in the process of receiving financial help from the Government and other authorities; and **e)** different discussions on a strategy for the post-crisis life are picking up their pace, featuring a good level of political transparency. Clearly, Mart Laar has been objectively spot-on, noting that Estonia has some advantages over other countries. It definitely does.

⁸ Laar in Altosaar.

Political gains for the governing party in Greece

George N. Tzogopoulos

The governing New Democracy party has managed to place COVID-19 under control. By taking social distancing measures early in March, it prevented a drama – similar to that of other Western countries – from happening. While the economic management of the pandemic is yet to be assessed, the comparison of the situation in Greece with that of other states in Europe throughout April, is generating a sentiment of self-confidence among New Democracy members. Rates of approval for the governmental work and that of Prime Minister Kyriakos Mitsotakis are high. Scenarios of early elections are frequently discussed in the public agenda but Mitsotakis excludes the scenario.

April is a critical month in Greece's fight against COVID-19. By taking measures on time – before mid-March – the country has managed to place the virus under control. Times ahead will be critical though, especially in supervising lockdown measures and mitigating the economic impact of the pandemic. For Greek Prime Minister Kyriakos Mitsotakis, the crisis has taught him to make difficult decisions without necessarily having accurate and comprehensive information about the situation. In an interview with *Kathimerini* newspaper he explains that he decided to close down schools, universities and later shops and restaurants defying reservations by his economic advisers that this could have a dramatic cost for the national economy. In the same interview, he appears optimistic that Greece will create a better health system in the medium-term. He spoke about necessary synergies between the national health system and the private sector but was rather vague on how his ambition could turn real in the future.

In the view of Mitsotakis, the summer period can possibly assist the efforts of the Greek government in combating COVID-19. It is expected that the temperature rise will lead to a fall in the number of cases. Such a development will give some time to the Greek government to secure additional intensive care unit beds for a potential deterioration of the situation in October and November. The Greek Prime Minister considers it unlikely for a vaccine to be found in the short-term but believes that scientists will soon agree on medicines to provide relatively efficient treating. He is also confident that the ongoing pandemic will rebuild trust between the majority of Greek citizens and the institutions. This trust had been challenged in the years of the economic crisis due to the responsibility of Greek politicians in causing the problem and steering the country out of it. A potential success of the state in the fight against COVID-19 will perhaps reduce the suspicion of citizens. However, this will largely depend on the economic impact, even if public health is secured.

For Premier Mitsotakis and the governing New Democracy party the pandemic is a good opportunity for political gains, at least temporarily. While the majority of Greek citizens prioritizes health and applies social distancing measures as a matter of self-protection against a potential contamination, it expects seriousness by politicians. The Greek government has managed to showcase a solid response to the initial outbreak of the problem. It is not rare for people to rally round the leader in the early stage of a crisis. Political criticism can provisionally hibernate. The results of some surveys are indicative. According to a March poll, 80.4 percent of respondents considered measures as ‘necessary’ and only 8.7 percent illustrated them as ‘extreme’. It also exhibited that 91.6 percent would be prepared to stay home during the Easter holiday. Kyriakos Mitsotakis (63.1 percent) was regarded as ‘more suitable’ for the position of the prime minister in comparison to the leader of the main opposition Alexis Tsipras (19.1 percent). 51 percent of respondents predicted that SYRIZA would not manage the pandemic as efficiently as New Democracy if in government. In the ‘intention to vote’ question,

Democracy had a clear lead (43.6 percent) over SYRIZA (24.2 percent). The difference increased by 9.2 percent in comparison to the pre-COVID-19 period.

Other opinion polls offer similar findings. An April Pulse survey demonstrates that New Democracy (45 percent) enjoyed a lead of 23 percent over SYRIZA (22 percent). 82 percent appreciated measures taken by the government while SYRIZA voters (78 percent) also applauded New Democracy's response. The same survey suggests that respondents were divided when assessing the stance of Tsipras. 46 percent positively saw it whereas 47 were not enthusiastic. Tsipras himself is well-aware of the public opinion attitude and refrains from criticizing the government with the exception of the inefficiency of economic measures taken. In a speech he gave in an empty Greek Parliament at the beginning of April he said that his party's support to the government did not signal its willingness to be silent. His main concern is that New Democracy's economic maladministration could be reminiscent of the pre-2010 period. But the 'battle of survival', he underlined could not but be the priority.

The communication strategy of the Greek government largely counts on the positive coverage of its response to COVID-19 by international media. While international media had been very critical for all Greek governments during the economic crisis, they recently acknowledged the quick response. *Bloomberg*, for example, published two articles titled: 'Greece shows how to handle the crisis' and 'Humbled Greeks show the world how to handle the virus outbreak'. And *CNN* played a special video concentrating on Greece's ability to restrain the spread of COVID-19 in comparison to countries like Italy. As far as national media are concerned, they do rarely criticize the government with only a few exceptions such as media supporting SYRIZA including the *Journalists' Newspaper*, and *Avgi*. From the outset of the crisis, the Greek government financed a communication campaign worth of €11 million that has been crucial for the economic survival of media enterprises in times of limited advertisement flows by companies suffering serious losses. 45 SYRIZA

MPs questioned the necessity of the release of such a high amount. And they explained that it should have been an obligation for media organizations to publish material relevant to COVID-19 as a matter of social responsibility.

The possibility of an early election is also being examined in the public discourse. That is because the momentum certainly favors New Democracy. Mitsotakis was asked about the likelihood of this scenario in his interview with *Kathimerini* newspaper. He rejected it and explained that it is not in his interest to call an early election on the basis of political opportunism. Obviously, the Prime Minister gave the politically correct answer. But the lead of New Democracy in all surveys is generating confidence among many of its members to the hurdle of the SYRIZA electoral law that is based on proportional representation. If a snap poll is called in good times for New Democracy, a second one can soon follow. The difference is that the second will be based on the electoral law recently voted by New Democracy that restores the bonus of seats for the first party. Party members who push for this option suggest that New Democracy will easily win both rounds and form a government alone with a large majority. If an election takes normally place in 2023, they say, New Democracy will certainly be based by staying in power for four years.

It is certainly bizarre that election scenarios appear in the country's public agenda in the period of the pandemic and less than a year after the national election of July 2019. But this goes in line with Greece's political culture and the tendency of the media to speculate. To endorse the option of an early election under current circumstances is certainly (politically) risky and can distract attention from the clear objective which is the victory against COVID-19. It is questionable whether a national election, and possibly a second round, will be safely organized in the summer or in September, even if the infections are limited. Following many weeks of lockdown and social distancing, should citizens be asked to go to the polls? And how will overcrowding be prevented without long queues and deep public frustration? Additionally, Mitsotakis needs to calculate a potential

impact by the natural anger of some citizens who will be asked to vote one year after the national election without a clear reason. The government has a mandate to govern for four years. Should it asks for a renewal of the mandate for political motivations only, Mitsotakis will be entrapped in an adventure without clear end.

Conclusion

The governing New Democracy party is proud for taking early social distancing measures. The impact of this policy produces results in April and is being appreciated by the majority of Greek citizens. Prime Minister Kyriakos Mitsotakis hopes that the summer period will see a decline in COVID-19 cases but expects a deterioration in the 2020 autumn. The scenario of a snap election during the summer or in September for New Democracy to renew its political mandate has been a theme significantly discussed in the public discourse. But to call a snap election following weeks of lockdown will not only entails opportunities but also risks for New Democracy. Mitsotakis has publicly excluded this possibility in his interview with *Kathimerini* newspaper.

Hungarian politics in the whirl of the coronavirus

Csaba Moldicz

Everywhere in the world right now, political decisions are mainly targeting the problems caused by the coronavirus, focusing on its containment, and trying to mitigate the havoc caused in the economy by lockdowns too. It is the same in Hungary, where politics very much revolve around the main decisions and measures that are to be taken in the fight against the coronavirus. This briefing focuses on this discussion, the main arguments of the parties are to be analyzed in the paper, and the results of the latest surveys are to be analyzed too.

As we pointed out in our earlier briefing, Hungary declared a state of emergency on March 11, 2020 in order to swiftly take the necessary decisions that otherwise would have needed more time and discussions within the Parliament. According to the basic law of the country, the state of emergency can be declared for 15 days, then the extension of the state of emergency for the next 15 days must be approved by the Hungarian Parliament, and so on. This is the reason why the Hungarian government submitted a bill version last week that automatically extends the state of emergency as long the government deems it necessary. The opposition parties rejected the proposal – at this kind of legislation a four-fifth majority is required by the law. According to the law, the next round of voting only required a two-thirds majority to be implemented, thus the Hungarian parliament voted on the proposal the second time and adopted it on March 30, 2020. Critics underline that the main intention behind this bill is to sideline the Hungarian Parliament and concentrate the power in the hands of the Hungarian government. It is important to highlight that criticism not only comes from Hungary, but human rights watchdogs (Amnesty International, the Helsinki Committee) also expressed their

concerns about the bill adopted by the Hungarian Parliament. However, before discussing this element in detail, we will first take a look at the newest survey data.

The latest survey results

As mentioned above, one of the most controversial issues is the extension of the state of emergency without the exact exit date. The Nézőpont Institute carried out a survey between 26 and 28, March 2020 with the inclusion of 1,000 people. According to the results, 58 percent of the pollees supported the extension of the bill until the epidemic cannot be contained, while only 38 percent supported the extension of the state of emergency until 30 June 2020.

90 percent of the pollees agreed with the nature of the government emergency measures taken as a response to the speech on the coronavirus. Government sympathizers supported with an overwhelming 94 percent, and even opposition sympathizers – 90 percent of them – gave full support to the emergency measures.

Another key issue was that of the punishment of those who spread misinformation and fake news publicly, and thus, constrain the efficient fight against the virus, was made more severe due to the state of emergency bill. Accordingly, a custodial sentence can be imposed on these people and the maximum length of the penalty can go up to 5 years. This element was heavily criticized by the opposition parties and the reason of the question of whether the pollees agree or disagree with these changes, was included in the survey. Not only government sympathizers, but some opposition sympathizers (61 percent) support this decision. The next changes were strongly supported as well:

— The extension of family allowances was endorsed by 95 percent of the pollees.

— The suspension of evictions was backed by 89 percent of those included in the questionnaire.

The question regarding satisfaction with the government's work was also raised in the survey. 74 percent of the government sympathizers endorsed the government measures, while the same figure was 40 percent among the opposition sympathizers.

The Publicus Institute carried out its usual political support survey between 17 and 21 March including 1,003 people.⁹ The results showed significant differences to those measured in the first two weeks of March. Among eligible voters, the political support of Fidesz-KDNP is 30 percent now, rising by 1 percentage point, while fewer people would vote for MSZP in the same voter group, the decline was here 1 percentage point too. Jobbik (6 percent) and DK (8 percent) suffered similar losses in these two weeks, each support base declined by 1-1 percentage point. However, the Momentum bore the biggest losses according to the results of the survey, since its political support among the eligible voters shrank significantly by 5 percentage point, thus its political support is just 3 percent now.

The Publicus Institute published the survey results in a different breakdown, where Fidesz-KDNP data are compared to the data of the opposition parties who forged a coalition in the last municipal elections. Data are available from last May, and what we can show is that the opposition parties had significantly stronger support among the voters since last October, and the gap was widening between Fidesz-KDNP and the opposition parties until the first two weeks of March. At this point the advantage of the opposition parties was 5 percentage points, however, the reactions of the opposition to the coronavirus were slow and did not support the crucial measures that had been implemented by the government, thus the support of the opposition plummeted by 9 percentage points! At the same time, the share of uncertain voters jumped from 35 percent in the first 2 weeks of March to 41 percent in the second 2 weeks of March, which vividly shows the rapid change of the political landscape over the recent weeks.

⁹ <https://publicus.hu/blog/partok-tamogatottsaga-2020-marcius-vege/>

| | May 2019 | June 2019 | July 2019 | August 2019 | September 2019 | October 2019 |
|---|---------------|---------------|--------------|---------------|-----------------|------------------|
| Fidesz-KDNP | 29 | 31 | 29 | 30 | 31 | 29 |
| Opposition * | 29 | 30 | 31 | 30 | 28 | 30 |
| | November 2019 | December 2019 | January 2020 | February 2020 | 2-15 March 2020 | 16-29 March 2020 |
| Fidesz-KDNP | 28 | 28 | 28 | 29 | 29 | 30 |
| Opposition * | 29 | 29 | 31 | 32 | 34 | 25 |
| Source: Publicus Institute | | | | | | |
| Remark: * Opposition parties who forged a coalition in the last municipal elections | | | | | | |

Reactions to the announcement of the state of emergency

As we pointed out earlier, human rights watchdog (Amnesty International, Helsinki Committee) heavily criticized the bill that gives special rights to the Hungarian government with no time limit. At the same time, European politicians also slammed the bill, f. ex. the President of the European People's Party (EPP), Donald Tusk asked the member parties of EPP in a letter to reconsider their point of view regarding the membership of the Hungarian Fidesz in the EPP. (The issue of Fidesz' membership in the EPP has been debated several times over the course of the last year and the parties have not arrived at a final conclusion, thus the membership of the party is suspended right now.)

This letter was leaked and was published by the news portal Euronews. Criticism regarding the adopted bill was expressed by several other European politicians, f.ex. the EP-member of the Danish Conservative People's Party, Pernille Weiss, the Luxembourg Minister for Foreign Affairs, Jean Asselborn and the President of Foreign Affairs of the German Parliament, Norbert Röttgen.

Asselborn proposed a political quarantine for the Hungarian government, which would mean that other governments would not negotiate with Hungarian diplomats and ministers. The Danish proposal was to expulse the Hungarian party from the European People's Party. In order to expulse the Fidesz-KDNP from the EPP, the motion needs 7 member parties, who at least represent five member states of the EU. In our understanding, if either of the two proposals would be approved, the political quarantine is more likely to be implemented, since there is no need for a formal procedure and any formal rules to be implemented. After these initiatives, 12 party leaders of the EPP group sent an open letter to Donald Tusk, in which they call upon the expulsion of the party from the EPP: "*We call on the expulsion of Fidesz from the EPP in accordance with article 9 of the EPP statutes*" The latter was initiated by the Swedish Moderate Party, however, it was not signed by the German and French conservative parties.

It is very likely that both the debate around Fidesz' membership and the article 7 procedure will be rekindled within the next weeks. These foreign reactions are very likely to be used in the Hungarian political discussion by the opposition parties on the coming period, however given the strong domestic support behind the Hungarian government's decisions, the question of whether the political attack using foreign players won't backfire as it did several times over the last decade, when opposition parties tried to drag EU institutions and other European politicians into the Hungarian politics arises. In our understanding, the best argument the Hungarian government might offer us in this debate is drawing attention to the details of the state of emergency. The name itself (state of emergency) might not be the best one, since it restricts itself to the preventive measures and fight against the coronavirus, not a real one which usually used in political chaos, or crisis situations.

Latvian political solutions to mitigate the effects of COVID-19

Nina Linde

The amortization of social and economic consequences

For more than half a month the citizens of Latvia have been living under the emergency situation. Undoubtedly the economic impact on the daily lives of the Latvian citizens has been massive as the unemployment levels have been increasing.¹⁰ However, the precaution activities taken has proved them to be successful as the number of active cases of Coronavirus have been decreasing.¹¹ Although the limitations are relatively small in comparison to other European countries, Latvia has been able to sustain one of the lowest death rates per 100 000 citizens in the European countries.¹² Despite the success in health system and the provided support tools Latvia is in front of upcoming political challenges and is already facing restructuring process to improve the welfare of Latvian citizens during these challenging times.

The borrowing limit for local governments is increased by 150 million euros to mitigate the effects of COVID-19

One of the key priorities for Latvia during the Covid-19 crisis is to improve the unemployment level. The data from State Employment Agency shows that the share of unemployment is increasing, which is mainly explainable due to the Covid-19 crisis.¹³ Because of that the Parliament of Latvia has been actively creating solutions to boost the economics of Latvia. This decision of increasing the municipal borrowing

¹⁰ https://www.nva.gov.lv/docs/31_5ea6a81ed129f1.00708681.pdf

¹¹ <https://spkc.gov.lv/lv/tavai-veselibai/aktualitate-par-jauno-koronavi>

¹² <https://www.statista.com/statistics/1111779/coronavirus-death-rate-europe-by-country/>

¹³ <https://www.nva.gov.lv/index.php?cid=6>

limit for 2020 by 150 million euros in order to be able to invest in high-readiness projects co-financed by European Union funds and other foreign financial assistance with economic significance, as well as investment projects submitted by the Ministry of Environmental Protection and Regional Development.

Proposals for redistribution of EU funding to mitigate the effects of COVID-19 have been supported

The opportunity approved by the European Commission to restructure and reorganize the European Union funding to fields which currently need the most support has a great influence since Latvia will be able to save the State budget funds. The redeployment proposal for European Union funding was designed to address three current needs. Primarily, strengthening the capacity of the health system by ensuring urgent investments in strengthening the capacity of infectious and psychiatric fields. Providing support to companies - in the provision of working capital of export-capable and productive companies, modernization of production and heating of the economy. As well as investments in mitigation of socio-economic consequences - employment measures. In total, it has been decided to redistribute 500 million euros of European Union funding. It has now been decided to allocate 100 million Euros to the Ministry of Transport for the discontinuation of railway projects for the strengthening of health services, 30 million euros for entrepreneurs, 35 million Euros for working capital and fixed assets instruments, 20 million Euros for employment support measures and workforce training and reorientation measures. In its turn, the financing of energy efficiency projects under the Ministry of Economics in the amount of approximately 7.5 million Euros should be directed to the projects of municipal energy efficiency measures to be implemented in 2020.

The Latvian Parliament approves additional measures to overcome the difficulties caused by Covid-19

To amortize the caused political and economic consequences by the outbreak of global pandemic during April 2020 the Parliament of Latvia enforced new amendments. Amendments to the law stipulate that expenses incurred in providing social assistance are recognized as operating expenses of the company and are not subject to corporate income tax. This will support companies that are actively involved in providing social support during an emergency, such as providing computers and other smart devices to schools, handing over disinfectants to medical facilities, and providing lunch and coffee to doctors. The amendments also stipulate that municipal capital companies, whose turnover has decreased by 50 percent due to the crisis caused by Covid-19, may receive a state budget loan to increase the company's share capital in order to finance its maintenance costs. The amendments also provide for the establishment of an alternative investment fund, in which it is planned to invest not only public but also private funds, thus providing support to entrepreneurs, for example, by investing in the company's capital. The fund will be managed by the development finance institution Altum.¹⁴

During April 2020, a big proportion of political discussion revolved around the State downtime support payments. During March 2020 in support of the local enterprises the government of Latvia supported the Law of Idle payment, which aims to support the enterprises and businesses which have been negatively affected by measures to control the spread of the Covid-19 virus. Entrepreneurs in all sectors that meet the set criteria can apply for state aid measures to mitigate the effects of the crisis - the distribution of downtime benefits and arrears of taxes in time or deferral for up to three years. In the beginning the companies whose income in March or April 2020 had decreased by at least 30% compared to the

¹⁴ <https://www.saeima.lv/lv/aktualitates/saeimas-zinas/28894-saeima-apstiprina-papildu-pasakumus-covid-19-radito-sarezgijumu-parvaresanai>

corresponding month of 2019 were able to apply for the downtime benefit and tax extension.

However, during April 2020 the enforced amendments received a lot of criticism from the public sector as around 40% of the Idle payment applicants received rejection and were not qualified to receive monthly Idle payment.¹⁵ As more well-known Latvian enterprises received rejection it raised more public and political discussion regarding the Idle payments. The qualifications were written in a manner that made it really difficult to apply for the Idle payment support and therefore by data from State Revenue Agency it can be concluded that only around less than five percent of the Latvian workers were able to receive Idle payment support. Because of the public resonance and the flaws of the enforced amendments in April 2020 in approval by the Parliament of Latvia the criteria for granting the downtime allowance to employees of companies affected by the COVID-19 crisis have been improved and additionally the application deadline was extended. The amendments stipulate that in the future, when deciding on the granting of downtime benefit and / or “tax holidays”, the State Revenue Agency will consider the income of companies and their reduction due to the COVID-19 crisis from the moment of starting a real economic activity and not from the moment of registration. The amendments also stipulate that an employee of a company may receive a downtime allowance even if his or her employer or a member of the company's board has been penalized for a violation related to tax, customs or employment relations in the previous year and at the time of assessment as previously it was one of the main reasons why workers were not able to receive Idle payment support.

¹⁵ <https://lat.bb.lv/raksts/ekonomika/2020/04/17/dikstaves-pabalstus-vid-atsaka-gandrizz-puse-gadijumu-kads-pamatojums>

The Parliament of Latvia conceptually supports amendments to the law on repayment of mortgage debts during the 2008 crisis

Before the economic crisis of 2008, there was a huge increase in lending rates in Latvia, but the sharp drop in income after that created very great difficulties in fulfilling the assumed obligations. These debts are now practically irrecoverable. The data at the disposal of the Bank of Latvia and the Financial Industry Association show that there are currently about 13 thousand debtors affected by the crisis in Latvia and the total amount of debt is estimated at up to 600 million euros. Because of that in April 2020, the Latvian Parliament conceptually supported the amendments to the Law on Credit Institutions and the amendments to the Law on Personal Income Tax, which provide for the possibility for credit institutions to unilaterally repay debts on mortgage loans taken before the 2008 economic crisis. With the changes in the personal income tax law, it is planned to determine the basic principles of repaying mortgage loans. It is envisaged that credit institutions will be able to unilaterally erase debts on loans taken by residents for the purchase of real estate by the end of 2008.¹⁶ It is also envisaged that the settled liabilities to the debtor will not be treated as income and will not be subject to capital gains tax. At present, some credit institutions already implement various settlement programs by concluding a mandatory bilateral agreement in writing. The proposal for unilateral debt forgiveness is encouraged because the current practice is considered to be a significant impediment to full or partial repayment.

Conclusion

In order to mitigate the effects of Covid-19 and to improve the regional unemployment levels the borrowing limit of funds for municipalities have been increased by 150 million euros, which will allow to invest in high-readiness projects. To strengthen the capacity of the most

¹⁶ <https://www.saeima.lv/lv/aktualitates/saeimas-zinas/28917-saeima-konceptuali-atbalsta-likumu-grozijumus-par-2008-gada-krizes-laika-hipotekaro-paradsaistibu-dzesanu>

current significant fields like medicine and export-capable and profitable companies, modernization by the approval of the European Commission the available European Union funds will be reorganized. To amortize the caused social and economic consequences by the outbreak of global pandemic the Parliament of Latvia enforced new amendments, focusing on companies that are actively involved in providing social support during an emergency situation. Additional focus has been put on municipal capital companies, which have been deeply affected by the Covid-19 crisis meaning increasing the company's share capital in order to finance its maintenance costs. The public discussions were raised regarding the State Idle payments as the created support system showed to be ineffective in several ways.

Lithuania's irregular parliamentary work under quarantine and democracy

Linus Eriksonas

On 9 April President Gitanas Nausėda signed the decree announcing that following the Constitution (which stipulates that the date of the parliamentary elections ought to be fixed no less than six months before the termination of the mandate of the current Seimas) the parliamentary elections will take place on 11 October. The announcement prevented any speculations which might have created space for though as concerning alternative dates or even the possibility of postponement of the elections as it happened in other countries. When commenting on the announcement, the President said that “political campaign this year starts very unusually – under the conditions of strict prohibitions of mass gatherings and events”. According to the President, it is imperative to ensure that the right of the electorate to choose its representatives is not curbed. “There is a need to involve not only the public institutions but also the participants of the political campaign even under the conditions of quarantine to look for new methods on how to reach voters and mobilize them”, - urged President Nausėda.

Below is a brief outline of the main aspects of the political process during the first month since the announcement of the election date. It tries to explain how the quarantine imposed due to the coronavirus has changed the conditions for the political process in the country for the advantage of the government and the disadvantage of the opposition.

Before the spread of the coronavirus pandemic, followed by the introduction of national quarantine on 13 March, the main governing party (the Lithuanian Peasants and Green Union) was on a downward slope in the public polls. The latest poll conducted before the pandemic has shown that the party had support of only 6,9 per cent of the respondents. The two main opposition parties - the Conservatives and the Social Democrats –

were well ahead of having 16,6 and 12,2 per cent support. Even the Labour Party which has lingered on the political fringes, having secured only two seats in the Parliament in 2016 as compared to 29 mandates secured in 2014, has risen few per cent points above the governing party in the public polls. The by-elections held in three single-member constituencies on 8 and 22 September last year also showed the trend – the opposition parties took all three mandates: two by the Conservatives and one by the Social Democrats. It was also reflected on the behaviour of the members of the governing faction in the Parliament. The faction has dwindled from 56 members at the start of the term in 2016 to 48 members as of January this year, following the departure of the political bed-fellows now in search for alternative ways to pursue their careers.

The situation has profoundly changed with the threat of the coronavirus to public health. The government found itself in the unique position having an unprecedented, yet publicly endorsed mandate, to regulate the public life and the national economy. The introduction of the quarantine and the lockdown of borders have impacted the democratic freedoms, including the freedoms of speech, association, assembly, religion and movement as these freedoms could not be fully exercised in a physical space and had to move to the online space which has not been accessible to all society with equal ease and comprehension. A steep learning curve of mastering the software tools and online procedures and adapting them to the democratic processes meant that those public institutions and political actors which have defined the transition of the public governance from the physical space to the online domain, have found themselves in a more advantageous position.

The increased powers of the executive branch of the Government resulted in the record-high approval rates of Prime Minister Saulius Skvernelis and Minister of Health Aurelijus Veryga. The latest opinion poll (conducted on 5-8 April) have shown that the Government has the overwhelming support of the population. Sixty per cent of the respondents have indicated their favourable opinion about the Prime Minister's work

in the office (last December the Prime Minister was approved only by ca. 42 per cent of respondents in another poll). Fifty-seven per cent of the respondents approved the work of the Minister of Health (the approval ratings of the minister were one of the lowest among the members of the cabinet and usually hovered slightly above 25 per cent). The approval rates of the Prime Minister and the individual ministers in the Government have also translated into the higher approval rates for the governing party. Though in March the Conservatives still led the polls with ca. 17 per cent, yet the governing party regained some of the lost ground from other centre-left parties (the Social Democrats and the Labour Party) by increasing to 12,1 per cent. The downward trend has reversed.

Few circumstances have favoured this development. First, the political communication of the parties during the quarantine has been limited to the online space only. It cannot be as effective, especially in certain parts of society due to their inadequate level of computer literacy or lack of experience of adapting the software tools for communication remotely. Second, and most importantly, with the introduction of the quarantine, the Parliament ceased its regular sessions and limited its activities on the issues directly related to the measures coming out of the government in response to the coronavirus pandemic. The non-coronavirus issues were put on hold. The opposition has raised the issue that the limitation of the parliamentary activities should be restored in order to maintain the democratic process.

The issue has been taken up by President Nausèda. By announcing the election date, the president opened up the election process in order to give a spur to the democratic politics, however, since it takes place under the quarantine rules it had the opposite effect. The governing party has been strengthened while the political parties outside the government have been pushed aside. The dominance of the coronavirus agenda has largely precluded campaigning on other issues, and thus, narrowed the political space for the opposition.

On 17 April the President addressed this issue head-on. He called upon the Parliament “to start working more energetically” and sent out a warning to the Government that “by strengthening one of the institutions a threat to democracy emerges”. “Only all governmental institutions together can achieve an optimal result. If there is a dominance of one of them, democracy is suffering since the discrepancies emerge, which sometimes are called a police state and so on. I do not want that such manifestations in Lithuania. I want that all governmental institutions should work jointly”, - said the President on the record.

In the absence of the possibilities to conduct the political work face-to-face with politicians, public officials and the electorate, the political parties are exploring the ways of replicating the political process online using the social media platforms. However, this creates a significant challenge for the political parties aiming to create and maintain particular political identities and shared value-based political communities. The open social media platforms have not been yet fully used for the electoral process as in other Western countries, besides they are owned by commercial entities operating outside of the country and, often, outside of the European Union where stringent personal data regulation has been put in place. By not being able to engage the voters by canvassing door-to-door or in public gatherings and meetings across the country, the parties have to act in a more encompassing and, indeed, a more by-partisan way, by participating in social media groups and communities becoming user groups along with others. It makes the political parties more vulnerable to non-partisan groups which are free to ride on the political ideas proliferating on social media.

In order to kickstart of the electoral campaign and increase the mobilization of voters around specific values, ideals and identities, the main political parties are working with specific policy ideas proposing the ways to deal with the fallout of the coronavirus crisis which is estimated to come around the time of this year’s parliamentary elections. To that end, the Conservatives have addressed the Government and the society-at-large

by proposing the package of policy measures for easing the adverse impacts of the coronavirus crisis. The plan entitled “The Plan for Saving Economy” aims to create new political openings. First, it seeks to involve the Government in the discussion directly (while the quarantine limits such possibilities). Second, it aims to engage with a broader group of stakeholders (which are vital for supporting the political campaigns), thus energizing them and potentially converting into supporters and influencers. Thirdly, by creating a list of talking points, it can address and engage voters in the social media groups more easily.

Apart from the governing party, other parties have less experience, resources and channels to create more sophisticated political strategies, yet the trend is clear. Under the new conditions shaped by the coronavirus, the space for parliamentary politics has narrowed while the space for non-parliamentary politics is opening.

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N. Macedonia's authority and its limits under the spotlight of COVID 19

M. Adela Gjorgjioska

Situations of crisis often play the role of a spotlight that places pre-existing and underlying conditions into a new and a sharper focus. As a new phenomenon, the coronavirus pandemic has brought about a set of abrupt disruptions to daily lives, which have triggered new experiences and interpretations of the political sphere. In turn this has shone a new light on the authority and ability of the state to address the challenges of the pandemic.

Aspects of (the limitations of) state authority were exposed in light of several events that took place in the context of the prevailing “state of emergency” in place since the 18th of March. The authority to issue commands in order to control the spread of the coronavirus in this period lied with the (Technical) Government. The specific goals in question pertained to managing the spread of the coronavirus, as well as its various consequences: to health, to the economy and society at large. One command to this effect was the curfew. Specifically, it was the Ministry of Interior and the Police forces under its command that were responsible for the enforcement of this measure.¹⁷ Thus, as the curfew went on the Ministry of Interior published daily reports on its violations, by listing the specific number of citizens fined or brought into custody.¹⁸

The curfew which until early April lasted from 9 pm to 5 am, by the second week of April had been extended to run from 4 pm to 5 am on

¹⁷ “Disrespecting the curfew will be penalized with a prison sentence of up to a year” available at <https://sdk.mk/index.php/makedonija/za-nepochituvane-politsiski-chas-zatvor-od-edna-godina-za-firma-490-000-evra-kazna-shutka-spremi-4-kelii-za-nepochituvachi-na-izolatsijata/>

¹⁸ Already in march, the Public Prosecutors Office had announced that violations of the curfew will be penalized with fines of 1000 to 4500 euros or prison sentences of up to a year

weekdays and from 4 pm on Friday to 5 am on Monday over weekends.¹⁹ On the weekend between 11-12 of april, citizens were banned from moving from their homes for 61 hours- the most restrictive measure any Balkan country has imposed to curb the COVID-19 pandemic.²⁰ In justification of such restrictions, the Technical Minister of Interior Nakje Chulev, stated “Since the peak of the epidemic is expected to be towards the end of April, the Government has decided to increase the limitations on movement in order to limit the social interactions between people”.²¹ Furthermore, he emphasized that the measures were specifically rigorous in view that our mentality is very sociable: “We have many social contacts and people are finding it difficult to give up on their normal lifestyles.”²² Following the long weekend curfew, the Ministry of Interior reported that a total of 389 people had disrespected the limitations on movement.

An event that took place immediately after provoked a wave of criticism as it brought to the surface the perception of an unequal enforcement of penalties against curfew violations. Namely, on the night of the 13th of April media reported about an incident in a neighbourhood in Skopje, where a large group of people had gone to the streets (in violation of the curfew) to protest against the taking into custody of three individuals that had violated the curfew.²³ When it emerged that the three individuals in question had been released from custody, a wave of public anger was expressed on social media. Specifically, it criticised the

¹⁹ “COVID-19 in the WB: Weekend curfew extended to 60 hours in Serbia and North Macedonia”, available at: <https://europeanwesternbalkans.com/2020/04/10/covid-19-in-the-wb-weekend-curfew-extended-to-60-hours-in-serbia-and-north-macedonia/>

²⁰ Citizens of Serbia were banned from moving from their homes from Friday 10th, for 60 hours until Monday 13th.

²¹ https://www.slobodnaevropa.mk/a/30544805.html?fbclid=IwAR2fuDdE3u-6nVDOBg8HXirsAVlar_i62Gr6Uz-8K6aFJt4uYrC4dY3Trac

²² “Rigorous measures for sociable people” available at: https://www.slobodnaevropa.mk/a/30544805.html?fbclid=IwAR2fuDdE3u-6nVDOBg8HXirsAVlar_i62Gr6Uz-8K6aFJt4uYrC4dY3Trac

²³ “The Ministry of Interior will take all necessary measures against all who violated the curfew” available at: <https://www.slobodenpecat.mk/mvr-za-sinokeshniot-inczident-vo-chento-ke-se-prezemat-merki-protiv-site-shto-ne-go-pochituvale-policziskiot-chas/>

authorities for their alleged unequal enforcement of the sanctions against curfew violators. The suspicions were fuelled by existing perceptions that certain social groups and individuals remain shielded by impunity due to their affiliation to specific interest groups and especially party-political power. In this concrete situation, the criticisms obtained an ethnic dimension, since the three detainees and the protesters had all been ethnic Albanians. Thus, public criticism was specifically aimed against the impunity of groups and individuals close to the ethnic-albanian political power. To counter such perceptions, assurances were given by the Ministry of Interior that ‘all necessary measures will be taken against those who have disrespected the curfew’.²⁴ Nonetheless, the feeling of suspicion increased the vigilance with which the public judged the actions taken by the authorities in their continued enforcement of the curfew.

Authority of state vis a vis the authority of religion

According to the Constitution, the macedonian state is secular. In practice the state has often indirectly supported various religious communities, in exchange for the support of the allegiance of the religious community for specific party-political interests. Today there are approximately 2000 churches and 600 mosques around the country, with dozens of these objects newly constructed or renovated in the last two decades.²⁵ It seems that the further the state moved away from its socialist Yugoslav past, the more religious objects became prominent tools for achieving and demonstrating political power. The disrupted secularity saw its manifestations also during the coronavirus pandemic when the authority of the state was challenged by the country’s two largest religious

²⁴ Ibid

²⁵ “Cross and crescent divide up Macedonia” available at:

<https://balkaninsight.com/2014/10/01/cross-and-crescent-divide-up-macedonia/>

communities: the Macedonian Orthodox Church and the Islamic Religious Community.²⁶

The first challenge was triggered by a statement made by Sulejman Rexhepi, the grand mufti of the Islamic Religious Community (IRC). In a TV interview, he threatened the Government that should they fail to positively respond to the Islamic Community's request for financial assistance, then the IRC will revoke its ban on public gatherings. He added should this happen 'no force will be able to prevent the spread of the coronavirus'.²⁷ The threat demonstrated the head of the Islamic community directly challenging the authority of the state even in situations when to do so is indisputably in the public interest. Moreover, it demonstrated a worrying confidence that large sections of the Muslim population would prioritize the authority of a religious leaders over the authority of the state. Only two days later, the Government published a decision that a sum of 49,000 euros will be transferred to the Faculty of Islamic Studies.²⁸ The public interpretation was that the financial assistance was granted in acquiescence to the threats of the grand mufti.²⁹ The government denied such allegations: 'the approved funds will go towards funding the study programmes of these institutions for 2020'.³⁰ However, both the timing and the existing context of the diminishing secular character of the state, left many doubting that this had been the

²⁶ The most common religion in the country is Orthodox Christianity, practiced by most of the ethnic Macedonians. The vast majority of the Orthodox Christians in the country belong to the Macedonian Orthodox Church, which declared autocephaly from the Serbian Orthodox Church in 1967. Muslims are the second-largest religious group, with its members coming mainly from the country's Albanian, Roma and Turkish minorities

²⁷ 'Redxhepi threatens the government - either help for the IRC or spread of the virus' available at: <https://a1on.mk/macedonia/redzhepi-so-zakana-do-vladata-pomosh-za-ivz-ili-kje-ja-shirime-zarazata-so-sobiri/>

²⁸ The same decision announced that the Faculty of Orthodox theology will receive 73,000 euros

²⁹ "The government brings a decision to financially assist the universities of the Islamic Community and the Orthodox Church" available at: <https://www.24.mk/details/vladata-so-uredba-finansiski-kje-gi-pomaga-fakultetite-na-mpc-i-ivz>

³⁰ Government Press Release available at: <https://vlada.mk/node/20977>

latest in a series of demonstrations of the ability of religious institutions to undermine the authority of the state.

The second incident concerned the Macedonian Orthodox Church ahead of the most important religious holiday in the Orthodox Christian calendar, the Easter holiday from the 17-20th of April. The greatest number of church visits take place during this holiday. Easter rituals include religious rituals such as kissing crosses and icons, or the use of a shared spoon to distribute sacramental bread and wine to churchgoers, both of which carry an obvious risk of virus infections.³¹ Two days before the start of the holiday, the Macedonian Orthodox Church refused to concede to abandoning the traditional rituals. An orthodox bishop even confirmed that ‘anyone wishing to take communion will be able to do so’ further adding that ‘all will be allowed to use a shared spoon’ in spite of the fact that in that way the coronavirus can spread. In response to such statements, the Technical Prime Minister said that ‘the state cannot close the religious objects or to call for the suspension of the right to practice religion, which is guaranteed by law.’ However he reminded all citizens to respect the regulations for social distancing during the Easter Holidays and to respect the imposed curfew, set to take place from 16:00 on Easter Friday until Tuesday morning.³² President Pendarovski took a stricter stance. He commented that alike religious freedom “the right of a free movement and the right of education are also Constitutionally guaranteed but are temporarily suspended in this period when we have a higher goal- to protect the lives and the health of our people including of course those of religious people’.³³ He also reminded the public that the restrictions will

³¹ “Coronavirus versus the church” available at: <https://www.rferl.org/a/coronavirus-vs-the-church-orthodox-traditionalists-stand-behind-the-holy-spoon/30492749.html>

³² “Spasovski- we cannot close the churches for Easter but we have to stay at home” available at: <https://360stepeni.mk/spasovski-ne-mozheme-da-gi-zatvorime-tsrkvite-no-za-veligden-mora-da-ostaneme-doma/>

³³ “Pendarovski: the restrictions will remain both for Easter and for Ramadan” available at: <https://republika.mk/vesti/makedonija/pendarovski-uredbite-kje-vazat-i-za-veligden-i-za-ramazan/>

also apply for the Muslim holiday Ramadan that is taking place at the end of April.

Nonetheless, the fact that a day before the start of the Easter Holiday it was not yet clear whether and to what extent the Church will follow the recommended restrictions, caused serious concerns in view of the risk of increased infections. Moreover, the special treatment of religious practices by the state prompted criticisms that these types of toleration discriminate against non-religious citizens both in terms of their risk of infections as a consequence of increased infections due to the religious practice as well as in terms of the stricter treatment of non-religious collective practices (such as for instance the ban on the movement in forests) vis a vis religious collective practices (such as visit to a Church or a Mosque).

When power as authority is practiced by the state, individuals accept and act upon orders that are given to them because they believe that to do so is right or is in the private or public interest. However, the various challenges to the state authority in its enforcement of measures aimed at managing the coronavirus have exposed the limitations in its ability to uphold its decisions equally for all members of society. Specifically, the church and political interest groups have appeared as challengers of the state's authority and its power to uphold its decisions. How this relationship will unravel will affect the effectiveness of the state in managing the spread of coronavirus. At the same time however the pandemic will serve as a new spotlight exposing the relationship between the state and its (a)symmetrical authority vis a vis various social groups and individuals.

Corona and political scene of Montenegro

Vojin Golubovic

The Corona virus pandemic has multiple effects in every field, including the domain of political events, forces and relationships. This can best be seen from the example of Montenegro, since the pandemic will obviously be a strong argument for both, the ruling and opposition parties in the coming period. The impact of the pandemic, or the response to it, greatly affects the confidence of citizens in the work of institutions or individual political entities. This is especially important because this is the year of regular parliamentary elections in Montenegro. Also, the pandemic raises the question of what future policy is in terms of the EU accession negotiation process, or what Montenegro can expect from the EU's stance on enlargement policy in this new situation.

Corona and the internal political relations in Montenegro

Significantly milder effects of the pandemic in Montenegro compared to all countries in the region have been portrayed by the authorities as a consequence of the effectiveness of government measures. This has certainly reached the citizens, who now appear to have much more confidence in the governing structure. And just a few months ago, that same government was under pressure from strong political protests that had religious vestments.

On the other hand, the Corona virus pandemic appears to have adversely affected the reputation of much of the Montenegrin opposition. Before pandemic opposition parties were ubiquitous in public. However, the measures related to Corona pandemic led to the fact that, during pandemic, mostly representatives of the authorities and professional bodies (such as the National Coordination Team for Infectious Diseases) were heard. However, the absence of concrete proposals by opposition in the early days of the pandemic, when the authorities took the initiative and showed greater efficiency and enterprise, seems unacceptable. The

obvious change in public perception certainly does not favor the opposition, which has realized that it must also initiate Parliament's work in order to reach the public. Therefore, April also showed that Parliament is finally alive. After a long absence of parliamentary sessions, a debate was launched on government measures to prevent the spread of Covid-19.

However, the inertia and passivity of the opposition are incomprehensible because the initiative for parliamentary work must have been earlier. For, the Parliament can and must play an active role in the process of eliminating or mitigating the effects of a pandemic, at least in the form of concrete proposals that can be heard. In addition, the Parliament has a supervisory function. But, the opposition left it to the ruling parties to propose and implement most of the measures unilaterally. Therefore, it should be expected that the opposition will try to attribute its mistake to the authorities by imposing on the public the opinion that through unilateral actions the government has tried to abuse the pandemic for political purposes.

However, finally, a debate in Parliament confirmed what political reality is in relations between the authorities and the opposition in Montenegro. And this is eternal intolerance, even in a situation where more tolerance and working together to overcome a pandemic situation is needed. Of the opposition parties, it seems that only the Social Democratic Party is ready to work together with the ruling parties to jointly emerge from the crisis, that will transform from the health care to the economic one. The aforementioned opposition party is the only one able to discern that governmental measures taken to counteract the negative socio-economic effects caused by the pandemic are comprehensive, although there is room for further action.

Corona and elections

The consequences of the Corona virus are already visible in Montenegro, as local elections in Tivat municipality (initially planned for

April) have been canceled. It is envisaged that local elections in this municipality should be held within three months from the date of termination of the orders related to the measures aimed at prevention of the introduction and transmission of the new Corona virus. However, the effects of the pandemic are yet to be seen in the elections in Montenegro. And more importantly - the state parliamentary elections.

The rhetoric of the ruling party certainly went in the expected direction during April - each appearance was accompanied by allegations that the government during current pandemic showed responsibility towards the state and citizens. And it is expected that this will continue throughout the year, and especially during the election campaign (if the situation with pandemic is such that the Parliamentary elections take place). However, there is higher probability that Corona virus pandemic will stop by June, than that parliamentary elections in Montenegro (planned in the fall) happen without a boycott by some opposition parties. Nevertheless, the Corona-induced situation will undoubtedly play a significant role in the results of the elections, even if the entire opposition chooses to participate. Of course, it is too early to talk about the possible results of the elections, but the fact is that the current developments caused by the pandemic are in favor of the ruling parties.

An important issue in the coming period could be the use of budgetary reserves for social assistance (caused by pandemic). The opposition is likely to try to present such an opportunity as an attempt to abuse the position of the ruling parties, which they could selectively apply and use in the pre-election period. Both, discussion of this topic and potential abuses can be avoided by establishing clear criteria for the distribution of assistance from the budget reserve. It is very important for all actors to make every effort to remedy the negative effects of the COVID-19 virus pandemic, but not at the cost of collapsing democracy and fair conditions for holding parliamentary elections.

Corona and Montenegro's path to the EU

How much does a "black swan" i.e. Corona virus pandemic influences further European integration policy? Although it would have been unthinkable to think of such a subject only a few months ago, the current situation suggests such an analysis. First and foremost, the opening of negotiations within the only unopened chapter in the bargaining process on Montenegro's accession to the EU - Chapter 8 (Competition) will depend on the development of the situation with COVID-19. However, the most optimistic forecasts indicate that this will not be possible before June this year. Therefore, one should not expect a different announcement from the Parliamentary Committee on Integration. However, the work of this committee is also likely to be used to spend time to discuss whether the Corona has indeed stopped integration process, or whether it is the authorities' inability to fulfill the commitments it has undertaken according to Montenegro's EU Accession Program. Opposition rhetoric will certainly go in that direction.

Still, what is the "feeling" about further path to the EU? In this situation, will the EU stop or abandon the enlargement policy it has put a lot of effort into? It seems precisely that, despite the Corona virus pandemic and its impact on the dynamics of European integration activities, the EU response has shown that it will not give up enlargement policy (despite the fact that the devastating impact of the pandemic can have an impact on the course and dynamics of European integration activities) This conclusion is based on the very significant EU support already allocated to Montenegro of EUR 53 million. The EU donation of EUR 3 million for the procurement of medical equipment, as well as another EUR 50 million for the long-term program, is by far the largest Montenegro received in this period. However, this assistance seems to be a signal that the European Union will not give up of the influence in the region, i.e. that EU wants to remain an important player in the geopolitical scene. Thus, the amount of aid to Montenegro itself is much greater than the amount of aid from all other geopolitical powers. An additional argument for the claim that

enlargement policy is still part of the EU agenda is the fact that the European Commission has decided to accept the initiative of the Western Balkan diplomats, which also exempts Montenegro from EU restrictions on exports of medical devices for personal protection. If one adds the fact that during the crisis the EU decided to open negotiations with Albania and Northern Macedonia (which is also a signal to Montenegro with respect to the enlargement policy), then it is clearer that those decisions showed that the EU was thinking strategically in the pandemic era, and that the EU has clearly demonstrated its geo-political interest in the Western Balkans. And this happens even when the EU itself faces many internal problems, and the Corona virus pandemic consequences that won't be easy.

It is shown that the pandemic has significant global effects, so it is impossible to expect that it will not have consequences in various forms, especially on the political scene of Montenegro. Most of the effects have yet to be reviewed and analyzed. In any case, as one of the politicians said: the uncertain autumn, winter and summer await us.

Situation related to the coronavirus epidemic in Poland

Joanna Ciesielska-Klikowska

The issue of combating the SARS-CoV-2 epidemic has been the main topic of Polish domestic policy since the beginning of March 2020. In Poland the first case of infection was detected relatively late (March 4, 2020), but the state services indicated already in the preceding weeks, that one should be prepared for each scenario. And although Poland shows a small number of cases and deaths due to coronavirus, this situation may change. To counteract the coronavirus wave, the government has introduced the state of epidemic on March 14, which provisions have been significantly expanded since April 1. Despite huge restrictions on trade, work and education, the presidential elections, scheduled for May 10, remain an open question. Will politicians decide to postpone elections during the pandemic?

State of epidemic in Poland - government actions

The first case of infection by SARS-CoV-2 coronavirus was found on March 4, 2020 in a hospital in Zielona Gora, where a 66-year-old man was diagnosed. Initially, the government calmed the public opinion, while it was pointed out that far-reaching caution is now necessary. Already on March 2, 2020, Polish parliament passed an “Act on specific solutions related to the prevention and eradication of COVID-19, other infectious diseases and crisis situations caused by them”, colloquially called the “Coronavirus law”. It entered into force on March 8, 2020, and enabled the use of administrative, budgetary and epidemiological measures in the fight against coronavirus and its effects.

Ten days after the first case was detected, the Prime Minister Mateusz Morawiecki and his government decided to introduce the state of epidemiological threat - in force since March 14. Further decisions were made very quickly. Since March 14, all nurseries, kindergartens, schools

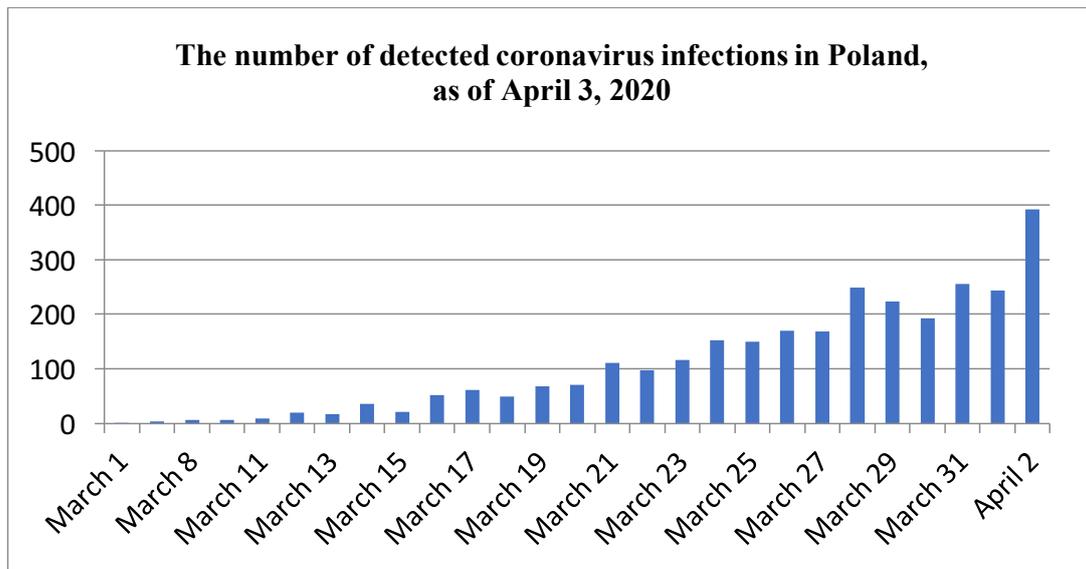
and universities were closed, and trade restrictions were introduced as well (shopping malls and restaurants were closed; yet leaving grocery stores, construction stores and pharmacies open). From March 15, a sanitary cordon was introduced on the Polish borders, to significantly limit the border traffic. Flights from and to Poland were suspended, except for special flights for Poles returning from abroad as part of the “Fly home” program (a total of 322 flights took place for over 47,000 passengers).

Since March 20, in accordance with the ordinance of Minister of Health Łukasz Szumowski, the state of epidemic was introduced. The state of the epidemic gave state authorities new powers in the field of restricting civil liberties - it introduced a ban on leaving home without an important excuse (work, shopping, visits to the doctor). In addition, restrictions on public transport were launched, so as the limitations for gatherings of over 2 people, including religious ceremonies (i.e. in cases of church masses and funerals - the number of participants strictly limited to 5 people).

The latest preventive measures have been introduced on April 1. Under the new regulations, adolescents under the age of 18 may stay in the public space only with an adult person; moreover parks, boulevards and beaches are strictly closed and the activities of hair and cosmetic salons are suspended. In stores and service outlets, the number of customers may not be bigger than three times as many cash registers are in a given store. Each store is required to provide the staff with personal protective equipment, while customers can make purchases only with protective gloves. Between 10 and 12 o'clock shops are open only for people over 65 years of age.

Number of infected

By April 3, 2020, the number of people infected with coronavirus in Poland reached the level of 3.149, of whom 59 have died. Yet, on April 2, 2020, a spokesman for the Ministry of Health confirmed that 47 people infected with the virus had recovered.



Source: Own elaboration based on data from the Ministry of Health

Analyzing the available data, it can be stated that the daily increase in incidence was 10-19%, and the number of patients doubled every four to eight days - although a high increase in infected occurred on April 2. Assuming that the trend will not change means that on May 15, 2020, there will be over 160.000 infected and almost 3.000 deaths. The new ordinances from April 1, will probably flatten the growth curve, but they certainly will not suppress the epidemic (in fact the above presented data provided by the Ministry of Health are considered underestimated).

In fact widespread virus testing is missing. Only a part of people reporting to hospitals is tested, the rest is send home without a diagnosis - this is because of the lack of indications for conducting tests (until now, only people who confirmed that they have had contact with another infected person were tested). So it is not really known how many people are actually infected. Estimates based on the experience of other countries indicate that there may be not several hundred, but several thousand infected each day. Meanwhile, the lack of quick diagnostics in the early stages of the disease, followed by the isolation of infected people, can have tragic effects. This situation may further deteriorate about two weeks after Easter (April 12-13), as some Poles will definitely decide to spend the holidays with their family.

It must be admitted that since the outbreak of the epidemic in Poland, the government has been trying to act rationally and with anticipation when it comes to protecting human health and life. As said, already in mid-March the Prime Minister Morawiecki implemented wide restrictions. However, till today, there are no clear provisions regarding the performance of work - some employees have home office, but a large group still does work in the workplace, where they often have to go by public transport (yet, the number of buses and trams running has been reduced). This raises unnecessary threats. And although Poles mostly try to comply with the new regulations, there are also cases of disregard of applicable law, even the quarantine provisions by persons who are covered by it. As of April 3, a total of 175,000 people were quarantined and 44,500 people were subject to sanitary and epidemiological supervision.

Epidemic and the issue of organising presidential elections

Undoubtedly, the current situation is by all means unique to all citizens and the whole state. At the same time, so far the parliament and government have not decided to postpone the presidential election, which is scheduled for May 10. The eventual postponement would require introduction of the state of emergency (not the state of epidemic as it is today). In accordance with art. 228 of the Polish Constitution, introducing the state of emergency would allow the election date to be delayed by 90 days. Yet, the Speaker of Sejm (lower chamber of the parliament), Elżbieta Witek opposes this solution, so as the government and ruling Law and Justice Party (Prawo i Sprawiedliwość, PiS).

The opposition parties underline that running an election campaign is in fact impossible, and carrying out the elections in the situation of epidemic would put millions of citizens to deadly danger (over 30 million Poles are entitled to vote). However, the ruling camp has so far refused to give up the elections. Politically, this is understandable because the incumbent president Andrzej Duda (PiS) is gaining increasing support and it is likely that he would win the election in the first round of voting.

Therefore the government enchants reality by admitting that the epidemic situation is a challenge, but does not prevent elections.

To solve this political puzzle PiS deputies submitted on April 1, a bill on special rules for voting. According to the draft, the option of voting by correspondence shall be available to all voters (normally it is only available to people who cannot leave their homes because of illness). In the justification, the authors assessed that due to the spread of coronavirus there is an urgent need to introduce specific solutions in the electoral code. As they emphasized: “Since the supreme duty of the state is to enable eligible citizens to participate in general elections, it is necessary to create an appropriate mechanism that takes into account the prevailing conditions of the pandemic”. However, correspondence elections were never conducted on such a scale.

Another proposal was presented on Friday, April 3, by Deputy Prime Minister and Minister of Science Jarosław Gowin. He proposed an amendment to the Constitution, introducing an extension of the term of office of President Duda for next two years (with no possibility of re-election). So it would mean the introduction of the president’s seven-year term. Gowin noted that a change in the date of elections can only take place in accordance with the Constitution. As he said, “there is a question about the possible date of elections. It is uncertain whether the elections could be held for epidemiological reasons in the summer or could be held in the fall this year. However, all scientific data indicate that the safe date is to postpone the presidential election by two years. Hence this proposal”.

This is a bold plan, which, however, can gain political recognition. In the current situation, when there are only a few weeks to the scheduled election date, it may be a reasonable solution. However, the question remains to what extent this proposal will gain support from the opposition parties, what will be necessary for passing changes in Constitution, and to what extent it will change the way in which Polish domestic policy will function in the future.

Romania's new government facing the coronavirus crisis

Oana-Cristina Popovici

Coronavirus crisis caught Romania with an interim Government, after the Orban Government was dismissed through a censorship motion. The political crisis, which initially seemed to go deep, ended with the decision of the opposition parties to speed up the procedure for the nomination of a new Government. The actual Orban Government has almost the same structure and ministers as the previous one. In the meantime, the Minister of Health resigned and was replaced by the state secretary involved in the fight against the coronavirus epidemic, so the transfer went smooth. Now, the Government has to take measures for the postponement of the local elections, which cannot be organized at the end of June, as previously established, due to the actual movement restrictions and the interdiction of public meetings.

The outbreak of coronavirus crisis surprised Romania with an interim Government, with limited responsibilities regarding the administrative activities after the Orban Government was dismissed through a censorship motion. The political fight sharpened at the end of February, seeming without a close end. The Liberals lost the majority in the Parliament which could have saved them from the for no-confidence motion and any other proposal having a Liberal in front of the Government seemed without success. The Constitutional Court ruled against the possibility that Ludovic Orban to be nominated again as Prime Minister, requesting a candidate that could ensure the coagulation of a parliamentary majority in order to form a new Government. Therefore, the second nomination was in the person of the finance minister Florin Cîțu. However, he was credited with very low chances for being voted in the Parliament, as he was considered the second most undesirable person for holding this

position, after Ludovic Orban, among the members of the Parliament (MPs) in the opposition.

While this happened at the end of February, during the beginning of March things started to change. Romania registered the first coronavirus case and Romanians begun to come home from the affected regions in Italy. It became clear that more stringent measures were needed for limiting the spread of the virus and that the healthcare sector had to be strengthened for facing the spread of the epidemic among the population. It was clear that Romania needed a Government with full powers. The situation created by coronavirus disease radically changed the positions of the parliamentary parties, leading to a declared intention to vote in favour of Cîțu Government. Except for SDP, all the other parliamentary parties publicly announced to support Cîțu for being appointed as quickly as possible. Finally, even the Social Democrat Party (SDP), the major party in opposition, announced that some of its leaders are committed to vote for the designed Prime Minister, in order to avoid the deepening of the political crisis in Romanians' detriment. Due to these reasons, it started to become clear that the chances of Cîțu as Prime Minister drastically increased. The vote in the Parliament for the new Government was established on March, 12. On that day, while the MPs were gathering for the vote, Florin Cîțu made the decision to resign as Prime Minister just before the plenary meeting in the Parliament. He motivated his decision by saying that the President of the National Liberal Party (NLP) has to be the Prime-Minister, thus leaving the place to Ludovic Orban, who was considered to be more experienced in managing the expected crisis. In the same evening, President Iohannis made a new nomination and appointed again Ludovic Orban for the position of Prime Minister. This time, even SDP announced that it will support the new appointment, in order to speed up the procedure for the nomination of a new Government. The ministers' hearings were made over the phone and two days later, the Parliament voted for the second Orban government, in special conditions due to the fact that one of the MPs was found positive for the coronavirus test. The

Orban Government obtained 286 votes out of 309, with the large support of SDP. In fact, the presence of the Liberal MPs was reduced, because most of the NLP members were in self-isolation, since one of their colleagues was found positive at the coronavirus after attending a meeting of the Liberals. Even Ludovic Orban and several members in the Government entered the self-isolation period, from where the Government was coordinated. Following the vote, in order to exercise the obligations expressly provided by the Constitution – namely the oath in front of the President – the members of the Government and high ranking officials from the institutions belonging to the national security and defence system were allowed to go out of isolation strictly during the performance of these obligations, with the commitment of keeping distance from other persons and wearing protective masks. The second Orban Government had the same structure and the same ministers as the previous one which was dismissed through no-censure motion and Florin Cîțu remained finance minister. The next day after the vote of the Government, Romania's President declared state of emergency to fight the coronavirus.

For two weeks, during which the health crisis deepened and the number of Romanian infected with Covid-19 started to increase, the Prime Minister lead the Government from the isolation. He returned to his regular work schedule after this period. In a first step, the measures taken by the Government were focused on limiting the spread of the virus, providing the necessary facilities in hospitals, taking measures for reducing the movement of population and enhancing the first measures for supporting the small companies in the most affected sector or approving the change of activity for several companies, in order to produce medical equipment and biocides. Now, the second wave of measures are targeted towards regulating the effects of some companies' closure and the social impact on the citizens, such as the provision of state funds for the technical unemployment and gaining support from the banks for postponing the payment of credit rates.

In the meantime, the Minister of Health, Victor Costache, has announced his resignation due to personal and professional reasons, but without providing more information. However, his decision came just a day after he official announced that the entire population of Bucharest will be tested against coronavirus. The measure aroused several controversies, as the number of coronavirus tests is still reduced. It seems that such a pilot project for testing population in Bucharest will be carried out for a representative sample of 10,000 people in the near future. Victor Costache was involved in managing the situation for ensuring the preparation of hospitals for dealing with the crisis. In addition, the testing capacity was increased in record time since the beginning of the crisis, from just a single centre in January to 29 centres at present. He was replaced by Nelu Tataru, who previously was secretary of state in the Ministry of Health led by Costache, due to the fact that he was very familiar with the strategy in the healthcare sector and strongly involved in the fight against the epidemic. The transfer was smooth, the new minister ensured the continuation of the previous measures. In addition, Victor Costache remained in the ministerial team of Nelu Tataru, in the position of advisor.

The epidemic may also lead to the postponement of the local elections, established at the end of June. The Permanent Electoral Authority sent President Klaus Iohannis, Prime Minister Orban and the leadership of Parliament a letter stating that in the current situation of a coronavirus pandemic, the timely organization of the electoral elections, proposed for June 28, has become “quasi-impossible”. There are several activities that should start at the latest on April 13 to organize local elections in time. Or, under the actual circumstances, the scenarios in Romania indicate that a pandemic peak will be registered in mid-April.

From the perspective of the local electoral calendar if the local elections were to take place on June 28, the Government decisions, necessary for their preparation and organization, should enter into force at the latest on April 13. In addition, April 1st represents the beginning of the online registration period in the Electoral Register of voters residing

abroad who wish to vote there or by correspondence at the parliamentary elections. Under the actual restrictions, such operations are not possible. Therefore, the Permanent Electoral Authority draw the attention on the need of changing the primary legislation by establishing alternative procedures for electoral operations that involve the physical interaction of voters, candidates and election officials. In addition, legislation is also needed for the extension of ongoing mandates of local authorities. According to their opinion, the implementation of legislative solutions for adapting the electoral processes to the current epidemiological context implies a minimum duration of time ranging from 3 to 6 months, before the actual election period starts.

Most party leaders in Romania already called for the postponement of elections. According to the Prime Minister, it is not possible to have elections preceded by a period in which the candidates to gather signatures or to run their electoral campaign having movement restrictions and the interdiction of public meetings. It is almost clear that local elections cannot be held on June 28th. Following consultations with political parties, it is expected that a normative act will have to be issued for the extension of the mandates of the current elected local representatives and of the date on which the elections will take place. Romania is thus following the measures already taken by countries such as Austria, United Kingdom, Canada or the Czech Republic, which postponed the elections scheduled this year due to the COVID-19 pandemic or are taking measures to limit physical contacts to ensure public health.

Decisive set of political and economic measures over the Covid19 and Serbia's internal politics

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Abstract: The last few weeks inaugurated new dynamics into regular political life in Serbia. They were marked by the Covid19 outbreak in Serbia, while at the beginning of April; its peak has not been reached yet. The most notable internal political occurrence is enforcement of state of emergency which was declared within the whole territory, followed by several complementary measures adopted by the Serbian Government to fight the pandemic. This crisis has cancelled the upcoming parliamentary elections and significantly influenced other major internal political processes. On April 3, Serbia saw the highest rate of daily deaths – 8, with total of 39 who lost their lives. The genuine overview of how the Covid19 influences Serbia's internal politics could split into two major segments: governmentally imposed measures, and the second one tackling major internal political occurrences in parallel.

Official measures imposed by the Serbian Government

The Covid19 “patient-zero” was registered in Serbia on March 6. By the end of the month, this figure has gradually increased to over 1000 infected with indications that growth will advance progressively. Serbian Health Minister warned that this crisis must not result with politicization of decisions that regulate occurrences in Serbia. Doubtless, the most significant issue of internal political process – the parliamentary elections scheduled for April 26, has been cancelled. Serbia's President Mr. Vučić has held series of meetings with political parties' leaders registered for the upcoming elections, to discuss the conditions under which the electoral cycle is postponed. Prior to meeting, not all the relevant actors were in favour of postponement but a fruitful consensus was eventually achieved

during the meeting held on March 17. President Vučić declared the elections being postponed until the crisis is over, while Serbia's National Electoral Commission has aborted all the pre-electoral activities. Political parties have also stopped their electoral campaign rallies. Having this major issue settled, all the public authorities' endeavours have been focused on the pandemic, leaving minimum space for other everyday occurrences.

Parallel to emerging crisis, Serbian authorities imposed a set of restrictive measures aiming to provide efficient healing of infected patients and containing pandemic under control. The first set of measures addresses health system and the second one is a *post-festum* response to ignite recovery of the Serbian economy. To deploy mechanisms in fighting the emerging virus, Serbia declared a state of emergency on March 15. Its constitution envisages that whenever the public danger threatens the survival of the state or its citizens, the state of emergency shall be declared. According to what it stipulates, whenever the National Assembly is not able to conduct its plenary sessions, such a decision is being adopted consensually by the Assembly Speaker, the Prime Minister, and the Serbian President, which was the case in this situation. Furthermore, the Serbian Government promulgated measures that derogate constitutionally guaranteed human and minority rights, for a more effective fight against the virus. At the very beginning of the crisis outbreak, they had included partial curfew which was effective each day between 8 pm to 5 am and ban of home leaving for older than 65. As these measures resulted with no desired outcome, the Government decided to prolong the curfew effectiveness to twelve hours a day (between 5pm to 5am). Furthermore, all the schools and public institutions were closed. On March 29, Serbian President Mr. Vučić announced that idea of imposing the non-stop curfew was on the table, but as of April 5, such measure was not adopted. The very last curfew prolongation occurred on April 2, stipulating movement prohibition between 1 pm Saturdays to 5 am Mondays. For the first time in its recent history on March 15, Serbia has fully closed its borders for

foreigners, while they remained open for Serbian citizens as constitutional provisions guarantee Serbian citizens unrestricted access into the territory of the Republic of Serbia. This triggered an intense inflow of some 400.000 Serbian diasporas settled in Covid19-focal countries, which is believed to contribute in worsening the epidemic situation in Serbia. To ease this inflow's impact, the Government decided that all abroad-incoming citizens must be subject to a 28-day self-isolation. The borders closure was secured by engagement of the Serbian Armed Forces presence.

None of these restrictions are operating in the *vacuum*, on the contrary, they are heavily influenced by the situation in the region. In Serbia's surrounding countries, nearly 6,5 thousand cases have been diagnosed with the virus, and at least 217 have died as of April 4. And while Mr. Vučić had put a special emphasis to provide help in Serbia's southern province Kosovo, a dedicated convoy of medical aid was shipped to the neighbouring Republika Srpska as well. As the crisis evolved, several new makeshift hospitals have been prepared by converting the halls of Belgrade Fair, with the capacity of 3000 beds. Similarly, all major cities (Niš, Novi Sad, Kragujevac) immediately followed this measure and prepared their biggest halls (mostly sport ones) for similar purposes.

Economic measures to alleviate the Covid19 consequences

On March 31, Serbian Minister of Finance, Mr. Siniša Mali introduced a €5,1 billion worth package of economic measures aiming to ease the effects of an ongoing crisis. Surprisingly, these measures have been assessed as potentially fruitful and adequate by many analysts. This stimulus package (11% of Serbian GDP) consists of four specific parts. First, all the SMEs will be given three minimal wages per each employee after the state of emergency is declared ineffective if they did not lay off more than 10% of their employees during the crisis. The second measure worth €1,3 billion, predicts the state will assume the payment of taxes and contributions on wages and thus it wants to encourage companies to keep all their workers and not lay off anyone. The most worthy measure (€2,2

billion) is dedicated to keep and increase the SMEs' liquidity by giving cheap loans and supporting the internal banking system. What attracted the highest attention was the last one, as per which each Serbian citizen will get direct assistance of €100 in cash to spend in the Serbian market once the crisis is over.

A reverse process: internal disputes during the crisis

Series of recurrent protests on Belgrade's streets were on-sight before the Covid19 outbreak, demanding enhancement of electoral campaign fairness. Fraction of opposition parties has even advocated for elections' boycott, but such appeals lost their significance due to election cancellation. Soon after the state of emergency was declared, some political parties publicly opposed to it claiming that this measure was too harsh to deal with the epidemic, underlining its potential for powers abuse by the state authorities. However, as public health was significantly endangered in the coming days, these accusations faded out from the discourse. Serbian Government has issued a decree on March 28, stipulating that all information on health measures and Covid19 treatment, given by unauthorized persons cannot be considered accurate and verified. A decree was subject to withdrawal as an epilogue of public pressure, especially coming from media, supported by some international organizations in Serbia.

Political opponents' debate was below its average during March. The most severe political accusation by the opposition parties was triggered after the statement of one of the leading epidemiologist that the patient-zero was registered slightly earlier (March 1) than officially proclaimed (March 6). This, in accordance with what opposition parties have stated, was to cover the leading party – Serbian Progressives' to collect the public consent signatures needed for applying for the upcoming elections. Soon after, the epidemiologist stressed her claim as *lapsus linguae* and she once again re-confirmed the March 6 as the epidemic outbreak in Serbia.

Serbian public discourse saw respirators as highly likely the most commonly used word in March. Their procurement set new standards of interstate battle in international health supply market. Mr. Vučić's announcement that Serbia has had more respirators *per capita* than some developed countries such as the UK, faded away after he stated that "he personally, on a barely legal way, had procured some respirators". Another political dispute which marks this crisis is internal divisions among the Serbian public over who is the main donor of the aid to fight the disease: was it PR China, Russian Federation, the EU, the UAE, or any other single country such as Norway. Serbian authorities were accused by the opposition of using the so-called "Covidiplomacy" to strengthen ties with Chinese side. The PR China was among the first countries to assist Serbia with an immense amount of aid and experts who came to deal with the crisis in Serbia. Similar actions by the EU and some individual countries (Norway), were in place, donating vast help through direct financial instruments and medical equipment aid. European Commissioner for Neighbourhood and Enlargement Mr. Olivér Várhelyi informed President Vučić that he had instructed relevant services to allow Serbia up to € 15 million for emergency needs, which would be funded from ongoing contracts.

Conclusions

As the pandemic of Covid19 is still in effect, the results of the taken measures in Serbia are yet to be assessed. So far, the governmentally imposed measures were proportionate towards the given situation. It is expected that Covid19 crisis will last for a while, but it seems that Serbia will not experience such devastating consequences that are being announced for the major world's economies.

The COVID-19 and domestic politics in Slovakia

Peter Csanyi

The new center-right coalition government, led by Prime Minister Igor Matovič, controls a constitutional parliamentary majority. This, alongside the parties' common goal to fight corruption, will assure its stability in 2020. Beyond 2021, its longevity will depend on its response to the coronavirus disease 2019 (COVID-19) virus outbreak and finding a common ground on contentious social issues where their policies differ.

The government will struggle to deliver on its pre-election promises, at least while the COVID-19 outbreak continues. These include balancing economic growth across regions, boosting R&D and innovation and fighting corruption. The latter involves judicial reforms, including more rigorous selection of judges and the establishment of a specialist court focusing on disciplinary proceedings against legal professionals. Although these reforms are still likely to progress throughout 2020, they will face delays, as the government's policies will focus on respond to the COVID-19 virus outbreak. The COVID-19 impact brings considerable uncertainty for the Slovak economy. Into 2020, top domestic challenges include labor shortages, regional imbalances, and continued rapid credit growth.

Steps taken by the former government:

In response to the deadly coronavirus, which has spread to several countries, Slovakia adopted several preventive measures. At the end of January, the first steps of the former Prime Minister Peter Pellegrini were to be prepared for the potential outbreak and to control airports, two border crossings, and hospitals. He also called on people not to travel abroad. At

this time, Slovakia was not able to confirm any cases of the coronavirus by testing samples in its state laboratory as it had no proper equipment. All the samples were sent to international laboratories, but the Prime Minister pledged that this would change from the upcoming weeks.

One month later, the government launched new measures including border checks, no mail delivery to Italy, and temperature checks at Slovak airports. A crisis staff was established at the Health Ministry and from February 28, all passengers at international airports - Bratislava, Košice, and Poprad – had their temperatures measured. Random checks included those who arrived in Slovakia by car, especially at the border crossings with Austria. The staff could propose that the government declare an emergency in case of need. In relation to the coronavirus, the government also agreed to contribute €200,000 to the World Health Organization (WHO) and decided to launch an information campaign on how to behave and protect oneself from coronavirus as well.

The coronavirus made an official appearance in Slovakia during the first week of March (by this time, Slovakia was an island of no infection). The panic that most sensible observers feared much more than the actual virus had, of course, broken out even before that, as news about the rising numbers of patients was coming in from surrounding countries. As of Monday, March 9, five cases had officially been confirmed in the country and four more Slovak citizens were quarantined across the border in Austria, officially counting among the cases over there. The situation in Slovakia remained stable, although there were reports of empty shelves in some supermarkets, with antibacterial soaps and detergents in high demand.

The outgoing government took a number of preventive measures, including a ban on flights between Slovakia and Italy and shutting down schools mainly in the Bratislava Region. PM Peter Pellegrini, who also happened to be the acting health minister, called on people not to panic, all the while advising them to stay put in their homes. The much-criticized text messages that the Health Ministry sent to all phone numbers registered

in the country did not exactly help those who might have been panicking, let alone foreigners who had problems understanding whom the messages were even coming from.

The main concerns voiced in connection with a possible wider outbreak of the infection in Slovakia included the ill-preparedness of the country's health care system, the apparent incapability of the authorities to communicate with each other and with its citizens, and the exchange of governments that was expected to take place within a few weeks.

Due to the spreading of coronavirus in the country, the former government announced additional measures came into effect on March 16. All small retail shops and service providers were closed with the exception of grocery shops, pharmacies, newsagents, petrol stations, veterinary ambulances, and shops selling animal food. Restaurants remain open but are not allowed to serve clients on their premises.

The government has announced national emergency for health care. It has been taken as a preventive decision. Under this regime, some professions, including health care workers, fall under state orders. This way, the state is able to move health care staff and material between hospitals. And, of course, the state of emergency that was announced in Slovakia on March 12 remained in place.

Besides, all health care providers must stop providing planned surgeries that are not linked to life- or health-threatening cases. They should maintain their capacities ready for a greater outbreak of the epidemic. The Foreign Ministry has been assigned to organize the repatriation of Slovak citizens who are located outside the country and want to return to Slovakia. All those who return within the repatriation efforts of the government will be required to remain in quarantine facilities provided by the government. If they refuse to do so, Pellegrini admitted the government might need to announce a higher level of national emergency.

The new cabinet's fight with the virus:

The president appointed the new cabinet of Igor Matovič on March 21. Igor Matovič and his cabinet of ministers took over from Peter Pellegrini amid the biggest public health crisis Slovakia and the world has ever seen. President Zuzana Čaputová called on the government and the whole country to act as a coherent and compassionate community. She acknowledged the people of Slovakia elected the government to make fundamental changes, but first the government must make sure they protect the lives of as many people as possible.

The only member of the incoming cabinet who was missing was the future foreign affairs minister Ivan Korčok, who currently serves as Slovakia's ambassador to the US. After his return to Slovakia, Korčok will be appointed and will take over the ministry. Until then, the president appointed Deputy Prime Minister and Economy Minister Richard Sulík to be the acting foreign affairs minister. Sulík is the leader of the Freedom and Solidarity (SaS) party which nominated Korčok for the post.

The newly-appointed Prime Minister, Igor Matovič, noted that Slovakia nowadays has many problems, mainly the lack of trust in the state, but the historically biggest challenge is now the pandemic. The government has a remedy for the coronavirus. It is the solidarity, responsibility, and determination of the people who care about Slovakia.

Before the new government was appointed, Igor Matovič (OĽaNO), Boris Kollár (Sme Rodina), Richard Sulík (SaS), and Veronika Remišová (Za ľudí) met at Bratislava Castle to sign a coalition agreement on March 21. Igor Matovič told the media after signing it that it is “a good coalition agreement” that will help the coalition fulfil pre-election promises. Veronika Remišová claimed that the coalition agreement was not born in a time of safety, referring to the coronavirus pandemic. The new Speaker of Parliament Boris Kollár called for empathy and discipline when dealing with the pandemic.

Slovakia was not ready for the coronavirus outbreak, due partly to negligence, said the Prime Minister Igor Matovič after the first session of

his cabinet. The session took almost two hours longer than originally expected. Matovič explained this was because they needed thorough information about the coronavirus situation and that many of the things the new cabinet learned at the first session were new to them. On the day the new government took over, a record number of new cases of the coronavirus infection was reported in Slovakia (41 new cases). The newly-appointed crisis staff and Igor Matovič's cabinet came up with a set of measures to add to the already existing ones that have been valid in Slovakia since March 13.

Generally applied measures:

Wearing a protective face mask will be obligatory outside one's home, including in the streets. When queueing, people are required to stand at least 2 meters from each other, both indoor and outdoor. As of March 30, measuring temperature will be obligatory at the entrance to shops, hospitals, factories. All shops will be closed on Sundays, for disinfection and to allow the staff to rest. The ban on organizing mass events that expired on March 24 has been prolonged until further notice.

Some selected additional measures:

Schools remain closed until further notice. Trains remain free of charge for pensioners, but the government called on the elderly not to use public transport unless absolutely necessary. The government calls on those older than 65 not to leave home unless absolutely necessary and eliminate social contact. Special opening hours in shops for people older than 65 years have been established between 9:00-12:00 (to avoid pensioners from taking the public transport during rush hour). The government will pass a law on a short-tracked procedure to allow state authorities to use localization data from mobile phone operators. There will be a drive-through testing point in front of every hospital that does the testing.

The newest step of the government is that people and families bearing negative consequences of the coronavirus pandemic will be offered a helping hand from state. The coalition partners agreed on creating

a new Mutual Assistance Fund running at the Government's Office. The contributions will be provided by the cabinet ministers and coalition MPs, said PM Igor Matovič on April 1. Matovič himself wants to donate his salary to the fund, amounting to some €5,000 a month. He called on other ministers and coalition MPs to do the same. However, he does not expect them to donate their entire salaries.

Slovenian New government's response to Covid-19 crisis

Helena Motoh

Summary

The onset of the epidemics of the new coronavirus SARS-CoV-2 coincided with the change of the Slovenian government. After Prime Minister Marjan Šarec stepped down at the end of January, a new government of Prime Minister Janez Janša was sworn in on March 13th, just one day after an epidemic was declared in Slovenia, with the first case of Covid-19 having been reported nine days prior to that. Following the political change, the new government took to several radical measures, explicitly changing the way epidemics was managed by the previous government and putting in place an ad-hoc emergency response unit which became the main government body to deal with the epidemics. So far, the measures have successfully prevented the worst-case scenario in the development of the epidemic. Nevertheless, several of the measures were criticized by experts, media and the general public and the conflicted relationship between the government and the National Public Health Institute only weakened the credibility of the political response.

Background: The beginning of the epidemic and response of the Šarec government

As the epidemic was spreading fast in the North Italian regions of Lombardy and Veneto, Slovenian institutions and the general public started preparations for the potential spread of the virus across the western border. The situation was even more worrying since the outbreak in Italy coincided with the winter holidays in Slovenia, a time when a large number of people go to North Italian ski resorts every year. Initial testings were all negative for several weeks until the first case was recorded on March 4th, a man who was part of an organised travel group to Morocco and they flew via Italian airports to get there and back. Several other passengers from the

same group later tested positive, while other unrelated cases started appearing as well, a large majority of those being people who contracted the disease while spending their holidays in the North of Italy. In the first week however, all cases were still either imported from abroad or were secondary infections from an identified source. The phase one of the outbreak was treated by the Ministry of Health and the National Public Health Institute with cautionary measures, advising the general public to implement preventive measures such as handwashing, not touching the face and staying isolated if they any respiratory symptoms. In addition to that, just few days after the first case, government banned all public events in closed spaces with more than 500 people. This decision was hastened by a large concert that was scheduled for March 7th. Concert of Italian singer Andrea Bocelli was to be held in Ljubljana's largest indoor concert venue, Arena Stožice, which has a capacity of almost 15,000 people, with many visitors expected also from Italy. Two days later, the limit was lowered to 100 people for indoor events and 500 for outdoor gatherings – the latter being especially important due to the upcoming Ski Flying World Championships 2020 (March 19–22) in Planica, another potentially very risky event for the transmission of virus. Temperature checks were introduced at the border crossings with Italy and the Ljubljana airport. On March 10th government imposed a ban on travel from Italy, stopping all flights from there as well as from South Korea, Iran and China (other centres of the outbreak) and closed the western border for passenger transport (leaving it open for freight transport). On the next day, infections in two primary schools became the main source of worry, one in Kamnik and the other one in Šmarje pri Jelšah, being seen as potential sources of community transmission. Therefore, on March 12th, the government declared an epidemic, which then legally allowed for more radical measures being put in place. On that day 57 cases were tested positive, with a daily growth rate of over 60%. One of the first measures was to announce the closure of all educational institutions from the following

Monday, March 16th, onwards. Universities have mostly stopped lectures already by Monday, March 9th.

The measures of the new government

Even before the new government was sworn in, it became clear that it will base its new policies on the critique of the actions of the previous government. Already the first press conference that was conducted a day before they officially took over the government, on March 12th, was decidedly different from the approach taken by the Šarec government. The former government was mostly represented at the press conferences by the Minister of Health, Aleš Šabeder, while the other presenters were from National Institute of Public Health, the Clinic for infectious diseases and fever conditions in Ljubljana and other medical institutions and organisations. The first conference of the new government signalled a different, substantially more centralized approach. Apart from Janša, the three other speakers were the leaders of the three coalition partners, themselves ministers in either both governments (Modern Centre Party's leader Zdravko Počivalšek, Minister of Economic Development and DeSUS leader, Aleksandra Pivec, Minister of Agriculture) or soon-to-become ministers in the Janša's government (New Slovenia's leader Matej Tonin, current Minister of Defence). On the same day the new government was sworn in, on March 13th, it also announced a changed approach in the management of the epidemic, establishing the Emergency Response Unit, a joint body of the government and medical experts. Initially the government was secretive about the exact composition of this unit. The choice of the public relations representative of the unit, Jelko Kacin, was seen by the media and the general public as both predictable and surprising. Famously, Kacin was the press representative of the first Slovenian government though the summer 1991 “ten days’ war” with the Yugoslav army, but latter parted ways with Janša, often openly criticizing his actions and views. Some key members of the Emergency Response unit were its secretary Andrej Rupnik, head of the Slovenian Intelligence and Security

Agency in the time of the first Janša's government, infectiologist dr. Bojana Beović, coordinator of the expert group, dr. Miroslav Petrovec, coordinator of the group for laboratory diagnostics, head of the Civil Protection Srečko Šestan, president of the Medical Chamber Zdenka Čebašek-Travnik etc. Emergency Response Unit had a consultative function, with its advice then being adopted by the government. The Unit was only operative for the next ten days, after which it was dissolved and the activities taken back by the government ministries, with Kacin then becoming the public relations representative of the government as a whole. The communication of government to the public also changed to a more authoritative approach, which was accompanied by a decision on March 20th, to exclude journalists from the press conferences, allowing only for pre-sent and pre-collected questions.

Apart from these shifts, the measures taken by the new government largely followed those in other European countries in similar situation. The testing pattern was changed from testing all traceable contacts to the testing of those who needed hospitalisation. On the same day that the schools were closed, public transport was shut down as well, and all restaurants and bars were closed. Shops had to close as well, with only grocery stores, pharmacies, banks and post offices remaining open (some other types of shops were later added to that list). Shops that remained open, had to limit the number of people inside at the same time, and masks and gloves were later made mandatory. On March 20th, the government effectively imposed the quarantine by prohibiting the gathering of groups (with the exception of families) in public spaces, which was even radicalized on March 30th, by a prohibition of all unnecessary movement outside the municipality of residence. This decision received a lot of public criticism, since it was based on a seemingly arbitrary assessment that too many visitors came to tourist destinations on that weekend which was interpreted as a threat. This decision was also publicly criticized by the acting director of the National Institute for Public Health, Ivan Eržen, who claimed that it was unnecessary, and made politically, without consulting the experts at the

Institute. This public statement made public the ongoing clash between the Institute and the government, which resulted first in the resignation of the previous head of the Institute Nina Pirnat and then also the resignation of the chief epidemiologist of the Institute, Maja Sočan, from the expert committee of the government. In a series of public disputes, seen by media as a possible indicator of the political pressure on the experts, a new potential candidate for the head of the Institute, Milan Krek, was presented at government press conferences.

Conclusions

In mid-March, the very onset of the Covid-19 epidemic in Slovenia, coincided with the change of the government. Based on the harsh criticism of the policies of their predecessors, the new Janša government imposed a more centralized and authoritative way of communicating with both media and the experts, which raises concern about the potential political consequences of this public health crisis. The measures they put in place were comparable to those in other European countries with similar epidemiologies, and so far they have been successful, flattening the epidemiological curve to a manageable level.

Part II Economic Perspective

Albania's Crippling economy and grim forecasts

Marsela Musabelliu

Since the total lockdown of Albania starting from March 9th, besides the tragic loss of human lives and distressing realities of the ones affected by COVID-19, the major concern and anxiety is the devastating effects this lockdown is having on the country's economy. Hundreds of thousands are left jobless and in the majority of the cases, their monthly salary was not granted. All small businesses had to either close or partially operate, this means thousands of families left without income. Service, recreational and tourism business are the most hit from the lockdown. Estimates for major losses in the weeks and months to come, starting from personnel cuts to declaring bankruptcy altogether.

Fiscal and economic support measures

In the context of coping and overcoming the situation caused by COVID-19, changes in the State Budget for 2020 are implemented. A special Normative Act allocated a Financial Package of 12 billion Albanian Lek (ALL), around 95 million Euros €, almost 1.1 % Albania's Gross Domestic Product (GDP). This amount is subdivided in: 5 billion ALL to the salaries of employees, 2.5 billion ALL to the health sector, 2 billion ALL for food supplies and 1 billion goes to the reserve fund to cope with the emergency. The Normative Act allocates budget funds to the financing of the health sector for equipment, medicines, medical supplies and other necessary services, as well as the financing of social packages within it.³⁴

Another support for the Private Sector in coping with the situation, in the form of the instrument of the Sovereign Guarantee for 11 billion ALL (87 million €) will go as a guarantee for the companies, which will

³⁴ Ministry of Finance and Economy press release. Retrieved from: <http://financa.gov.al/njofim-per-shtyp-2/>

be faced with the difficulty of paying the salaries of the employees during these months. This guarantee for short-term loans aims to ensure that every family has enough income to cope with this difficult situation.

This Normative Act makes it possible to factorize the needs for coping with the situation, reflecting the increase of the budget deficit to the level to 3.9 % of GDP, from 2.2% of GDP expected according to the initial budget and, consequently, increasing public debt total at the expected level of about 68.8% of GDP.

In order for this budget modification to be effective, this emergency amount was deducted from the expenditures of the Ministry of Infrastructure in the item of “road & transport” that have been reduced by 900 million ALL, limiting the roads construction funding for all 2020.

The IMF Executive Board on April 10th also approved \$190.5 million (174 million or Euros €) in emergency support for Albania under the Rapid Financing Instrument (RFI) to meet the urgent needs of the balance of payments resulting from the outbreak of Covid-19 in Albania. On the other hand, the European Union (EU) via a message of Ambassador Luigi Soreca declared a 50 million € pledge to support Albania divided in 4 million € for immediate equipment and health support; 11 million € for social protection; up to 35 million € for economic recovery.

Consumer Price Index (CPI)

The situation created by the lockdown and the quarantine changed also prices and customer behavior, by making March 2020 rise inflation at 2.1%, the highest level since August 2018. According to the Albanian Institute of Statistics (INSTAT), **Yearly rates of main groups** data indicate the following: compared to one year prior, prices increased the most in the group “Food and non-alcoholic beverage” by 4.6 %, followed by “Recreation and culture” by 2.4 %, “Housing, water, electricity and other fuel” by 1.7 %, “Furniture household goods and maintenance” by 0.9 %, “Alcoholic beverages and tobacco” by 0.8 %.

Within the food group prices of “fruit” subgroup signed an increased by 24.3 %, followed by “vegetables included potatoes” by 8.2 %, “sugar, jam honey, syrup, chocolates and sweets” by 3.5 %, “fish” by 2.6 %, “oil and fats” by 2.5 %.

Annual change of consumer price index (%)

| Groups | Jul-19 | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 |
|-------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total of all items | 1.5 | 1.4 | 1.3 | 1.3 | 1.4 | 1.1 | 1.5 | 1.2 | 2.1 |
| Food, and non-alcoholic beverages | 2.8 | 2.4 | 2.5 | 3.0 | 3.2 | 2.6 | 2.4 | 1.9 | 4.6 |
| Alcoholic beverages and tobacco | 1.3 | 1.5 | 1.5 | 1.4 | 1.1 | 0.2 | 0.5 | 0.7 | 0.8 |
| Clothing and footwear | 0.2 | 0.2 | 0.2 | -0.1 | -0.3 | -0.2 | -0.6 | -0.7 | -0.6 |
| Rent, water, fuel and power | 0.8 | 0.8 | 0.7 | 0.1 | 0.1 | 0.1 | 1.5 | 1.4 | 1.7 |
| Furniture household and maintenance | 1.3 | 1.5 | 1.5 | 1.4 | 1.5 | 1.2 | 1.2 | 0.8 | 0.9 |
| Medical care | -0.1 | -0.1 | 0.0 | -0.1 | 0.0 | -0.4 | -0.6 | -0.7 | -0.6 |
| Transport | -0.1 | 1.2 | -0.6 | -2.0 | -1.6 | 0.2 | 1.5 | 1.2 | -1.5 |
| Communication | 0.2 | 0.1 | 0.1 | 0.1 | 0.0 | -0.1 | -0.3 | -0.3 | -0.4 |
| Recreation and culture | 1.1 | 2.2 | 0.5 | 1.2 | 2.1 | 2.2 | 2.3 | 2.4 | 2.4 |
| Education service | 0.7 | 0.8 | 0.9 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Hotels, coffe-house and restaurants | 1.1 | 1.1 | 1.2 | 1.2 | 1.3 | 0.6 | 0.9 | 0.8 | 0.7 |
| Miscellaneous goods and services | 0.1 | 0.1 | 0.2 | 0.3 | 0.2 | 0.2 | 0.1 | 0.3 | 0.1 |

Source: INSTAT April 2020 (own graphic elaboration)³⁵

Tourism

The European Bank for Reconstruction and Development (EBRD) in a recent report on the country's economic resistance to COVID-19 found that Albania is most at risk from tourism, due to its high weight in the economy, with over 22% of GDP. Indeed Albanian tourism representatives raised the alarm that the sector could easily go bankrupt if it is not helped with a special financial package from the Government. Whole links from the hotel chain to travel agencies and guides are found today in survival mode. Accommodation structures at the pace of demand for larger capacities were engaged this year with new investments and loans. Agencies are between spending budgets on marketing and colossal losses that are projected to be carried over a year.³⁶ As of mid-April all tourist

³⁵ INSTAT official release. Retrieved from:

http://www.instat.gov.al/media/6861/cpi_march-2020.pdf

³⁶ Nertila Maho. Tourism, hitting the whole chain. Retrieved from:

<https://www.monitor.al/turizmi-goditja-e-gjithe-zinxhirit-2/>

guides activities, travel agencies, cultural tours associations are non-operative. All groups of tourist itineraries that were incoming (foreigners coming to Albania) or outgoing (Albanians going abroad) were canceled as well as all bookings up to July.

All accommodation premises and restaurants have been closed, some seem to have succumbed to this situation, by altogether closing the activity, while others seem to be trying to adapt to the new conditions and survive via online delivery services.

Service industry

As of March 9th 2020 all bars, restaurants, clubs and majority of hotels are closed with a special governmental normative act. This automatically left thousands of people jobless and no income for the businesses of the sector. Immediate cuts in staff were noticed due to the impossibility of these type of enterprises to ensure income without daily customers. If in other sectors there are still some percentages of employees still working with restricted timeframes, recreational businesses as the above-mentioned are in a total state of meltdown.

From the health safety perspective it is extremely important that these activities remain closed due to the potential spread of the virus, on the other hand, the people affected by these restriction will find it difficult to make ends meet. Usually underpaid, overworked and many times working informally the service employees are the first to face the calamity of the situation.

Agriculture

Agriculture in Albania accounts for 18% of GDP. Food exports, especially seasonal agricultural products, have been blocked due to declining demand in foreign markets, especially in the region, as well as their second wholesalers in these supplies, restaurants, are in the overwhelming majority closed, thus having a double hit for the sector.

This crisis in agriculture is expected to bring a negative chain effect on the prices and products and businesses related to it. The difficulties in exporting seasonal agricultural products due to the emergency created by Covid-19 are putting pressure on the dispatching of greenhouse products, causing sales to drop and creating an irrecoverable loss for farmers whose crops for this season the products are of the same intensity, even higher than in other years. In the beginning of April 2020 farmers from central Albania in a demonstration along one of the national highways, threw away tons of products by claiming there is no possibility of sale and they have loans and suppliers to pay with income they do not have, thus being on the brink of bankruptcy.

Trade

Covid-19 has caused a halt in economic activity around the world and is expected to lead economic shrinkages even worse than the ones caused by the 2008 financial crisis. Albania is affected because the pandemic has stirred its key partners in trade, which are in total lockdown. During March 2020, retail sales have been the most affected with a 45% of its employees left jobless (which in the majority of the cases means no salary). A local estimation claims that business in Albania, depending on the typology, can survive from 1 to 4 months in closure, while declaring that 1-month business closure requires an 18-months recovery period.

However, the major impact in trade activities is caused by the falling demand in the main trading partners like Italy, Greece and Germany as well as logistic difficulties due to all countries lockdowns.

Industrial production

One of the largest cut in Albanian industrial production belongs to cut/make/trim (CMT) and readymade garments (RMG), usually entailing clothing and shoes production in large-scale workshops exporting all their merchandise to EU countries, especially Italy. Commonly named fasonery, CMT and RMG are already in a standstill since the lockdown in most of

Europe. Some companies in this manufacturing sector have started to fire people due to the situation in Italy; they do not have exports and this has caused a decrease in liquidity and of course has significantly increased the inability to pay employees' salaries. There are 170 enterprises of this kind employing around 70,000 people.

Conclusions

The Minister of Finance estimated 60-70 thousand people left jobless while other experts see this index around 200 thousand people (in country where the total working force is 1.15 million persons). All working groups and their income are affected at different extent, except the ones working in the public sector.

As of April 2020, Albania is standing in the shock-phase of this new economic setting due to COVID-19; estimations foresee that May and all summer will unveil the real implications of this shutdown. While the Government is illustrating the situation will exaggerated optimism, there are also voices highlighting an overall economic collapse of the country.

BiH Saving its economy amidst the coronavirus epidemic

Zvonimir Stopić

As soon as the SARS-CoV-2 coronavirus appeared in Bosnia and Herzegovina, it immediately began to affect the country's fragile economy. Various restrictions, implemented by the state, entities' and local governments, drastically slowed the economy down, forcing many of the small and mid-size businesses to close their doors permanently. Noticeable rise in unemployment, slowing down of production in almost all sectors, as well as the sharp drop in the exports due to the drop in foreign markets demand throughout the April were the top concerns for the Bosnia and Herzegovina leaders and experts.

Compared to the rest of the Bosnia and Herzegovina, Republika Srpska took the lead in implementation of the restrictions and measures contain both the spread of epidemics and breakup of economy. The first moves made in April were centered on securing the distribution of food. On April 1, the Headquarters for Emergency Situations of Republika Srpska decided to procure 75 tonnes of flour for 11 local communities in the Republika Srpska and Federation of Bosnia and Herzegovina. The very next day, the Republika Srpska Government introduced measures which are to indefinitely regulate the prices of food, basic life necessities, disinfectants, and protective equipment, and thus prevent market disruptions related to the supply of such goods. Introduced measures locked the profit margins of the mentioned goods to the level existed on March 5. Besides securing the food, protective gear and basic life necessities, the Republika Srpska leaders also payed great amount of attention to the preservation of jobs and attempted to find the means to maintain the continuous flow of salaries for the workers employed in the private sector. On April 2, the Government of Republika Srpska allowed 16.5 million BAM (€ 8.42 million) to be spent on salary subsidies for

March for workers in the service sector (trade, transport and storage, catering, etc.), which at the time was assessed to be hit by the general restrictions the most. On April 15, the Government of Republika Srpska redirected 50 million BAM (€ 25.52 million) from the entity's budget to the account of the Republika Srpska Solidarity Fund for mitigation of economic damages caused coronavirus epidemics. In attempt to calm the population of Republika Srpska, member of the Presidency of Bosnia and Herzegovina Milorad Dodik stated on April 7 that Republika Srpska has enough of respirators and enough food to sustain the population until the end of the year. However, he also hinted that the current economic situation is serious. Since the coronavirus outbreak in Bosnia and Herzegovina, the economy of Republika Srpska was already damaged for about € 400 million.

Federation of Bosnia and Herzegovina moved in a similar direction. On April 1, the Prime Minister of Federation of Bosnia and Herzegovina Fadil Novalić opened political discussions on the direct measures necessary to mitigate the economic effects the coronavirus epidemics had caused. As Novalić stated, priority for Federation of Bosnia and Herzegovina was the prevention of rise of unemployment in the private sector. In order to prevent or slow down the new lay-offs, Novalić announced that the Government of Federation of Bosnia and Herzegovina in the process of developing two funds with a total worth of 1 billion BAM (€ 500 million), from which the Government will be able to help businesses to keep workers employed. On April 6, Novalić signed the so-called “Anti-corona” law, which was previously confirmed by the Government of the Federation of Bosnia and Herzegovina. This law is to be the cornerstone for the mitigation of the effects the coronavirus restrictions had on Federation of Bosnia and Herzegovina economics. More precisely, the law stipulates that all business subjects and entrepreneurs, that completed their obligations toward workers and the state in February, are entitled to subsidy of contributions in the amount of 244.85 BAM (€ 125) per month for each employee, starting with April, and lasting until one month after

the Government proclaims the emergency to be over. As an additional measure, in order to subsidize 350,000 employees, the Government Federation of Bosnia and Herzegovina on April 17 decided to raise its debt by additional € 354 million. The Federation of Bosnia and Herzegovina Government's concern over loss of jobs is more than justified because the numbers have been on the continuous rise since the coronavirus epidemics started. Rough estimates show that around 14,000 people lost their jobs in Federation of Bosnia and Herzegovina between mid-March and the beginning of April. This figure rose to 21,000 by mid-April.

Government of Bosnia and Herzegovina dealt with the similar issues on a state level. At the beginning of April, Chairman of the Council of Ministers of Bosnia and Herzegovina Zoran Tegeltija stated that an estimated € 600 million will be needed for the recovery of Bosnia and Herzegovina's economy. At that time, it was too early to say how this number will be reached. However, by the end of April, aside from the rebalancing of the states budget, three main sources of financing appeared: the financial aid of European Union (which might reach € 250 million assistance from the yet not fully defined European Commission plan), the International Monetary Fund (IMF), and the series of smaller loans. While waiting the first two to bear fruit, the Government of Bosnia and Herzegovina immediately began applying for the smaller loans and redirecting the funds from the existing programs. On April 7, the Council of Ministers of Bosnia and Herzegovina sent a delegation to conclude the \$ 20 million loan agreement with the International Bank for Reconstruction and Development (IBRD). Besides the deal with the IBRD, Council of Ministers also decided to divert some of the funds from the European Union's Instrument of Pre-accession Assistance program (IPA). As it was decided by the Council of Ministers that the rest of the funds from IPA for the year 2018 is to be used for further prevention of the spread of epidemics (€ 2 million) and migrant crisis (€ 10 million), while the € 14 million from IPA for the years 2019 and 2020, is to be used as a relief to the small and mid-size business.

Negotiations with the IMF, which began in the previous months, took a somewhat unexpected turn in April. Although Bosnia and Herzegovina recently became eligible for a new arrangement, the negotiations with the IMF dragged on, primarily because, due to the internal political instability and paralysis of government, Bosnia and Herzegovina continuously failed to implement certain reforms needed for the new arrangement with the IMF. More so, prior to the coronavirus epidemics, Bosnia and Herzegovina's Government did not even pass a budget for 2020 (budget draft was adopted on March 24, with Republika Srpska ministers voted against it; adjustments were made and discussed until the end of April). The coronavirus epidemics outbreak, however, radically changed the conditions previously set by the IMF. At the end of March, despite of the shortcomings of Bosnia and Herzegovina, the IMF offered a new arrangement worth € 333 million (38% Republika Srpska, 62% Federation of Bosnia and Herzegovina), primary goal of which is to be the mitigation of the effects brought by the epidemics. However, although the negotiation positions and context changed in favor of Bosnia and Herzegovina, the entities leaders failed to jointly sign and send the letter of intent to the IMF. Reasons for Bosnia and Herzegovina inactivity partly hide in the disagreement between Republika Srpska and Federation of Bosnia and Herzegovina over the distribution of percentages. Opposing the current arrangement, the Republika Srpska's Milorad Dodik indicated that the funds should be distributed so that Republika Srpska gets 40%, Federation of Bosnia and Herzegovina 60%, while the Brčko District would subsequently get 0.5% from the each entity. On the other hand, besides the disagreement between entities, another disagreement over distribution of funds, the one within the Federation of Bosnia and Herzegovina, also stood in the way. Last voting on the distribution of the new IMF arrangement funds took place on April 21, when it failed to pass. The three of the Bosnia and Herzegovina ministers opted not to support the arrangement in current conditions: Minister of Foreign Affairs Bisera Turković, Defense Minister Sifet Podzić and Deputy Minister for Human

Rights and Refugees Dževad Mahmutović. To make the situation somewhat more absurd, the IMF did in the end (April 23) transfer the previously negotiated funds (the whole € 333 million) to the Central Bank of Bosnia and Herzegovina. The loan was approved under the emergency program to mitigate the economic consequences of the coronavirus epidemic, without the additional conditions. This all means that at the end of the April, Bosnia and Herzegovina received the IMF funds, and thus currently has the financial means to help the general population. However, the funds cannot be used until the final agreement on distribution is reached.

Conclusion

The restriction of the coronavirus epidemics will leave dire consequences to the economy of Bosnia and Herzegovina. The country itself, on the state and entity level, responded in basically the only way it could, making the supply of food and life necessity products and preventing the loss of jobs a priority. However, even in circumstances such as this, the disfunction of Bosnia and Herzegovina still finds a way to shine. While on one hand the country, on a state and entity level, is trying to find a way to enlarge special funds to help the economy, on the other, the expected political disfunction is making the country lose valuable time, even when all the conditions for needed actions are met.

The effect of COVID-19 pandemic on Bulgarian economy and government measures to manage the situation

Evgeniy Kandilarov

The global Coronavirus pandemic has severely affected not only human health but also the economies of the countries affected by the infection. Bulgaria is no exception.

According to the National Statistical Institute (NSI) data Bulgaria's business climate has deteriorated in March 2020, as the country entered its third week operating in a state of emergency over the coronavirus crisis. This has severely impacted most of the business sectors. According to the same statistics the overall business sentiment indicator dropped by 3.7 percentage points month-on-month in March, due to the worsened assessments of the business climate in manufacturing, retail trade and services sectors. Last week, the Bulgarian machine-building industry chamber also announced that local units of some German vehicle access systems manufacturers as well as French auto parts manufacturers will suspend operations due to the pandemic. According to the head of the Bulgarian Construction Chamber Bulgaria's construction sector has lost up to 100 million leva (\$56 million/51 million euro) since March 13 when the government introduced a state of emergency due to the coronavirus outbreak. During the last week the Bulgarian Chamber of Commerce and Industry also announces that some 12% of Bulgarian companies have suspended operations since the state of emergency took effect. The statistical data also indicates that after the state of emergency was declared 48% of companies and their employees continued working as usual but under strict hygienic and sanitary measures, while 38% chose to work from home. About 23% of the companies said that their employees or some of their employees are currently on paid leave, compared to 18% who are on unpaid leave. Less than 1% of the companies are expecting some positive effect for their business from the coronavirus crisis. For 96% of the companies, it is of utmost importance that the flow

of goods and raw materials through the Trans-European Transport Network is guaranteed.

The NSI said in its survey that business climate has deteriorated most in the retail trade sector, by 6.6 pp, as a result of the more unfavourable retailers' assessments and expectations about the business situation of the enterprises. Retailers' forecasts regarding the volume of sales and orders placed with suppliers over the next three months are more reserved. The indicators in the manufacturing sector dropped by 5.2 pp month-on-month. According to entrepreneurs, there is a decrease of the volume of orders, which is also accompanied by more pessimistic expectations about activity and personnel over the next three months. The indicators in the services sector decreased by 3.1 pp month-on-month as demand is seen by managers as slightly reduced. However, expectations for the next three months are favorable. The business climate improved only in construction in March, by 1.4 pp. According to construction entrepreneurs, there has been some increase in the new orders inflow over the past month, while expectations about the pace of construction activity over the next three months are more optimistic.

Bulgarian Prime Minister Boyko Borissov said earlier this month that the government will introduce a package of financial measures worth 4.5 billion leva (\$2.5 billion/2.3 billion euro) to support businesses under strain from the COVID-19 and preserve jobs. Five hundred million leva (256 million euros) will go to the healthcare system, the Ministry of Foreign Affairs and the military. The Bulgarian national bank will receive the same amount. Two hundred million leva (102 million euros) will be spent on interest-free loans. People who are currently on unpaid leave will receive 1,500 leva (767 euros), while medical workers, police officers and transport workers will be compensated for their extra work.

Bulgaria's Cabinet approved on March 30 the list of economic sectors eligible for government assistance to pay their employees and was set to hold a second sitting later in the day to discuss a draft revision of the 2020 Budget Act.

The scheme to help businesses pay their employees' wages, frequently referred to as "60:40" by officials and media alike, envisions the government covering 60 per cent of salaries and the employers the remaining 40 per cent.

Businesses can apply for government aid only if they retain their staff and it is contingent on employers paying their full share, meaning that they would not be allowed to cut salaries to only the amount provided by the government. If an employer does not pay their 40 per cent, they would have to return the state aid. The mandatory social security contributions would continue to be split by employers and employees. The list of sectors that will receive funding under the scheme includes retail (with the exception of car or motorcycle dealerships), land and air transportation, hotels, restaurants and bars, cinemas, tourist operators and trade fair organizers, private kindergartens, artistic and other cultural activities, sports and other recreational activities.

Companies in other sectors that had to suspend all activity as a result of quarantine measures – as has been the case with the winter resort of Bansko since March 17 – will be covered by the scheme as well.

Separately, companies that have experienced a 20 per cent fall in sales in March 2020, compared to the same month of 2019, can also apply for assistance.

A number of sectors were left off the government's list – notably agriculture, which will be subject to a separate measure, due to the need to take into account existing state aid to the sector. Similarly, the healthcare and social care sectors will be covered by a separate government assistance measure, to be announced by the Health Ministry in the coming days. Also left off the list were financial and insurance institutions, the state administration and the education sector (with the exception of private kindergartens).

Asked about the expected number of employees that would be covered by the "60:40" scheme and the total financial outlay, Bulgarian Labour Minister said that it was difficult to make forecasts. She noted that

initial estimates showed at least 135 million leva (about 69 million euro) a month would be needed. Finance Minister Vladislav Goranov said that the additional cost of the scheme required a Budget revision. He said the analysis was still under way and noted that it would take “billions” to ensure that the government meets all its commitments. Meanwhile the Prime Minister Boiko Borissov said that the European Commission would be notified of the state aid scheme “right away” and said that he was confident that it would be approved quickly.

A few days ago The Ministry of Labour and Social Policy said that a total of 643 applications from employers had been submitted to the Employment Agency for state support under the 60:40 scheme. The ministry said that the companies that had applied wanted income support for 7231 employees. They are mainly small and micro enterprises in the restaurant, bar, fast food outlet and furniture manufacturing sectors. Bulgaria’s Parliament passed at second reading on April 6 the 2020 Budget Act revision and amendments to the State of Emergency Measures Act.

The Budget revision, approved by the Cabinet last week, sets a deficit of 2.9 per cent of target GDP and raises the annual borrowing ceiling for 2020 to 10 billion leva (about 5.11 billion euro), meant to cover increased government spending to help businesses weather the disruption caused by the Covid-19 pandemic. Changes to the “60:40” scheme to help businesses pay their employees’ wages envision that the state will cover 60 per cent of the social security and healthcare contributions, rather than the employers and employees covering such contributions in full.

The 2020 Budget Act envisioned a balanced budget, with the annual borrowing capped at 2.2 billion leva.

In a statement, the Cabinet said that its prudent fiscal policy in recent years has allowed it to “maintain the buffers in the fiscal reserve” and said that the budget had shown a surplus at the point that the State of Emergency was declared.

However, the Finance Ministry base scenario for the rest of the year envisioned a shortfall in revenue compared to the 2020 Budget Act. The

reasons for the shortfall are complex and include internal and external factors that will contribute to reduced domestic consumption, shrinking exports and imports, lower-than-planned employment, as well as changes to the crude oil price and exchange rates. Under the ministry's base scenario, the revenue shortfall would be 2.44 billion leva. The budget revision sets a new deficit target of 3.5 billion leva, or 2.9 per cent of target GDP, but the Cabinet statement did not say if that target GDP remained unchanged 2020 Budget Act macroeconomic framework.

On the spending side, the revision allocated 1.43 billion leva as a transfer from the state budget to the separate social security budget – one billion leva to cover state aid under the 60:40 scheme approved by the Cabinet earlier in the day and 430 million leva to cover the projected shortfall in the social security budget revenues. Given the new budget deficit target and the 700 million leva cash injection in the Bulgarian Development Bank, approved by the Cabinet last week, the draft revision raised the annual borrowing ceiling to 10 billion leva for 2020. Initially, budget revenue and expenses were both seen at 46.8 billion levs in 2020.

At the same time Bulgarian Finance Minister Vladislav Goranov said the government is preparing for the country's economy to sustain serious damage from the coronavirus pandemic, possibly economy shrinking by three per cent. According to the analyses If the period of isolation continues for three months in total, our economy will recover by the end of 2021. Prime Minister Boyko Borissov said that a budget deficit of 3.5 billion levs (around 1,789 billion euros) is expected this year. It was announced also that the deficit will be covered through taking loans and assured the public that tax rises are not being considered.

The European Commission has approved a Bulgarian 500 million leva (about 255 million euro) public guarantee scheme to support small and medium-sized enterprises (SMEs).

Fortunately Bulgarian banking sector enters the new situation secured for a term of at least several months. In times when the very survival of many other industries and business areas is at risk, the

preparedness of the banks in Bulgaria makes them part of the solution rather than of the problem. What was of key importance for the sector's currently strong starting position were the stress tests conducted by the BNB and ECB in 2016 and 2019, respectively. The Bulgarian banks passed the tests successfully. As of this day, that also applies to the two banks which achieved significant progress in the implementation of their capital plans after the latest tests.

In conclusion we may say that the Bulgarian business is adapting, it is seeking different opportunities for flexible ways of work, but that is not possible everywhere. Unfortunately there are much worse scenarios for the Bulgarian economy as well. According to a baseline scenario of the Belgium-based financial group KBC, Bulgaria's GDP could decrease by 10% in 2020. According to KBC's optimistic scenario, Bulgaria's economy could shrink by 4% this year, while the pessimistic scenario forecasts a 12% decline. Again, both scenarios envisage a recovery of the economy in 2021. The experts assume that economic activity will not recover until the third quarter. As a result, the Corona crisis will lead to a very severe recession in the first half of the year, much stronger than the economists had predicted until recently. KBC assumes also that a quarter will suffice to sufficiently control the epidemic and thus to restart economic activity.

Thanks to far-reaching government measures the experts and the business expect the recovery to be very strong since countries with stronger fiscal clout, more automatic stabilisers and more active crisis policies will see a more pronounced recovery. Let's hope that this will be the Bulgarian case.

Consequences of novel coronavirus on Croatian economy: tourism and agriculture

Valentino Petrović

Summary

The article deals with economic consequences of Novel coronavirus (COVID-19) in Croatia. Starting with the health emergency when the virus first came to Europe, the situation is getting worse on a daily basis with a rising number of infected people. Croatia has responded quickly and everyone, including decision makers and medical staff, is well coordinated. However, the financial crisis at Croatia's doorstep. In the meantime, the country's capital, Zagreb, was struck by an earthquake and the financial losses have become even larger. Now, the country will have to face with several problems including a large number of unemployed people, losses in tourism and agricultural sector and, of course, health uncertainties.

Introduction

The outbreak of Novel coronavirus or COVID-19 has struck significantly almost every important global economic actor. Since the beginning of crisis, the emphasis was mostly on the health emergency around the world, given the fact that the number of infected population is growing almost every hour. In China, the birthplace of virus, the situation is slowly getting better and national authorities are now looking at the economic consequences and measures that could be undertaken in order to minimize losses in global trade. However, the European continent is still affected by health concerns due to a rapid growth in a number of infected citizens, especially in Italy and Spain. At the moment of writing, there are 936,204 coronavirus cases around the world, with 47,249 confirmed deaths. In Croatia, the number of infected citizens is 963 with 6 fatalities. The Ministry of Health, along with the Ministry of Interior and Prime Minister Andrej Plenković, are assuring that these numbers are still very much under control and that there is no exponential growth. Furthermore, they

are urging citizens to stay at home to lower the possibility of virus spread but, as it turns out, the struggle of national authorities with non-disciplined citizens is somewhat harder than the one with the virus itself. The future of Croatian economy is, therefore, largely dependent on the time-length of the virus, but most political and economic analysts have agreed that the financial losses will be massive due to a strong dependence of Croatia on tourism sector and the undermined position of small and medium enterprises.

The Earthquake in Zagreb

As if the coronavirus was not enough, on the morning of March 22nd, Croatia's capital was struck by 5.5 magnitude earthquake and was followed by a few minor aftershocks. It was reported that it was the strongest earthquake in Zagreb since 1880, and the damage it caused was severe. The city's center and the older buildings in the historic area were strongly affected with one of the towers of Zagreb Cathedral being broken. Also, the rooftop of Croatian Parliament and most of the city museums and culturally significant buildings were damaged and become unsafe for further service. Overall, more than 26,000 buildings were damaged and 1900 become unusable. Unfortunately, 27 people were injured and one teenage girl, who was in critical condition, died from the sustained injuries. Due to rising concerns for coronavirus spread, public services in Zagreb were at stand-by and ready to intervene when necessary. However, until the earthquake happened, the orders from the Government and medical experts were to keep social distance and not to leave houses. But, after the earthquake, the message was to stay away from damaged areas, including houses and residences, with 2 meters distance among other people. In the aftermath, the recurring question was: who is going to pay for the damage caused by the earthquake? With country's economy already being under serious pressure, the capital received a donation from Croatian national football team, while members of the Government and United States Ambassador to Croatia Robert Kohorst, have given up their monthly

paychecks for the victims of earthquake. Croatia was also offered assistance from several European countries, mostly in equipment such as tents, sleeping bags and camp beds.

Economic Measures Undertaken by the Government

On March 24th, the Government introduced a set of economic measures in order to address rising concerns among Croatian citizens, medium and small entrepreneurs, and people working in tourism and agricultural sector. The idea was to prevent job losses among firms and employers who have suffered considerable economic damage and cannot continue with their regular activities. Furthermore, the employers would have to prove and show that their businesses are indeed seriously affected by the coronavirus pandemic and that they are not in position to pay wages for their employees. For instance, the employer would have to provide proofs for canceled contracts, canceled events or seminars, or if they are unable to deliver goods, machines and tools, etc. The Government offered help in amount of minimum net wage per employee which estimates up to 3250 Croatian kunas. The second measure was to offer a possibility for entrepreneurs to get a temporary tax deferral and a delay in state contributions payment until the time when their finances are stabilized. Moreover, the Government introduced an option of having moratorium on loans with addition of new, cheaper loans. Additionally, EU funds were underlined and the period for project duration was prolonged along with the period for reimbursement. The measures were welcomed but, at the same time, criticized, especially the temporary tax deferral incentive. The analysts were in favor of completely disregarding any tax obligation towards the state for the period of three months and additional three months if necessary. On April 1st, a new set of economic measures was presented, this time in accordance with requests of employers and economic and market analysts. The minimum net wage was increased to 4000 Croatian kunas for April and May, and the measure regarding taxation was specified. According to the new package, if a company is

faced with a revenue decline between 20% and 50% it becomes a subject to a temporary tax deferral. But if their loss is estimated to more than 50%, they are released from any tax obligations.

Impact of Coronavirus on Agriculture and Tourism

An important branch of Croatian economy that will certainly be affected by the spread of coronavirus is agriculture. United Nations Agency for Food and Agriculture (FAO) has already reported of a decline in food prices due to a fear that the coronavirus will cause, and is already causing, a reduction in global demand for food. Since the accession to the European Union, Croatia's largest trade partner in agriculture and food products has been Italy. Croatia is exporting up to 16% of these products in Italy and is importing 12%. Some argued that Croatia needs to become self-dependent when it comes to long-term food strategy in order to avoid any uncertainties on a global food market. But the truth is that, with the creation of European single market, food and products can circulate within the whole Union without causing any kind of market disturbances. However, the virus has affected Italy and Germany, both being important trade partners of Croatia, therefore the export of some goods, for instance milk, has dropped. Marija Vučković, Croatian Minister of Agriculture, has announced that the state is going to help with the milk buyouts for the reason of growing number of surpluses in the milk products that cannot reach the market anymore.

The sector of tourism is often seen as a main provider of stability of Croatian economy, but today, it is still unsure how the situation in this branch of economy will unfold. In past years, early spring would mark the beginning of the pre-season period when first guest would start to organize their travel and accommodation arrangements, while others would have already taken advantage of their spring or Easter vacation on Croatian coast. Today, national authorities are hoping that the health emergency will be over by summer and that the season with foreign guests will take place after all. Be that as it may, it must be noted that the 2019 summer season

was financially weaker than the previous ones and it is now expected that the downward trend will continue in 2020. The number of seasonal workers will drop significantly. Travel agencies, companies providing accommodation, and private businesses in tourism sector are also the ones with heavy losses. This is the situation in which Croatia will have to further develop continental tourism as a sub-branch of its economy. Even though the number of guests and visitors will surely decline, continental tourism is not dependent on weather conditions as it is the case with coastal and Adriatic form. Due to its natural beauties, Croatia will still be an attractive destination, however, the flow of money in national budget coming from foreign guests is going to be highly reduced.

Conclusion

The coronavirus will impact the financial markets at the global scale, with many countries already being hit severely. The number one priority for everyone, including the European Union, China, and the United States, is to deal with the public health emergency. China is showing progress, while the situation in Europe and United States is still concerning. The number of infected people in Croatia is rising every day, but Croatia can serve as an example of a country that was prepared and responded quickly when it comes to public health and coordination of emergency services. The economic downfall will undoubtedly happen and the projections are that the financial crisis will last at least two years. If there is a constructive cooperation between politics and economy experts, as it is the case with medical experts dealing with health emergency, Croatia can indeed hope for better times.

The Coronavirus crisis's economic impact and the Czech Republic's countermeasures

Ladislav Zemánek

At first, both the political and public discourses were dominated by the deliberation on the health risks and the need for containment of the coronavirus epidemic, control of its development, as well as by a clear emphasis on security, citizens' health and epidemiological point of view. Nevertheless, by the end of March, a change could be observed in this regard as an increasing attention was drawn to economic aspects and consequences of the epidemic and radical restrictive measures which caused an almost complete suspension of the economic activities. In the following analysis, I will therefore focus on some economic impacts of the current crisis and related measures adopted by the Czech Government with the aim to help the economic subjects to overcome the thorough downturn.

There are no doubts that the epidemic crisis but all the more the state policy and adopted countermeasures brought about the recession of the Czech economy. However, reliable and relevant figures have not been available yet. Official data on the unemployment have already been released, indicating no significant and dramatic deterioration as the rate amounted to 3 per cent in March, but it is expected that the situation will change in the months to come. According to the Ministry of Finance, the national economy will drop by 5.6 per cent, being accompanied by a considerable slump of the state incomes and a steep rise in both the public and private indebtedness. The Chamber of Deputies passed an amendment to the State Budget Act for 2020 calculating a deficit of 200 billion CZK (approximately 7.5 billion EUR).

The major problem economic subjects have to face to is the deficiency in liquidity which is connected with insolvency and impossibility of meeting obligations. In order to mitigate the impacts of the crisis on the economic subjects, the Czech National Bank (CNB) lowered the two-week repo rate, the Lombard rate and the discount rate. Whereas at the beginning of March they amounted to 2.25, 3.25 and 1.25 per cent respectively, at the end the rates were equal to 1.00, 2.00 and 0.05 per cent. The decrease leads to price reduction of money and thus to easier access to loans on one hand, and to motivation to invest and spend money on the other. By means of this measure, the central bankers endeavour to stimulate economic transactions and keep the money circulation in the economy.

Overview of the practical steps

Besides the Czech National Bank, the Government has started to adopt extraordinary measures to support companies as well as households financially in order to avert fatal economic and social problems. In the following paragraphs, I will analyse the most important economic measures. First, the Government decided to postpone the deadline for filing a tax return. The taxpayers are generally obliged to meet this obligation until the 1st of April. Nevertheless, this year the period is prolonged until the 1st of July. *De iure*, the deadline remains unchanged but *de facto* the penalty for delay is forgiven globally and automatically.

Second, the majority of the self-employed persons have duty to pay advances on social and health insurance, the amount of which is defined by the Government annually. These advances are correlated with the figures of a gross average wage and minimal wage in the Czech Republic which have been increasing over a long period. The self-employed persons are exempted from the obligation to pay these two advances for the period from March to August to the extent amounting to the minimal level of these as defined for 2020. In total, this measure will save up to roughly 30,000 CZK (1,111 EUR). It is thus to help primarily the self-employed persons

with low revenues, contributing to the stabilisation of their difficult financial situation. It should improve their cash-flow and relieve them of the administrative burden.

Third, the Ministry of Finance has postponed the introduction of the final stage of the electronic records of sales (EET), which is one of the flagships of this Government's programme, implementation of which is aimed at securing a prompt communication between the entrepreneurs and the Financial Administration of the Czech Republic, as well as at preventing the tax evasion. It consists in the obligation to keep a record of every payment electronically, transferring the record to the State on-line and immediately. The initial phase of the project was launched in 2016 and it should have been completed this year. In consequence of the current crisis, however, the completion of the electronic records of sales has been postponed and, at the same time, all entrepreneurs are allowed to suspend all electronic records. Similarly, the Financial Administration has interrupted its inspecting mechanisms. It should be noted in this regard that the right-wing opposition has criticised the project as such since the very beginning, appealing to the Government for a complete annulment of the electronic sales.

Fourth, the Government has decided to help the employers to pay a wage to their employees. The programme called *Antivirus* is designed to the employment protection. By means of that, the State will compensate companies for wages through the Labour Office of the Czech Republic, thereby facilitating them to manage the crisis situation in order to avoid layoffs. The amount of compensation is derived from the average super-gross wage and depends on a type of obstacle to work, specifically the compulsory quarantine, the closure of business due to the Government order, the need for childcare, the cutback of business operation as a result of the drop in the availability of inputs necessary for the activity or reduced demand for services and products of the company. The compensation amounts to 60 to 100 per cent of the average earnings. The Ministry of Labour and Social Affairs expects that the *Antivirus* programme could be

utilised for approximately 280 thousand companies. Nevertheless, representatives of the private businesses have been criticising the Government for the protractedness in preparation of the programme, which was approved not earlier than the last day of March. Therefore, many entrepreneurs were forced to dismiss their employees in the course of March as they could not count on a prospective state assistance. According to the Czech Chamber of Commerce, at least 7 per cent of employers resorted to dismiss the employees, the situation being the most critical in the tourist, hotel and catering industry. Moreover, it is expected that 25 per cent of companies may lay their employees off in the near future. It is more than obvious that it would lead inevitably to a substantial increase in the unemployment rate and state costs with considerable negative impacts on the state budget.

Fifth, the Government launched a credit programmes *COVID* and *COVID II* designated for entrepreneurs affected by economic impacts of the epidemic. The goal is to make operational financing of the small and medium sized businesses (SMEs) as smooth as possible by means of interest-free loans provided by commercial banks. Within the first round of the programme, loans up to 15 million CZK (555,555 EUR) and up to 90 per cent of the proven harm were offered without any interest or fees, being repayable in the course of 2 years. In addition, instalments could be postponed for 12 months. This measure was subsequently succeeded by the *COVID II*, financed from the EU structural funds. This programme enables provision of collateral up to 80 per cent of the principal sum of commercial loans by the Czech-Moravian Guarantee and Development Bank, specialised in providing assistance to the SMEs with the aim to facilitate their access to financial capital, share their business risk and reduce project costs. It is the only bank entrusted with the administration of funds disbursed within the framework of the Government's assistance programmes focused on the SMEs, being owned by three ministries. Besides the abovementioned guarantee of the loans, which is valid for 3 years, the *COVID II* programme offers a financial allowance on the

payment of interest up to 1 million CZK (more than 37,000 EUR). Guarantees and collaterals have also been provided for exporters, who are engine of the Czech economy as a whole, by means of the Export Guarantee and Insurance Corporation. This state corporation insures credit connected with exports of goods and services against political and commercial risks uninsurable by commercial insurance. In response to the epidemic crisis, the company will provide exporters with guarantees of credit on operation, labour capital and investment with the aim to strengthen the liquidity of export-orientated enterprises.

Sixth, the Government imposed a 6-months moratorium on the payments of instalments which applies to the loans and mortgages made before the 26th of March. This measure is binding for all financial institutions. They are obliged to comply with all requests for interruption from clients if they declare that they resort to this step due to negative economic impact of the crisis. The Ministry of Finance hopes that postponement of instalments will help citizens, businessmen as well as companies to cope with consequences of the Government's restrictive measures.

It remains unclear to what extent these measures will meet their goals and whether they will not lead to excessive indebtedness and shortage of financial means in the state budget. In the next briefing, I will go on with a more general analysis of economic impacts in the broader social context.

A multi-dimensional process to challenge the crisis: is ‘flight’ proceeding as normal?

E-MAP Foundation MTÜ

There is a remarkable bit of data, reported by Mart Mägi, Director General at Statistics Estonia: “The mobility analysis showed that Estonian people stay 20 hours per day on average in their main location, their distance covered in one day has decreased from 27.5 kilometres to 17.6 kilometres, and their number of trips in one day away from the main location has decreased from 1.8 to 1.5”³⁷. With the people of Estonia literally staying at home, how is then the country’s economy performing? This would be an EUR 11 billion question... In fact, the question’s monetary worth would be a bit higher, because, back in December 2019, the state budget’s estimated annual income for 2020 was approved at the level of EUR 11.8 billion³⁸. Needless to speculate of this issue now – the likelihood that the country will be in a position to generate the planned revenue is getting nullified by the COVID-19 crisis.

From the beginning of the pandemic, it was a matter of a couple of weeks for the Estonian Government to commence internal deliberations on what to do with the state budget, which was adopted, in historic terms, only ‘yesterday’. On 6 April, the Bill on the State’s Supplementary Budget for 2020 had its first hearing at the *Riigikogu*. In concrete details, the normative document provided for the Government-bound sector of the economy to have its nominal budget deficit at EUR 2.62 billion, including

³⁷ Mart Mägi as cited in ‘Statistics Estonia: people stay in one location 20 hours per day on average’, *Statistics Estonia*, 9 April 2020. Available from [<https://www.stat.ee/news-release-2020-047>].

³⁸ ‘Estonian parliament approves 2020 state budget’ in *ERR*, 11 December 2020. Available from [<https://news.postimees.ee/6847936/estonian-parliament-approves-2020-state-budget>].

the cost of initiatives on economic support³⁹. On the *macro*-level, the state budget is forecasted to have a nominal deficit of 10.1% of GDP, which will be accompanied by the structural deficit of 5.2% – self-explanatory, this is all due to a predictable economic recession to take place in Estonia during and after the crisis and, as a result of the recession, the planned budgetary revenue will be falling from the aforementioned EUR 11.8 billion to the more realistic EUR 10.2 billion⁴⁰.

The objectively necessary adjustments made to the budget are, usually, of generic nature, with a range of more concrete provisions to follow the main Bill later on. On 15 April, the *Riigikogu* was set to voice (and approve) the Estonian Government’s first package of measures to counterbalance the COVID-19-generated economic downturn. Firstly, the state is to suspend payments to the pensions-enhancing pension pillar from 1 December 2020 until 31 August 2021, meaning that “4% of people’s social tax contribution that used to go toward their pension will now be paid into the state budget to help cover crisis expenses”⁴¹.

Secondly, the duty on liquid gas will be lowered, making the price of bottled gas cheaper by 5% for private customers and by 12% for industrial consumption; in addition, the fact of lowering the duty on diesel fuel to the level that is currently existing in Lithuania (about EUR 0.15 per litre) will be impacting the budget by EUR 158.3 million in revenue reduction⁴². Thirdly, utilising the Rural Development Foundation’s framework, the Estonian Government assigns EUR 200 million to the country’s rural sector, facing plenty of critique from the main oppositional

³⁹ ‘The Bill on supplementary budget passed the first reading in the Riigikogu’ in *Riigikogu*, 6 April 2020. Available from [<https://www.riigikogu.ee/en/sitting-reviews/bill-supplementary-budget-passed-first-reading-riigikogu/>].

⁴⁰ ‘The Bill on supplementary budget passed the first reading in the Riigikogu’.

⁴¹ Anna Põld, Karel Reisenbuk, Loora-Elisabet Lomp, ‘Crisis budget to be passed’ in *Postimees*, 15 April 2020. Available from [<https://news.postimees.ee/6950219/crisis-budget-to-be-passed>].

⁴² Põld, Reisenbuk, Lomp.

party, the ‘reformists’. The fourth major element of the adopted package has the following two dimensions: a) the Estonian Unemployment Insurance Fund or *Töötukassa* is provided for compensating to the salaried workers 70% of their previous income (however, the figure should be no more than EUR 1,000 a month before taxes, but no less than the average salary); b) the Health Insurance Fund or *Haigekassa* is issued with EUR 206.1 million “for extraordinary expenses”, which may be related to “the emergency situation, first contact care, nursing care, specialist care, ambulance and expenses of hospitals, on medicines and regarding sick leave”⁴³.

Additionally, the first package of measures is also focused on assisting Culture, Education, and Sport, while having a range of provisions on Police officers, Defence League, data protection, social benefits, and the country’s penitentiary system. In a way, it appears that the Government has, in economic terms, a relatively clear picture of what/who needs help and where the help needs to be distributed to. Certainly, it is a natural feature of a healthy democratic political regime that a Government-issued proposal can be severely criticised by the opposition – objectively, if somebody like Jürgen Ligi, a high-profile member of the oppositional *Reform Party* and the country’s former Minister of Finance, argued that the COVID-19 crisis has been, strategy wise, wrongly approached by the current Government⁴⁴, it represents a positive sign for the whole framework of Estonian governance. The Government may not like such a critique, but this would be also natural.

In the meantime, *KredEx*, an establishment of the Estonian Ministry of Economic Affairs and Communications that is assigned to be providing financial solutions and offering appropriate financing options in a

⁴³ Pöld, Reisenbuk, Lomp.

⁴⁴ Jürgen Ligi as cited in ‘Ligi: kriisile on lähenetud strateegiliselt valesti’, *ERR*, 29 April 2020. Available from [<https://www.err.ee/1083577/ligi-kriisile-on-lahenetud-strateegiliselt-valesti>].

changing economic environment, announced about its direct participation in the process of developing a range of packages to be based “on the different possible courses that the crisis may take”⁴⁵. The factual side of the announcement ‘tells’ a positive ‘story’ for those businesses, which may require ‘Emergency loan guarantee for issuing new loans’ (it aims at allowing “new loans to companies under simplified conditions to provide liquidity”)⁴⁶, ‘Emergency loan guarantee to relax the repayment schedules of existing bank loans’ (this option will work when “the bank relaxes the repayment schedule for an existing bank loan not backed by *KredEx*, or is willing to issue a new loan to the undertaking”)⁴⁷, ‘Extraordinary proportional guarantee for enterprises in the accommodation and catering sector, travel agencies and tour operators’ (it focuses on enabling “new financing for enterprises operating in the accommodation and catering sector, travel agencies and tour operators”)⁴⁸, and other financial help. Certainly, these measures in the *KredEx*-issued packages are very conditional, but, nevertheless, they are providing a formal as well as official framework for receiving financial assistance, even though it is not necessarily to be free of any interest. A high number of businesses are already getting engaged with *KredEx* to save their operational capacity and precious labour force in this difficult period. In plain digits, the first package of measures is featured by the state allocating EUR 1.5 billion at *KredEx*, allowing the organisation to offer hedging measures and loans at

⁴⁵ ‘KredEx begins offering the first crisis measures in cooperation with banks’ in *KredEx*. Available from [<https://www.kredex.ee/en/koroona>].

⁴⁶ ‘Emergency loan guarantee for issuing new loans’ in *KredEx*. Available from [<https://www.kredex.ee/en/emergency-loan-guarantee-issuing-new-loans>].

⁴⁷ ‘Emergency loan guarantee to relax the repayment schedules of existing bank loans’ in *KredEx*. Available from [<https://www.kredex.ee/en/emergency-loan-guarantee-relax-repayment-schedules-existing-bank-loans>].

⁴⁸ ‘Extraordinary proportional guarantee for enterprises in the accommodation and catering sector, travel agencies and tour operators’ in *KredEx*. Available from [<https://www.kredex.ee/en/extraordinary-proportional-guarantee-enterprises-accommodation-and-catering-sector-travel-agencies>].

the level of EUR 3.5 billion, which will assist local businesses to raise up to EUR 4.5 billion of capital to successfully survive the crisis⁴⁹.

On the labour force topic, on 26 April, the *Töötukassa* issued a report on 47,889 people who were registered as unemployed thus far – the figure, considering a modest level of the Estonian economy, represented 7.4% of the workforce⁵⁰. Characteristically for the process, since the time when the state of emergency was introduced in Estonia due to the pandemic, the number of the registered unemployed increased by a total of 11,178 people⁵¹, which is manageable for the economy by all means. Evidently, by the end of April, Estonia has been successfully avoiding a situation when the crisis-generated unemployment as a socio-economic phenomenon would have been out of control.

⁴⁹ ‘KredEx hakkab pakkuma kriisimeetmeid koroonaviiruse tõttu raskustesse sattuvate ettevõtete aitamiseks’ in *KredEx*, 19 March 2020. Available from [<https://www.kredex.ee/et/uudised/kredex-hakkab-pakkuma-kriisimeetmeid-koroonaviiruse-tottu-raskustesse-sattuvate-ettevotete>].

⁵⁰ ‘Unemployment rate growth slowed last week’ in *ERR*, 27 April 2020. Available from [<https://news.err.ee/1082743/unemployment-rate-growth-slowed-last-week>].

⁵¹ ‘Unemployment rate growth slowed last week’.

Can Greek economy survive?

George N. Tzogopoulos

The Greek economy has started to seriously suffer by the COVID-19 pandemic. Being largely dependent on services and tourism the pain is bigger than in other Eurozone countries. What is particularly worrying is the disagreement of figures and organizations on the potential contraction. Different numbers and estimations have been published while the Finance Ministry prefers to elaborate on moderate scenarios amid rising uncertainty. The Greek government has supported affected individuals and companies in March and April and will continue to do so hoping that the gradual lifting of lockdown measures to take place in May might boost the economy. Its hope is a partial restart of the tourism sector during the summer. But predictions remain unsafe as foreign travelers are discouraged from booking holidays and Greek citizens will hardly overcome their fear of COVID-19. The risk of a rise in Greece's debt and of a new bailout are not minimal.

The consequences of COVID-19 on the Greek economy are being continuously assessed. Estimations vary and largely depend on publication time as well as on the figure or organization involved. To start with, Greece's creditors estimate that the national economy would contract by 8 to 9 percent while the European Commissioner for economic and financial affairs Paolo Gentiloni told the Eurogroup teleconference of 7 April that the recession would be 10 percent. Finance Minister Christos Staikouras who participated in the relevant virtual meeting had been more optimistic in March talking about a recession of 4 percent in the end of March. But in mid-April he made a more general statement predicting the economy to contract from 5 to 10 percent.

In addition, ING published a study at the beginning of April finding that southern Eurozone countries were more vulnerable than northern ones due to larger exposure on tourism, smaller automatic stabilizers, a higher

number of affected workers and more chances of bankruptcies due to firm size. Within the Eurozone, Greece – along with Cyprus and Portugal – had the largest tourism and travel sector. The ING study also demonstrates that Greece had the highest number of temporary workers, self-employed and workers in the informal sector (all categories together) in the Eurozone. For its part, HSBC believes that the massive increases in debt issuance in the periphery countries, inter alia, in Greece need to be monitored closely. The same bank anticipated that recession would amount at 6 percent in 2020.

Moreover, the IMF published a report predicting recession in Greece to reach 10 percent in 2020. The recession, the IMF suggests, will be followed by a 5.1 percent growth in 2021. The Fund estimates that unemployment would rise to 22.3 percent in 2020 and drop to approximately 19 percent in 2021. With reference to the current account deficit this would reach 6.5 percent in 2020 and 3.4 percent in 2021. During the European Department press briefing of 15 April, Director Poul Thomsen said that Greece would be particularly hard hit because of its dependency on tourism, shipping and transportation. Although he refrained from taking a position on the theme of the Greek debt and said that balance sheets would certainly depend on the duration of the pandemic, he concentrated on the presence of a large number of small family-owned enterprises with limited ability to absorb shocks as well as on the problem of non-performing loans. The last problem in particular was discussed during an online conference organized on 29 April by Tsomokos corporate communications when fears of a new wave of bad loans were expressed. The estimated amount was between €7 and €10 billion.

Additionally, the Organization for Economic Cooperation and Development (OECD) published on 14 April an updated version of its report titled: ‘Evaluating the initial impact of COVID-19 containment measures on economic activity’. This attempts to quantify the initial impact of containment measures on activity but does not utilize the full range of data that inform the projections of economic growth in the

Economic Outlook. The report includes a graph chart anticipating a 35 percent potential GDP decline in Greek activities. The graph includes several advanced and emerging market economies but the case of Greece appears as the most worrying. Specific sector of the economy such as services, transportation and tourism – affected by the lockdown – dramatically contribute to its GDP.

Furthermore, the Foundation of Economic and Industrial Research (IOBE) published its quarterly review about the Greek economy in mid-April. According to the projection the economy was expected to shrink by about 5.0 percent to 9.0 percent – under baseline and adverse scenarios – due to the pandemic. Unemployment could vacillate from 19.3 to 21.2 percent. For his part, Governor of the Bank of Greece and former Director General of IOBE Yiannis Stournaras expects a contraction no deeper than 4 percent. Stournaras believed that scenarios of -10 percent were extreme and would not be realized. Amid different predictions and uncertainty the Finance Ministry submitted an updated report for the 2020 European semester expecting the economy to contract by 4.7 percent. Debate is ongoing though. Former Finance Minister and leader of Diem-25 political party said in parliamentary debate on 30 April that Greece's GDP would contract by 15 percent in 2020 and 2021.

For the Greek government the COVID-19 pandemic has been principally a public health crisis. It thus acted quickly to impose lockdown measures and has succeed in its mission. But the most difficult task will be to contain the negative consequences on the economy as the ones described above. Although Greece has already provided economic assistance to companies and employees affected by the novel coronavirus, the gradual lifting of lockdown measures to take place in May will not necessarily lead to a recovery, even a partial one. A critical question is whether tourists will be able or would like to travel to Greece in the summer. Several international media regard Greece a safe country for tourists to travel. But President of the European Commission Ursula von der Leyen has warned

travelers to hold off their holidays plans while Europe was continuing its fight against the virus.

The Greek Tourism Confederation (SETE) has proposed ten targeted actions to restart the tourism sector. These include common policies at the EU level, a targeted promotional campaign for Greece and a reduction of VAT on accommodation, food, travel package services, domestic transport and maritime tourism. They also include subsidy programs and support for businesses and their employees, non-payment for advance payments for income tax for this year, suspension of the stayover tax and loan payments as well as special charges for the air transport sector. Additionally, Tourism Minister has created a taskforce with the National Public Health Organization (EODY) and the universities of Athens and Thessaly that are preparing the health protocols for the operation of tourism-related enterprises. SETE and tourism enterprises are drafting plans for hotels and other accommodation units.

While Greece is hoping for a semi-normal tourism season, it is continuing its policy of economically supporting individuals and companies in May. With reference to employees who will return to their work in May but the turnover of their companies will be lower affecting their salaries, the Greek government is prepared to provide some subsidies. According to Staikouras measures already taken (or to be taken in the future) will not exceed €24 billion. Varoufakis remain skeptical though. He believes that Greece will be further indebted and will require a new bailout to cover its economic needs in the medium-term. He explains this argument on the grounds of the EU weakness to proceed towards the issuance of Eurobonds. He therefore criticizes Staikouras for not exerting a veto during the virtual meeting with his counterparts from other Eurozone countries. In mid-April Greece issued a seven-year bond with an interest rate of 2 percent. It raised 2 €billion. It is not clear how the amount will be used by the government. The experience of the pre-2010 period generates concerns about maladministration in times of uncertainty.

Conclusion

After ten years of a serious economic crisis, Greece is being encountered with a new one caused by the novel coronavirus. While the government managed to take the virus under control, the economic management seems a more complicated task. The country will suffer more in comparison to other Eurozone states due to its reliance on services and tourism. The Greek government is providing subsidies to affected individuals and companies but faces the risk of a new debt explosion. Hopes for a semi-restart of the tourism season will be tested in the summer. Europe's allergy to the idea of Eurobonds will perhaps lead indebted countries like Greece to submit new requests for financial assistance based on conditionality. The fight against COVID-19 and the necessity of immediate responses have not yet allowed a comprehensive discussion of its consequences on the national economy.

Economic stimulus program in Hungary

Csaba Moldicz

The Hungarian economy is one of the most open economies in the world. Looking at the economic globalization indicators of the country, it is no surprise that the grinding world economy has made its impact on the Hungarian economy immediately. According to the Hungarian government's data, around 30,000 people lost their jobs since the coronavirus appeared in Hungary. Since April the 1st, every day around 4,000 people have become unemployed, the government told the media. At the same time, it was pointed out, that the number of vacant decant jobs decreased from 70,000 to 40-50,000. At this point, we don't have comprehensive economic data related to the period affected by the spread of the coronavirus in Hungary, however, several effects can be easily projected: tourism, entertainment industry, transport sector, automotive industry, and the financial sector are the sectors that are bearing the brunt of the economic crisis. Since economic trends cannot be predicted easily given the high uncertainties in the world economy, the forecasts regarding the Hungarian economy's growth vary between -10 and +3 percent. After looking at the forecasts, this briefing is to focus on the economic stimulus measures (the size and the structure of the program) adopted and implemented by the Hungarian government.

1. Economic forecasts

The GKI Research Institute provides us with two basic scenarios regarding the economic trends in Hungary⁵². In the first quarter, the economy is still to grow by 2-3 percent, however, it can plummet by around 20 percent in the second quarter, the GDK analysis maintains. The

⁵² https://www.gki.hu/wp-content/uploads/2020/03/GKI_sajtoanyag_200324.pdf

two scenarios differ in their assumption as to the time of stabilization. In the A version, the stabilization process starts in the 3rd quarter, thus the economy is expected to shrink by 3 percent in this version, while in the B version, the stabilization is predicted to continue in the 3rd and 4th quarter, thus leading to a 7 percent fall in the Hungarian GDP on a year on year basis.

The Kopint-Tárki issued a similar economic forecast, which expects the Hungarian GDP to fall by 5-10 percent. The analysis forecasts a lower fall of the GDP if the restrictions on the movement of people are to be lifted in the summer, while a deeper decline is anticipated in case that the restriction on economic activities will be kept until the year's end. This analysis is in line with J. Morgan's forecast that predicts the GDP to decrease by 6.3 percent in Hungary. The analysis points out that the size of economic stimulus programs is impressive (around 20 percent of the GDP in Hungary and Czechia, 10 percent in Poland), however, it is also underlined that credit guarantees and liquidity measure prevail in the programs. In other words, the direct fiscal effect of the measures is not necessarily significant, in the Hungarian case the analysis adds too that some fiscal measures do not mean plus resources in the budget, just the earmarking of financial resources for new purposes.

In contrast to the GKI Research Institute, and the Kopint-Tárki, the Századvég Research Group assumption is that the global pandemic is about to abate in a few months, thus the adverse effects of the coronavirus can be mitigated, and the economic impact will be milder. The analysis⁵³ also points out tourism and the automotive industry as sectors in the biggest trouble. The analysis concludes that the annual economic growth rate is expected to fall by 0.3 percent this year, while growth is about to bounce back next year, (2021: 3.4 percent). Based on the assessment of the Századvég Research Group, the budget deficit is forecast to be 3.0 percent

⁵³ <https://szazadveg.hu/hu/kutatasok/a-gazdasagkutato-kutatasai/elorejelzesek-kozlemenyek/a-koronavirus-miatt-iden-merseklodes-varhato-a-magyar-gazdasagban>

in terms of GDP this year, while the expectation for the same figure is 2.0 percent as of GDP in 2021.

The Hungarian government measures to fight against the economic impact of the coronavirus are going to lead to a higher public budget deficit. When the government announced the next round of the economic policy measures this week, its forecast for the 2020 public budget deficit was 2.7 percent.

| | |
|--|----------------|
| GKI Research Institute | From -3 to -6 |
| Kopint-Tárki | From -5 to -10 |
| J. P. Morgan | -6.3 |
| Századvég Research Group | +0.3 |
| MNB | +2-3 |
| Source: own compilation based on the respective analyses | |

After the first round of measures⁵⁴, the second round includes 5 larger areas (job protection, job creation, sectoral subsidies, more financing for enterprises and extra help for elderly retired persons.) According to the government plans, the economic rescue package's size – including three rounds of measures – will be circa 18-20 percent of the Hungarian GDP. The second round's measures are the following:

— Job protection: the state will finance 70 percent of the employees whose full-time jobs were transformed into part-time jobs due

⁵⁴ (a) Private persons and firms do not need to pay the interest rates and capital on their loans until the end of year. (b) Employers don't have to pay the social contributions in sectors such as tourism, catering industry, sport, culture sectors, passenger transport and the entertainment sector until the 30th of June 2020. (c) In these sectors, property lease agreements cannot be denounced, and prices cannot be increased. (d) The social contributions of employees will be cut significantly, and they don't need to pay their pension contributions, in addition health insurance fees will be reduced to the minimum specified by the law. (e) The interest rates of the consumer credits, granted after the 18th of March 2020, cannot be higher than 5 percentiles than the key interest rate of the central bank.

to the spread of the Covid-19. Many details are not clear yet, however we already know, that the support only applies to firms where the demand fell by 15-50 percent. People employed in research and development areas will get 40 percent extra salary support from the government for three months. In this case, full-time employees are also entitled to this support.

— Job creation: in order to create new jobs, the Hungarian government supports new investments, the estimated value of these investments is 450 Billion HUF.

— Sectoral subsidies: in the government communication, tourism, health care, food processing industry, agriculture, construction sector, transport sector, logistics, creative and film industry were mentioned as supported sectors, however, the details of the support are not clear yet.

— Financing for enterprises: the value of favorable credit lines and guarantees is 2.000 Billion HUF.

— Income support will be provided for retirees. In 2021, the one-week extra pension will be paid out for the retirees. The extra allowance will be repeated in the ensuing four years, and thus the 13th-month pension will be restored.

The new portal Portfolio published a summarizing table of the known measures, though the article admits that the details are missing yet, thus the table's figures are a rough estimate.

As pointed out last week, the Central Bank of Hungary (MNB) declared a moratorium on the installment payment of loans disbursed under the Funding for Growth Scheme (FGS), the MNB also decided to increase the scope of eligible collaterals with corporate loans. As a result of the measures, the value of eligible collaterals available for central bank operations grows by around 2,600 Billion HUF.

To sum it up, it can be argued that the Hungarian government and the MNB swiftly took the necessary economic measures to fight against the adverse economic effects of the Covid-19 endemic. The size of the economic measures seems to be appropriate at this point, however, we

don't have reliable data after the imposition of the restrictions on the economy, so further measures might be needed later. The Hungarian government seems to be aware of the need for further steps since government communication always mentions three rounds of economic measures.

| Table 2. Economic measures and their estimated costs | | | |
|---|-------------|-----------------|-------|
| | Billion HUF | In terms of GDP | Share |
| Moratorium on credit payments | 3,000 | 6.7 | 35.1 |
| Interest rates support, credit guarantees | 2,000 | 4.4 | 23.4 |
| Epidemic fund | 630 | 1.4 | 7.4 |
| Investment support | 450 | 1.0 | 5.3 |
| Tax and social contribution allowances | 150 | 0.3 | 1.8 |
| Not known support forms | 2,770 | 6.0 | 31.6 |
| Aggregate numbers | 9,000 | 19,8 | 100.0 |
| Source: https://www.portfolio.hu/gazdasag/20200406/szerintunk-igy-nez-ki-eddig-a-koronavirus-elleni-orban-csomag-424514?utm_source=index.hu&utm_medium=doboz&utm_campaign=link | | | |

Critics of the program point out that the approach of the government to focus on active labor market policies⁵⁵ is not tenable during that crisis. Another point of criticism is that the measures don't support those who don't have any income at all. Critical voices arguing that the size of the stimulus program is not adequate, point out that the Hungarian economy is strongly embedded in the global supply chains, thus more government support would be necessary.

⁵⁵ Labor market policies where the government intervenes to create job, in contrast to passive labor market policies, where the emphasis is set on maintaining income.

In our understanding, when more economic figures and data will be available in the coming weeks, the question of whether the structure and the size of the stimulus program are appropriate or not can be easier assessed and further measures can be implemented if necessary.

Latvia Strategy to overcome the economic crisis of COVID-19

Nina Linde

In the last months, the economics of Latvia has been facing various challenges due to the global pandemic. Taking into account the negative impact of Covid-19 on Latvia's economic growth and the support measures introduced by the Latvian government to reduce the impact of the crisis the report from the Ministry of Finance states that the economics of Latvia could experience approximately 7% reduction of gross domestic product in 2020.⁵⁶ For this reason, the main priority for the Latvian government regarding economics is to focus on the development of a short-term economic development to reduce the effects of the fall of gross domestic product.

The economic prognosis of the Year 2020

The current economic prognosis of the Year 2020 shows that the economy of Latvia will be facing numerous of difficulties. Besides the decrement of gross domestic product, it is seen that the average salary will experience 3% reduction.⁵⁷ Additionally, the employment levels for the Year 2020 are quite alarming and is proceeded to increase from 6.3% in 2019 to 11.2% in the Year 2020 reaching the level of unemployment rates in 2014.⁵⁸ And it is foreseen that with the support measures introduced by the government of Latvia to reduce the impact on crisis the unemployment levels could gradually fall for 2.6% reaching 8.6% in the Year 2023. It is forecasted that the exports will decrease by 9% in 2020 comparatively to

⁵⁶https://www.fm.gov.lv/lv/sadala/tautsaimniecibas_analize/tautsaimniecibas_analize/galvenie_makroekonomiskie_raditaji_un_prognozes/

⁵⁷https://www.fm.gov.lv/lv/sadala/tautsaimniecibas_analize/tautsaimniecibas_analize/galvenie_makroekonomiskie_raditaji_un_prognozes/

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https://data1.csb.gov.lv/pxweb/lv/sociala/sociala__nodarb__aktivitate__ikgad/NBG040.px/table/tableViewLayout1/

2019 and the overall import levels will experience fall by 10%. Although it is seen that in the Year 2020 the economics of Latvia will face recession currently it is prognosed that by the end of the Year 2021 the growth of gross domestic product will reach 2.4 % therefore overcoming the economic recession.

Latvia prioritizes short-term economic development

To assimilate the consequences of the Covid-19 crisis the government of Latvia has prioritized the short-term economic development activities. During the April 2020, the Economic Development Work Division accepted the plan of action to reduce the economic consequences of Covid-19 crisis. The current strategy of the Ministry of Economics is to make structural changes in the economy focused on productivity and export of knowledge-intensive goods and services. Priority directions of the strategy are to stabilize the economy, to change the structure of the economy and to develop companies with high export capacity. Entrepreneurs already have several support programs available both for attracting working capital and retaining the workforce. However, in order to ensure stability in the internal sector, the proactive involvement of not only state institutions, but also local governments are currently important, purposefully ensuring the implementation of public procurement, for example, in improving the quality of infrastructure and housing and energy efficiency of buildings. These types of activities will contribute to the recovery of both domestic consumption and production and service provision. Although there have been already made some enforcements to stimulate the development of economics on a regional level such as increasing the municipal borrowing limit by 150 million euros for local investment projects it is seen that in the upcoming months new support policies will be enforced.

Currently the government of Latvia has prioritized the development of a short-term economic development program so that it would be clear to entrepreneurs how, taking into account all safety

measures, they can continue working now or resume as soon as possible and what support instruments the state can currently offer and what support is needed so that after overcoming the Covid-19 crisis the capacity of the enterprises of Latvia would be strengthened.

Renovation of apartment buildings - an effective support mechanism for rapid mitigation of the economic consequences of Covid-19

To continue to stimulate the economics, Latvia has developed new projects to solve the increasing unemployment rates and other issues. Measures to promote the energy efficiency of buildings can become an effective tool for restoring economic activity, helping entrepreneurs and the Latvian economy to overcome the effects of the Covid-19 pandemic, as well as helping residents to manage their housing stock and reduce heating costs. Therefore, in order to facilitate the overcoming of the crisis caused by the Covid-19 pandemic as soon as possible and the resumption of Latvia's economic activity, the Ministry of Economics offered the Cabinet of Ministers to decide on the allocation of additional funding of 75 million Euros for the implementation of measures to promote the energy efficiency of buildings.

Renovation of apartment buildings is an effective support mechanism for rapid mitigation of Covid-19 consequences, as it will allow solving several problems simultaneously: at least 150 million euros will flow into the Latvian economy and construction sector, which will create new jobs, 67% of house renovation money remains in Latvia.⁵⁹ Investments in housing insulation are also an important source of support for Latvian building material producers. In addition, by reducing the consumption of natural gas in heat supply, Latvia's trade balance will be improved. The house renovation program is especially important because

⁵⁹ <https://em.gov.lv/lv/jaunumi/27825-daudzdzivoklu-maju-renovacija-efektivs-atbalstamehanisms-atrai-covid-19-radito-ekonomisko-seku-mazinasanai>

it will promote economic activity in the regions, as so far, the most active projects in the program for housing renovation have been submitted from the regions of Latvia.

Travel industry has been deeply affected by the Covid-19 crisis

Although mostly all the private sector fields have been deeply affected by the Covid-19 crisis, the travel industry has experienced massive drop in income levels. The crisis caused by the Covid-19 virus in the industry has now caused almost a 100% drop in turnover in all tourism sectors, to the detriment of both travel agents and operators and the accommodation and catering sectors. All this has directly affected more than 3,000 small and medium-sized enterprises, as well as created a catastrophic situation in the workforce - more than 25 thousand employees have been affected.⁶⁰ At the end of March and April, there is an almost 100% drop in turnover in all tourism sectors, causing losses of 10 million Euros per month. It is important to note that there are a large number of small and micro enterprises in the sector, which are often a source of livelihood for one family.

To prevent the ongoing crisis in tourism industry various solutions have been looked at. During April 2020, the Ministry of Economics prepared various solutions for special support mechanisms for the enterprises in tourism industry such as to introduce a reduced value added tax rate of 5% for the catering and tourist accommodation sectors, to evaluate and implement a balanced voucher system for solving the situation of complex tourism services of tour operators and agencies, support measures for the development of local tourism in order to receive special support for local tourism companies and stimulate local demand within the coming season, including implementing an information campaign for the development of local tourism, attracting new foreign tourists after the Covid-19 crisis, providing support especially for the

⁶⁰ <https://em.gov.lv/lv/jaunumi/27833-vitenbergs-jarod-specifiski-atbalsta-risinajumi-visiem-turisma-nozares-uznemumiem>

development of business tourism, in addition, specific health safety guidelines for tourism service providers and travelers are planned.

Latvia, Lithuania, Estonia, and Finland agree on a roadmap for regional gas market integration

The process of regional gas market integration began at the political level in December 2015, when the Prime Ministers of the Baltic States approved an action plan for the development of the regional gas market and invited Finland to participate in this process. The aim of this agreement is to create a single regional gas market in Estonia, Finland, Latvia and Lithuania in order to improve market liquidity, integration and competition by providing affordable gas prices and high-quality services, thus ensuring the attractiveness of existing and new entrants. During April 2020, all partner countries agreed on a roadmap for regional gas market integration. The common regional gas market will be the first of its kind, with the merger of four countries' cross-border gas markets into the European Union. This will strengthen security of supply in the region, increase market liquidity and foster competition, thus ensuring affordable gas prices and high-quality services for all consumers in these countries.

Conclusions

It is forecasted that during the Year 2020 the fall of import and exports levels and all the safety precautions taken will impact the decrement of employment levels by 4,9% and fall of gross domestic product by 7%. Because of the Covid-19 crisis the government of Latvia has prioritized short-term economic development prioritizing stabilization and restructuring of the economy and to develop companies with high export capacity. To stimulate the economy the Ministry of Economics offered the Cabinet of Ministers to decide on the allocation of additional funding of 75 million Euros for the implementation of measures to promote the energy efficiency of buildings, which will not only ensure new finance sources for construction field but will also allow to save the money of

Latvian citizens since the consumption of natural gas in heat supply will be reduced. During April 2020 more focused has been paid on travel industry as majority of travel related enterprises are facing financial difficulties and as there are a large number of small and micro enterprises in the sector, which are often a source of livelihood for one family.

Corona crisis and Lithuania's idea of setting up a state-owned bank

Linus Eriksonas

The quarantine declared nationally from 15 March to 11 April and the similar actions taken by the other EU Member States, including the total lockdown of the borders terminating the free movement of people and services (except the online transactions and logistics), have sent the economy into knockdown. On 24 March the Vice-President of the Lithuanian Confederation of Industrialists briefed the Parliament with the following information. Forty-percent of the significant industrial producers in the country has been in downtime since the start of the quarantine. More than 100 thousand jobs are at stake. The exports have virtually ceased to the important export markets, including France, Italy, Spain and, to some extent, Greece. Since the lockdown some 800 companies lost insurance guarantees and are experiencing difficulties with payments for supplies. The industrialists have urged to the state to act faster with support for the companies in providing guarantees for insurance companies in order to ensure that the supply of goods and materials is not hampered. At the same time, the Government was criticized for being sluggish in putting the allocated funds for support to use.

Below is an overview of the main economic policy issues and the public intervention mechanisms which have been considered in response to the unfolding crisis. It explains the current debates concerning the strategy on how to prepare the economy for a faster rebound.

The exact scope of the damage created by the coronavirus crisis on Lithuania's national economy has yet to be assessed. However, based on the preliminary assessments, including those by the International Monetary Fund (IMF), the economy has suffered a significant setback, putting the economic growth to a halt for a year. According to the IMF, the Eurozone countries will suffer a GDP contraction of 7,5 per cent on average this year, while by the same account Lithuania's economy is

estimated to be down by 8,1 per cent. The IMF boldly predicts that the economy will rebound in 2021. However, these figures seem still premature as the sight of the coronavirus crisis in Europe is nowhere near. The IMF estimates, for example, that the unemployment rate in Lithuania will reach 8,9 per cent (a similar level as in December), yet the reality is already worse than the forecasted figures.

On 23 April the unemployment rate stood at 11 per cent (up by 2 per cent due to the quarantine). There are indicators that the situation can further deteriorate. During the two months of the quarantine, 600 thousand employees were put on sick leave for the incapacity for work because of the epidemic situation. According to the law, employees can get a 14-days sick leave due to the pandemic if there are no possibilities of carrying out their work remotely or if there is no idle time declared by the employer. The total labour force in Lithuania includes 1,28 million people. The quarantine has affected more than half.

The vulnerability of the labour force due to the limitations of the business operations on domestic and export markets has become a significant barrier for the renewed economic growth that the Government has been hastily trying to address, so it does not persist or transform into a systemic deficiency that might hinder a rebound of the economy within the timeframe and the growth rates as optimistically forecasted by the IMF.

Two schools of thought came forward with advice: the proponents of the pro-active economic development policies advocating the need to set up a national development bank, while their counterparts are wary of that preferring a more scaled-down involvement of the state without too much intervention in the financial sector.

The Keynesian economists, including President Gitanas Nausėda, argue for the need to stimulate economic growth through major public investment undertakings by raising money on the international markets since Lithuania has enjoyed recently excellent ratings. Lithuania's long-term credit rating was set by Moody's at AAA last August and a similar one by Standard & Poor this February. The idea of the state-owned

economic development bank that could raise funds for large-scale investments has been floated. The first public debate on the issue took place at the end of last year with President Nausėda advocating for it by echoing the expert view and the public sentiment (in December 47,9 per cent of the respondents were in favour of such an idea), but the Government has not responded, and the proposal has been shelved.

The coronavirus crisis has opened the door for the renewed discussion on the issue. On 17 April President Nausėda raised this issue again at a press conference mentioning that there are favourable conditions at this time for considering the idea of the state-owned bank. “Until now, when raising this idea we did not know which option to choose, on which basis the state bank could be established – from scratch or by acquiring the stock of the existing bank. Today, when looking at the whole economy support mechanism, the emergence of the support funds (...), I think that all this should not end with the crisis and should serve as the foundation for the formation of the state bank”, - said the President.

The purpose of such a National Promotional Bank by definition is to facilitate access to finance for start-ups and SMEs that face obstacles to raising financing from the market. The economic rationale for NPBs is that they improve the supply of investment finance in areas affected market failures addressing sub-optimal investment situations such as those created by the cessation of the production and supply networks and access of the consumers public to the services and products caused by the quarantine and lockdown.

During the period 1994-2000, there existed the Lithuanian Development Bank, which was set up jointly by the Government (owning the majority of the stock) and the European Reconstruction and Development Bank. In 2001 the bank ceased its operations when Sampo Group acquired it. Sampo further merged with Danske Bank until disappearing from the retail banking sector in 2008.

Since the accession to the EU Lithuania’s economic development policies has been based on the use of the EU Structural Funds and, for the

time being, there was no need for additional economic development entity, especially, in the period immediately after the last economic crisis. The situation has started to change with the change the planning of the previous EU Multiannual Financial Framework (MFF) of 2013-2020 which saw the introduction of the financial engineering measures and a closer involvement of the European Investment Bank (EIB) borrowing money for loans for implementation of the EU Structural and Investment policies.

On 17 December 2018 the Law on National Promotional Institutions was adopted by Lithuania's Parliament granting (with effect as of 3 December) a special status of a National Promotional Institution (NPI), to three existing agencies which have carried out certain limited functions of the EU economic development policies in support of the implementation of the EU Cohesion Policy namely: INVEGA (Investment and Business Guarantees), VIPA (Public Investment Development Agency) and Agricultural Credit Guarantee Fund (ACGF). Supervised by the Bank of Lithuania, INVEGA and ACGF have been supporting the small and medium enterprises by providing guarantees for loans and leasing, while VIPA has been implementing public investment projects co-funded by the EU Structural and Investment Funds. However, none of these entities have worked outside the EU funding mechanisms.

Hence, the President's argument for setting up a state-owned development bank with an adequate mandate to complement the existing NPIs. However, the Government is guided by the alternative school of thought which prefers to see the limited role of the state in the financial sector and prefers to limit the interventions to the public investment projects using mostly the existing structures, including INVEGA. While when responding to the proposal from the President the Prime Minister has kept the issue of the state bank open, yet he was reluctant to start any exploratory let alone preparatory work which could move the idea forward.

Until now only smaller-scale State Aid support measures such as those authorized under the Temporary State Aid Framework adopted by the European Commission on 19 March 2020 (amended on 3 April)

validating a 110 million guarantee scheme for Lithuania covering working capital and investment credits granted by commercial banks to support businesses affected by the pandemic have been announced. However, the industrialists have noted that this support has not reached them yet. Hence, they urged for broadening the scope of the support effort by expanding the number of entities providing access to investments and support.

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The Macedonian economy braces for the biggest challenge since independence

M. Adela Gjorgjioska

The coronavirus pandemic is likely to trigger the biggest challenge to the Macedonian economy since the country's independence in 1991. The most pessimistic scenarios forecast a drop of GDP of -4%.⁶¹ By way of comparison, during the economic crisis in 2009, GDP dropped only by -0,4%. The biggest fall of -3,1% was observed in 2001, as a consequence of the 2001 armed conflict.

In an attempt to ameliorate the impact on the economy, the Government has introduced two sets of economic measures aimed at 'tackling the crisis caused by Covid 19'⁶² labelled "Economic Package 1" announced on the 19th of march and "Economic Package 2" announced on the 31st of march. The combined cost of the two sets of economic measures is estimated to be around 200 million euros. Primarily these have been directed towards improving the liquidity of firms worst affected by the coronavirus and preventing a sharp rise in unemployment. For instance, the first economic package included a subsidy on employee contributions of up to 50% of the average salary paid in 2019 aimed to support the most severely affected sectors of tourism, transport, catering and other corona-affected companies for the months of April, May and June of 2020. The second set of measures included a state subsidy offered to companies in order to cover the minimum wage of 14,500 denars (around 240 euros) for all employees affected by the crisis, as well as all sportsmen, artists and independent business owners such as hairdressers, beauticians, craftsmen and farmers. Upon announcing the second package, Technical Prime Minister Oliver Spasovski stated that the country is facing two fronts, the healthcare front and the economic front: "On the economic front we will

⁶¹ In December 2019, the IMF forecasted a growth of 3,4% of GDP for 2020.

⁶² <https://vlada.mk/node/20813>

fight to secure the functioning of the budget in a scenario of an economic crisis, to secure the liquidity and the financial injection into the economy, through a set of measures assisting the workers and the economy as a whole, and in order to protect as many jobs as possible”.⁶³ Additionally, as part of the second package it was announced that ‘all elected and appointed officials will receive a minimum wage of 14,500 denars in April and May 2020’. The measure was said to apply to the Presidents of the State, the Assembly and the Government, all ministers, deputy ministers, state secretaries, directors of state institutions, MPs, mayors, and all other elected and appointed persons. Moreover, a supplementary government ordinance was issued on the 9th of April, according to which the salary of public sector employees will be reduced to the amount of the minimum salary of 14,500 dinars during the state of emergency.⁶⁴ However the implementation of these measures and their ability to mitigate the adverse effects on the economy and unemployment were impeded by two developments.

Firstly, on the 28th of April, the Constitutional Court brought a decision to temporarily suspend the execution of the government ordinance related to the reduction of salaries of judges, prosecutors, officials and MPs as a measure against the impact of the coronavirus on the economy. This has meant that 2060 functionaries (MPs, judges, prosecutors and officials) will receive normal salaries instead of the announced minimum wages. The decision brought by the Constitutional Court was characterised as ‘scandalous’ in a Press Release issued by the Government: “The government's intention was based on the principle of solidarity. Its aim was to secure funds which will enable us to overcome the current health and economic crisis caused by Covid 19. Now, with the decision of the Constitutional Court to annul the Decree, a hole of 4 million euros appears

⁶³ <https://vlada.mk/node/20813>

⁶⁴ https://vlada.mk/sites/default/files/dokumenti/Uredbi_Covid19/39_Sednica_09-04-2020/sednica_39_09.04.2020_uredba_so_zakonska_sila_za_dopolnuvanje_na_uredbata_za_ogranichivanje_na_isplatata_na_dodatoci_i_nadomestoci_na_plata_za_vrabotenite_vo_javniot_sektor_za_vreme_na_vonredna_sostojba.pdf

in the budget. Additionally, the message that is being sent is that the judges have trampled solidarity."⁶⁵ In addition to the government, the decision received broad social criticism. Slagjana Taseva, Director of an anti-corruption NGO "Transparency Macedonia" commented: "The Constitutional Court has remained silent with regards to all the other decisions issued since the start of the state of emergency. The only decision they have managed to reach was the one which is in their personal interest - the salaries of judges and public officials"⁶⁶.

The second challenge to the implementation of the economic measures emerged on the 28th of April when a new government decree changed the conditions that private companies need to fulfill in order to be able to use the subsidy. Initially when the Government announced its subsidy for companies to cover the minimum wage of 14,500 dinars (240 euros) for all employees affected by the crisis it made its funds available only to companies which will refrain from layoffs. However, the new ordinance allowed the funds to be used even by companies which layoff a certain percentage of workers. This measure has also become the center of public criticism. The economic institute 'Finance Think' pointed out: "Under normal operating conditions, labor fluctuations are a common process determined by market conditions, and in such circumstances layoffs are a normal process. However, the current circumstances are extraordinary, and the goal of the government's measures to deal with the economic consequences of the corona crisis is to keep jobs, by providing liquidity to companies, or by subsidizing their capability to pay salaries."⁶⁷

⁶⁵<https://www.slobodenpecat.mk/vladata-ke-go-vozvrati-udarot-na-ustaven-so-nova-uredba-za-platite-na-funkczionerite/>

⁶⁶<https://www.slobodenpecat.mk/vladata-ke-go-vozvrati-udarot-na-ustaven-so-nova-uredba-za-platite-na-funkczionerite/>

⁶⁷ <https://m.facebook.com/notes/finance-think/%D1%84%D1%82-%D1%81%D1%82%D0%B0%D0%B2-%D0%B1%D1%80-45-%D0%B7%D0%B0-%D0%BE%D0%B2%D0%BE%D0%B7%D0%BC%D0%BE%D0%B6%D1%83%D0%B2%D0%B0%D1%9A%D0%B5-%D0%B2%D0%BB%D0%B0%D0%B4%D0%B8%D0%BD%D0%B0-%D0%BF%D0%BE%D0%BC%D0%BE%D1%88-%D0%B2%D0%BE-%D1%83%D1%81%D0%BB%D0%BE%D0%B2%D0%B8-%D0%BD%D0%B0-%D0%BE%D1%82%D0%BF%D1%83%D1%88%D1%82%>

In particular the trade unions across the country, as well as the workers political party “The Left” voiced deep concerns over the implications of the measure. In particular they opposed the use of public funds by the state to bail out private companies if such assistance is not accompanied by a strict conditionality that will protect the workers.⁶⁸ Confronted with a wave of public criticism the Government reversed the decision on the 1st of May.⁶⁹ It announced that ‘all companies which will use the government assistance for the payment of salaries will not be allowed to lay off workers in the months of April, May and June 2020.’⁷⁰ The fact that the decision was changed twice in a very short time span only fuelled suspicions towards the capacity of the state to provide a comprehensive and a well-thought out response to the coming economic challenges.

Nonetheless, whilst the post-socialist neoliberal consensus regarded government interventionism to be an obstacle to economic growth, the coronavirus turned the attention back to the state as a provider of an economic safety net. Moreover, it was precisely those characteristics of the economy which the “Washington Consensus” had promoted as beneficial to economic growth, which had exposed the country to both its own incapacity and the vulnerability of its economy in light of the coronavirus. For instance the fact that the largest share of public assets and companies have been privatized now meant a reduced scope of control that the state is able to exercise over the economy. Moreover, the diminished social welfare and reduced public services meant a thin social protection net for individuals and groups affected by either the health or the economic crisis.

D0%B0%D1%9A%D0%B5-%D1%80%D0%B0%D0%B1%D0%BE%D1%82%D0%BD%D0%B8%D1%86%D0%B8/1572991559543428/

⁶⁸ <https://levica.mk/2020/04/29/sdsm-i-oficijalno-gi-ozakoni-otkazite/>

⁶⁹ The decision was revoked on the 1st of May - International Workers Day, the day when traditionally marches are organised by trade unions, workers unions and political parties in support of workers rights. This year however due to the coronavirus pandemic the 1st of May activities remained restricted online.

⁷⁰ https://fokus.mk/1vladata-se-predomisli-firmite-koi-ke-baraat-pomosh-nema-damozhat-da-otpushtaat-rabotnitsi-vo-april-maj-i-juni/?fbclid=IwAR2mDH4ua_LGQWH_kMzv0HscvjTIdo-Z9B6877ugKy6hcQg4BoQe1lhjmZY

Finally, the insistence on the neoliberal economic model has meant that the state has shied away from producing a developmental economic bureaucracy capable of implementing comprehensive and coordinated responses to economic challenges.

As a result, the Macedonian economy will only be able to seek ad hoc treatments for the symptoms of the rising economic crisis. On its own however, it will possess neither the capacity nor the economic sovereignty necessary to address the causes of the economic crisis. As a result, the potency of the economic measures taken is likely to be short-lived and hampered by the economy's vulnerability to economic developments in Europe - due to strong banking and trade ties, but also due to the diminished capacity of the state to exercise economic sovereignty and to coordinate the economy as a whole. This in turn is likely to result in further spikes in the already high levels of unemployment (currently at around 18%) and an increased percentage of the population falling under the poverty line.⁷¹⁷²

⁷¹ This is all the more concerning in view of the fact that 21.5% of Macedonians already suffer from poverty. At the same time the post-socialist state has repeatedly proven unable and/or unwilling to provide the necessary safety net to shield its most vulnerable citizens, the numbers of which are likely to drastically rise in the coming months

⁷² In the absence of official statistical data on the economic activity from the past two months, a useful indicator is the inflow of funds from tax and contributions. According to the Public Revenue Office, the inflow has dropped by 12,3% in march, and a decrease of 38,2% by mid-April.

COVID-19 and Montenegrin economic recession

Milika Mirkovic

The Montenegrin economy is small, import dependent and not characterized by high diversification, so the impact of external shocks is more pronounced. This external shock caused by the pandemic was reflected in the supply side. The biggest impact of the pandemic is on tourism, which is one of the most important economic branches of the Montenegrin economy. Measures taken to prevent the spread of the virus among the population primarily relate to restricting population movement and closing down many of enterprises in tourism and hospitality, transport, recreation and arts businesses and other segments of the service sector. Suspending or reducing production already has an impact on economic activity, so recovery in the post-corona period will be both difficult and long-term. Economic projections show that the Montenegrin economy will enter a recession this year, although, before the onset of the virus economic prospects were favourable. It is certain that the pandemic will leave a mark on all economic actors. However, a pandemic will also have a positive impact on one group of businesses (although the number is significantly smaller than those that will suffer damage). Also, the pandemic will influence the transformation of the economic activity of one group of companies towards their digitalization.

What are the prospects for the Montenegrin economy?

In general, it is very difficult to estimate the direction in which the economy will move and to what extent the pandemic will affect economic activity. Estimates and perspectives depend on a number of factors: when the pandemic will stop, whether it will return in the second wave in the second part of the year, what will be the situation in the countries with which Montenegro has the greatest economic cooperation etc. According to World Bank (WB) projections, the Montenegrin economy will record a negative real growth rate of -5.6% in the best case scenario in 2020, while

the projected growth rate under the downside scenario will be -8.9%⁷³. The recession is also projected by International Monetary Found (IMF) with a more pessimistic forecast of -9%⁷⁴. The Economic Barometer by the Institute for Strategic Studies and Projections is also projecting a negative economic growth this year. Certainly, the rate of GDP growth depends on the length of the pandemic and the duration of social distance measures.

The impact of the pandemic will also be reflected in the labor market, which will have an impact on household consumption for which negative growth rates are projected. Closing a large number of businesses will result in a decrease in employment and/or a drop in earnings. Also, a bad tourist season will affect reduced seasonal employment, where nearly a third of the unemployed are hired during the summer season, which will additionally affect the disposable income of the population. The projected negative growth in Europe will also be reflected in seasonal employment abroad, which will affect the income of the population, since remittances are an important source of financing for a certain part of population. Such developments will contribute to rising unemployment and falling private consumption. Also, a reduced labour income inflow from abroad will result in a decrease in the Gross National Income of Montenegro.

Suspension of international traffic will have a direct impact on tourism revenues, i.e. the number of foreign tourists. So far, there is unknown time to re-establish international traffic. For example, if the ban applies by the end of the second quarter, the number of foreign tourists will decrease by more than a fifth, assuming that the number of tourists in other months will be at the same level as last year. In the case of a ban on international traffic, the reduction in the tourism sector will be significantly larger (more than three quarters). Considering that tourism revenues represent about a quarter of the total value of goods and services produced, a high GDP decline is inevitable. The decrease in tourism activity will directly affect the export of services, since that tourism represent the most

⁷³ World Bank (2020) The Economic and Social Impact of COVID-19, Western Balkans Regular Economic Report: Spring 2020

⁷⁴ <https://www.imf.org/en/Countries/MNE>

significant part of it, which will ultimately have negative implications for the GDP growth rate. According to WB estimates, total exports will fall in the range from 18.5% to 28%, depending on the duration of the pandemic. Certainly, the trends in tourism depends on the spread of the virus and the economic situation in the countries from which most tourists come. The decline in exports of services will be accompanied by a fall in exports of goods due to limited and reduced production, but also a decrease in external demand. Due to the decline in economic activity and personal consumption, imports are also expected to decline.

Delaying the completion of the highway for the coming year, as well as expectations in the decline in construction activity as a result of reduced demand, are factors that will determine the trends of investments, which will decline in next period. In addition, high uncertainty will affect investments in the tourism sector, so that many projects in this area can be delayed. Also, due to unfavourable trends in the world, this year may see an expectation and a decrease in the inflow of foreign direct investments (FDI), which have been increasing in the previous period. Although the net FDIs will be positive, they will be at a significantly lower level compared to 2019.

During May, it is expected that the restriction in business will be phased out so that a part of the companies will start operating. These include hotels and restaurants, as the number of infected people decreases and new cases are not registered. The phasing out of the restrictions would also lead to a gradual recovery of the economy, which can be expected in the third and fourth quarters of this year.

What has the government done so far?

In the recent period, in response to the crisis caused by pandemic, the Government of Montenegro has adopted and proposed a series of measures aimed at counteracting the negative effects of the virus and preserving the business of entrepreneurs and SMEs. In order to maintain the level of employment and liquidity of the enterprise, the measures refer

to different groups of enterprises, depending on the extent of the impact of the pandemic, whether the business is suspended or reduced. Also, the measures adopted include assistance to the most vulnerable categories of the population. The first two packages of measures adopted in the previous period relate to subsidies for enterprises and one-off benefits for the most vulnerable categories of people (least-income pensioners, social benefit beneficiaries and unemployed persons who do not receive any compensation), as well as deferral of tax and non-tax liabilities for a three-month period, a moratorium on repayment of loans to households and enterprises and special support measures for agriculture.

Subsidies to companies include subsidies for the two-month period in the amount of 50% to 70% of the minimum wage, depends on whether the enterprises are reduced or have their business suspended, as well as subsidies in the amount of 100% of taxes and contributions to the minimum wage for each registered employee in companies whose work is suspended. Additionally, any new employment is stimulated by subsidies of 70% of the minimum wage. Also, these measures include credit lines on more favourable terms than market ones by the Investment Development Fund, which can be used to solve liquidity problems of companies. Adopted measures cover nearly three quarters of the private sector, and according to WB estimates, total allocations for all measures are 1% of GDP. Certainly in the short term, i.e. in the next two to three months, these measures will give positive results to the economy and somewhat help enterprises to deal with the problem of liquidity and payment of salaries to employees. Delaying the payment of taxes and other liabilities is a significant benefit for all businesses to overcome the crisis. The government has also announced additional longer-term support measures, and in these measures the tourism sector will be particularly recognized.

A major challenge in providing assistance to the economy are financial resources. As Montenegro has no good borrowing prospects or significant opportunities for fiscal manoeuvring, since the high public debt which represented a significant percentage of GDP in the pre-coronavirus

period. Public debt can be expected to be at least four-fifths of GDP this year. Limited budget reserve is also a problem in financing the measures. Furthermore, a worsening of the relationship between budget revenues and expenditures can be expected in the budget structure. As economic activity declines, revenues will fall, while expenditures are expected to rise at the same time. To this end, it is expected that the budget will be revised in the coming period, but also that budget line items on the expenditure side will be recompiled. In order to contribute to maintaining the stability of public finances, public procurements were suspended, salaries of public officials with the highest salaries in public administration will be reduced, and a number of other forms of budget savings are in place.

Either way, it seems that estimates of economic developments, this time, have to be based on epidemiologists' estimates of the spread of the virus. Certainly, some future external shocks require greater diversification of the economy, so that the negative consequences could be less.

Poland and the “Anti-crisis Shield”

Joanna Ciesielska-Klikowska

Current events related to the coronavirus epidemic have a huge impact on the life and health of the inhabitants of Poland, but also a measurable impact on the state of the economy. In connection with the introduction of the “state of epidemic threat” in Poland on March 14, 2020 (increased to the “state of epidemic” six days later), the economy is operating at a slow speed. The majority of small and medium-sized companies had to suspend their operations and, if possible, do work remotely. Yet, for a huge group of Polish entrepreneurs it is an extremely difficult time - so they count on state support. The answer to their needs should be the “Anti-crisis shield”, a governmental program, which provisions offer a number of solutions to facilitate the survival of a pandemic and a mild recovery from the crisis over the next months.

What does the government’s “Anti-crisis shield” introduce?

Works on financial and administrative support for entrepreneurs have lasted practically since the beginning of the epidemic. Following the example of other European countries and trying to meet the expectations of business, Polish parliament adopted the so-called “Anti-crisis shield” on March 28. During the historic gathering of the Sejm (first, at which the MPs were allowed to vote remotely), numerous acts referred to the economic protection were adopted. The “shield” is based on five pillars - maintaining jobs, supporting companies, subsidizing health care, strengthening public investment and supporting the financial system. The “shield” is a set of several bills prepared by the Ministry of Development, Ministry of Finance and the Ministry of Family, Labour and Social Policy. The implementation of the program will be safeguarded by two institutions

- the Polish Development Fund (Polska Fundacja Rozwoju, PFR) and the Industrial Development Agency (Agencja Rozwoju Przemysłu, ARP).

The “Anti-crisis shield” is made up of the following acts:

1. on the amendment of certain acts in the field of health protection system related to the prevention and combating of COVID-19;
2. on the government bill amending the act on special solutions related to the prevention, counteracting and combating of COVID-19, other infectious diseases and crisis situations caused by them;
3. on the modification of the act on the system of development institutions; introducing the extension of the competences of the PFR, so that it could support entrepreneurs in connection with the coronavirus epidemic more effectively;
4. on supporting companies.

According to Minister of Development Jadwiga Emilewicz, the main goal of the “shield” is however to protect and support entrepreneurs and employees, and to abolish bureaucracy and reschedule previously planned changes in the tax system. As Emilewicz points out: “We tried to make the “shield” as comprehensive as possible and not to overlook anyone”. Already the draft solutions took into account the applications of entrepreneurs who asked, among others, for a higher support limit, as well as for transferring many decisions to the level of the Minister of Finance (not tax offices). During the work, the regulations were expanded additionally to include the takeover of payment of 40% employee salaries by the state. Besides, entrepreneurs can combine different instruments, e.g. send some employees on vacation and use the state’s support to pay half employees’ salaries. In addition, companies can simultaneously apply for the postponement or cancellation of 3-months contributions to the Social Insurance Institution (Zakład Ubezpieczeń Społecznych, ZUS) and take advantage of the extension of the calculation of contributions for all taxes. The government launched loan and assistance instruments as well. The whole aid package is valid from April 1, 2020.

“Anti-crisis shield” mainly for micro-entrepreneurs

The described legal provisions of the “shield”, however, refer mostly to the so-called micro-enterprises, namely the ones employing up to 10 people, with an annual turnover not exceeding EUR 2 million. In total there are about 2 million companies in Poland, 96% of which are those micro-enterprises. Still their role in shaping the economy is enormous, because their share in creation of Polish GDP is 31%.

Unfortunately, since the beginning of March 2020, over 58,000 micro-enterprises (i.e. sole proprietorships) suspended their professional activity. Only in the first few days of April over 22,000 smallest enterprises decided to do so. The largest number of “frozen” companies occurs in trade, followed by construction and transport industries. A large group of suspended enterprises are also those related to education and training (language and computer courses, coaching classes); accommodation services (hotels), gastronomy (restaurants and bars); small services (tailors, hairdressers, beauty salons, taxi drivers), as well as cultural and sports activities (personal trainers). In total, the number of suspensions in March was much higher than in January and February 2020.

“Anti-crisis shield 2.0”

The project of financial support for micro-entrepreneurs was positively received, but it was pointed out that it is very limited and does not cover the needs of companies employing more than 10 employees at all. Therefore, in the following days, the government started to develop a project to extend the “shield” to SMEs and farmers, and lengthen its duration time. Sejm passed the new entries, called “Anti-crisis shield 2.0”, on April 8.

The new amendment extends the circle of entrepreneurs who will be entitled to take advantage of 3-month “ZUS contributory holidays” to companies employing up to 49 people, so in fact the small and medium-sized enterprises. It stipulates that SMEs will be exempted from paying 50%

of contributions of the total amount of unpaid contributions due. All payers who are social cooperatives, regardless of the number of employees, are also exempted from contributions.

The new regulations expanding the original “shield” state that the Industrial Development Agency will offer entrepreneurs various instruments supporting their current financial liquidity. The assistance is also to consist of liquidity loans enabling support for the day-to-day functioning of companies with a 15-month grace period. Yet, an increase in the availability of loans for micro-enterprises is assumed as well. To take advantage of the loan cancellation, the micro-company will have to operate at least for 3 months from the date of the loan received.

Re-payment of benefits is also provided for persons employed under civil law contracts and self-employed. Instead of one-time support for entrepreneurs and people performing civil law contracts, as in the first version of the program, it will be possible to re-grant this benefit, yet not more than three times. The government will be able to decide on any further payments by regulation.

Changes are foreseen as well in the loan program “First Business - Start-up Support”, implemented by Bank Gospodarstwa Krajowego (Polish national development bank), including introducing discounts in the repayment of loans taken out from the program. The option of renegotiating the terms of the bank loan by all entrepreneurs, regardless of their size, is also introduced.

The “Anti-crisis shield 2.0” extends moreover the deadlines for preparing local and group transfer pricing documentation until September 30 and December 31, 2020 respectively. In addition, capital groups, which will suffer negative economic consequences in 2020 due to COVID-19 and will not meet the condition of profitability because of the tax arrears, will retain the status of a tax capital group anyway.

What is important, some solutions of the new version of “shield” concern aid for farmers and entrepreneurs in the agricultural sector. Farmers and household members working with them - in the event of being

subject to compulsory quarantine, epidemiological supervision or hospitalization in connection with COVID-19 - shall be entitled to an allowance of 50% of minimum remuneration for work (so PLN 1.300, EUR 303). Solutions have also been introduced enabling entrepreneurs from the agri-food sector to flexibly organize their working time.

The total cost of the assistance program for entrepreneurs in all sectors is to amount to PLN 212 billion (EUR 49.3 billion), which is about 10% of Polish GDP.

Conclusions

The main purpose of the “Anti-crisis shield” is to protect jobs and maintain liquidity of enterprises. Yet, although at first glance the amount of support from the state is impressive, in fact the amount of PLN 212 billion may not be enough. The more so that the funds that will go directly to entrepreneurs will be times lower than the amount mentioned. Approximately PLN 70 billion (EUR 16,3 billion) are to be provided by the Polish National Bank’s financial instruments supporting the liquidity of commercial banks. These will most likely be loans that will have to be repaid. A similar amount is to be allocated to various types of guarantees, loans or deferrals of treasury payments, which will have to be returned to the state budget sooner or later.

Moreover, many entrepreneurs and experts note that state aid for companies, and thus indirectly for employees, is anyway too small and subject to too many bureaucratic restrictions. Despite the assurances of Minister Emilewicz on reducing bureaucratic procedures, the explanations of how to comprehend the new provisions have up to 270 pages. Most SMEs are unable to understand them without the help of an accountant and/or a lawyer.

The program is a good direction of change, however, its introduction, records and regulations are often still too chaotic and complicated. Financial support from the state is necessary but it must be mature and well thought out.

The impact of coronavirus crisis on Romanian economy

Oana-Cristina Popovici

The deceleration of the economic activity could be seen during March in the drop of the volume of economic activity by 30%, and a reduction by 22% in exports and by over 25% in imports. Confidence in the economy fell in March to the lowest level since July 2012. The range of GDP estimations is large due to uncertainty and it goes from a 0.3% increase according to the World Bank to a 4.7% drop based on BCR estimates. The package of economic aid raises at 2% of GDP, but it is considered insufficient by the private environment. The pressure on hikes in budget deficit limits the space for fiscal measures.

Macroeconomic conditions

The estimations on the GDP growth for this year are extremely volatile due to high uncertainty. The World Bank has revised significantly the estimations regarding the advance of the Romanian economy this year, up to 0.3%, from 3.8% as estimated three months ago, but count on a positive return to 4.4% in 2021. The negative impact of the COVID-19 pandemic on the economy is expected to be substantial, at least in the first half of the year. However, the risk of the recession in 2020 remains considerable and increasing. National institutions are more pessimist about the recession. According to the president of the Fiscal Council, Romania has no way to avoid a recession, but the economy will not collapse, as the basic services, several businesses and work in agriculture are continuing. There is high uncertainty and estimations are vulnerable to the advancement of the pandemic. The representatives of the ING Bank also indicate towards a recession, with a GDP decrease of 0.9%, according to their estimations in mid-March. However, the economists of one of the largest banks in Romania, BCR, envisage a decrease by 4.7% of the economy due to the epidemic, from a previous growth forecast of 1.8%. GDP would decline by 15.2% in the second quarter and return to a rapid

growth of 12.8% in the third quarter, due to the gradual resumption of activity. The GDP growth in 2021 would be of 3.9%. Total recovery will last for several quarters, as some companies will not survive the shock and others will need time to reach full capacity and resume the hiring process. The unemployment rate would rise almost three times by the end of the year, reaching 11%. Romania had one of the lowest unemployment rates in the EU during 2019.

Signals on the slowing of the economic activity is starting to be captured by official data. The volume of economic activity, as measured by the turnover of the companies in Romania could decrease by 30% during March and may drop further, by 40% during April, according to a survey conducted by the National Institute of Statistics. A similar ad-hoc investigation of the same institute suggests that exports decreased by about 22% in March. The main causes for these reductions were the drop of production capacity (in the case of 16.6% of the respondents), transportation problems (22.4%), temporary legal export bans (16.5%), lack of imported raw materials (14.1%) and cancellation of contracts (9.1%). However, imports saw a higher contraction, of over 25%. Importers also accused, on a larger extent, the reduction of production capacity (20.8%), problems related to transport (29%), temporary legal prohibitions on imports (20.4%), and contract cancellation (8,4%). Such a situation may lead to the reduction of the foreign trade deficit, which hit 7.8% of GDP in 2019.

Romania confronts a high risk is on the side of the budget deficit, which has surpassed the alarm limits of 3% of GDP since 2019. The Ministry of Finance warned that the 2020 budget deficit could exceed 5% of gross domestic product, while the experts of the CFA Romania Association anticipates an even higher value, of 6.5% of GDP. BCR representatives expect an explosion of 7.8% of GDP. World Bank's forecasts for this year indicate that the deficit will rise at about 5.5% of GDP, as compared to the planned amount of 3.6% of GDP, according to a recent report. The increases in deficit will trigger a surge of the public debt

up to 41% of GDP by the end of 2022, from 36.3% in 2018. However, Romania will still register the lowest debt in the EU. In fact, president Iohannis already draw the attention that the public deficit will likely record a significant increase, following the planned revision of the budget planning for this year.

The Government is proceeding to a full revision of the budget, since the allocation of money envisaged at the end of 2019 was made on assumptions which are not available at present, such as the scenario of 4.1% of GDP increase and a public deficit of 3.6% GDP. In the meantime, following the coronavirus crisis, the Government postponed the collection of several taxes which diminishes the state revenues, while more funds are needed in the public health sector, for social assistance and for paying technical unemployment and other unemployment indemnities.

The indicator measuring the confidence in the economy fell in March to the lowest level since July 2012, according to the CFA Romania Association. The confidence indicator is based on two components: one of the current conditions (the reality in the economy) and another one regarding the expectations in the future. Both registered a sharp decrease as compared to the previous month. In addition, most of the respondents (48%) anticipate that the economic impact of coronavirus will be strongly felt by the fourth quarter of the year.

The Government's aid package for supporting the economy

The Government took several measures, most of them similar to other countries, for providing economic aid to those affected by the pandemic, such as:

- Providing guarantees for loans up to RON 10 billion, interest subsidy for working capital and investment loans and facilities for companies experiencing financial difficulties.

- Adopting a moratorium on bank loan repayment which allows to suspend the payment of loan instalments until December 31, in order to

help individuals and companies hit by the COVID-19 crisis. Until present, more than 150,000 persons requested to benefit from this measure.

- Accelerating VAT refund.
- Suspending tax controls.
- Extending the payment terms for local taxes paid by the population.
- Postponing the payment of utilities and rents for several small enterprises.

IMF estimated that the measures comprising taxes and budgetary expenses raise to about 2% of GDP. These involve the additional expenses in the health system, partial coverage of the wages of the parents who stay at home while the schools are suspended and the measures to support the business environment including partial coverage of salaries for people in danger of being fired.

In addition, the National Bank of Romania (NBR) quickly implemented a package of exceptional measures, such as:

- Reducing the monetary policy interest rate from 2.5% to 2%.
- Maintaining the interest rate for the deposit facility at 1.5% (in order not to reduce the deposit remuneration in the banking system).
- Lowering the interest rate related to the lending facility to 2.5%, from 3.5%.
- Providing liquidity to credit institutions through repo transactions (a repurchase agreement for government securities) in order to ensure the smooth functioning of the monetary market and other segments of the financial market.
- Purchasing government securities in national currency on the secondary market in order to strengthen the structural liquidity of the banking system.

The possibility of NBR in reducing interest rates is limited by the large budget deficits and current account (twin deficits), which means a higher risk premium. According to experts, if NBR were to reduce the

interest rate more aggressively, the exchange rate of the national currency would have depreciated sharply.

There are, however, opinions stating that these measures would not be enough or that they would be small compared to the incentives package implemented by other countries. The 2% of GDP anti-Covid economic package is similar to the one in Turkey, Tunisia, Togo, Egypt, Georgia and Ireland. However, as dimension, it is one of the weakest, as compared to 6% of GDP in Poland, 18% of GDP in the Czech Republic and 28% of GDP in Germany.

The private environment requested an intervention for restoring the economy of 15% of GDP, namely approximatively EUR 30 billion. Such an amount would decrease the risk of recession (or reduce it to a very short term) and would enhance a good position the end of the year, thus providing a better situation at international level and increased competitiveness.

In addition, the private environment is asking for an adjustment of the state apparatus, as it adds a considerable pressure on budget spending. It is very possible that future weeks will bring measures for the public environment employees similar to those already taken in the business environment: technical unemployment, reduction of revenues, suspended employment contracts. Romania faced harsh austerity measures during the financial crisis of 2008-2009, such as the reduction by 25% of the revenues in the public sector. The Prime Minister considers that measures should focus on maintaining the purchasing power of the population for preserving consumption and providing financial injections in certain areas to help restart the economic engine. The austerity measures were not the most appropriate solutions during the last crisis since they delayed the economic recovery.

The German business community in Romania also consider that the measures are not enough and ask for the implementation of reduced and flexible schedule work, accelerating the VAT refund, reducing the wage

contributions and the introduction of bonuses for the payment of taxes on time.

However, economic analysts state that the Romanian government cannot implement a large package of fiscal incentives, such as tax cuts or spending increases, because it has no fiscal space. Romania's budget deficit is very high following the expansionist policies of the last 3 years, and, from this point of view, Romania is the most unprepared economy amid the EU countries which has to confront the crisis.

Serbia's positive economic prospects shattered by the covid-19 crisis

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Abstract: Over the years Kopaonik Business Forum has established a reputation of being a focal point for the discussion of the vital contemporary economic and socio-economic issues in Serbia. The document titled "Kopaonik Consensus 2020" in which the most important conclusions and recommendations for policymakers are summarized, has yet to be delivered to the public. The problem is that with the sudden outburst of coronavirus disease (COVID-19) worldwide, projections for the Serbian economy will have to be revised. Crisis containment measures are taking its toll on economic activity.

Every year during the first week of March Serbian mountain of Kopaonik well known for its natural beauty, in addition to being country's top ski resort, hosts the gathering of Serbian economic and political elite. Since it mirrors in many ways the recognized format of the World Economic Forum at Davos, the Kopaonik Business Forum is among the domestic public colloquially known as "Serbian Davos". For the past 27 years it has been organized by the Serbian Association of Economists. By means of bringing together over 1,300 participants, including government officials, members of the diplomatic corps, representatives of international organizations, prominent professors and scholars, successful businesspeople, domestic and foreign investors and journalists, it enables the shaping of the Serbian economic agenda.

Opening the Forum, Mr Aleksandar Vlahović, in the name of organizers expressed his satisfaction that this year main discussions will not concentrate around measures how to reduce public spending and fiscal

deficits, but the incentives within the framework of industry 4.0. Term 'industry 4.0' refers to a fourth industrial revolution, i. e. the fusion of the highly advanced technologies and their interaction across the physical, digital and biological domains. That is how Klaus Schwab, Founder and Executive Chairman of the World Economic Forum and author of a book *The Fourth Industrial Revolution* sums up the power of transformative forces. The scale and scope of far-reaching changes brought by advances in technology and digitalization is yet to be determined. Besides affecting the way our economies work, the changes are already shaping social structures of our everyday lives. A range of novel challenges and threats, as well as possibilities, is emerging.

A total number of 28 panels were organized. A wide range of socio-economic topics in relation to the potential of transformative technologies, but also the general direction in which Serbian economy is heading, has been covered. Prospects of establishing regional economic area have been discussed. Ambitious and potentially far-reaching initiatives among the partners from the Western Balkans have already been considered among the political decision-makers. The creation of some form of advanced institutionalized economic cooperation, if put in place, is expected to generate greater economic growth and more foreign investments. Furthermore, discussing the vulnerabilities of the abovementioned societies, many of the speakers agreed that emigration will be one of the most pressing challenges for Serbia and the entire Western Balkans region in the years to come. A great number of those leaving are highly-qualified professionals: medical workers, engineers and IT experts. Although sometimes we perceive the synergy of cutting-edge technologies to be the foundation of progress, human capital remains the driving force behind the creativity, innovative development, and competitiveness. Thus, adverse demographic trends should not be underrated.

First day of the Forum encompassed the addresses of the Governor of the National Bank of Serbia Jorgovanka Tabaković and Minister of Finance Siniša Mali, who both used the opportunity to present positive

trends in Serbian economy and monetary policy. “With a 6.1 percent growth rate in the final quarter of last year, we had the fastest growth in Europe”, said Finance Minister. He indicated that public debt has fallen below 50 percent of GDP and is under control. In addition, he asserted: “We have enough reserves for any crisis“. Just a few days later, on March 6, first case of COVID-19 in Serbia was reported. The Finance Minister also indicated that Government is considering reducing tax burden on labour and is on pace to reform the Tax Authority, along with a new set of legal measures on investment funds, insurance and accounting.

Jan Kees Martijn, head of the International Monetary Fund’s (IMF) mission in Serbia noted that the Serbian government's economic program is delivering results, but reforms are still needed in many areas. He commended the measures that contributed to low inflation, fiscal discipline, reduced public debt, and labour market improvements. Achieving better governance and more effective fight against corruption are challenges that need to be tackled in the future. It is the recommendation of IMF for the Government of Serbia to work towards a higher growth rate, as GDP per capita is lower than that of comparable countries in Central and Eastern Europe

On the agenda on the second day of the Forum were issues more or less related to the Industry 4.0 enabled opportunities, like emergence of new skills and innovation models. Developments in the areas of banking industry, employment policies and health care in the context of industry 4.0 have been analysed. The importance of scientific progress and education has been emphasized, as well as pursuing the goals of sustainable agriculture and fighting against climate changes on the local level.

Traditionally, the conclusion of the Forum is reserved for the address of the Prime Minister of the Government of Republic of Serbia. Mrs Ana Brnabić expressed her strong belief that year 2020 will be a turning point due to the beginning of the third phase of transformation of the country (while previous phases included: achieving macroeconomic stability by

putting public finances in order, improving the conditions for foreign direct investments and reducing level of unemployment), and that the focus will now be on digitalization as a chance for further growth and development. Energy transformation and green economy are a necessary next step for accelerating the economy and transforming society, and will find its place among the Government's priorities accordingly.

Lamentably, by the time the closing remarks have been reached it was evident that the world economy is threatened by a mounting crisis. The World Health Organization (WHO) on March 11 declared COVID-19 outbreak a pandemic. Serbia declared epidemic on March 20. The Government adopted measures to avert the spread of disease, following the recommendations of epidemiologists and along with WHO guidelines. A state of emergency throughout the territory of Republic of Serbia has been declared by the President Aleksandar Vučić. A number of measures has been adopted in order to achieve social-distancing, including: closing the borders, restrictions of the movement of individuals, suspension of work of pre-school, primary and secondary school and higher education institutions, etc.

“This is not just a public health crisis, it is a crisis that will touch every sector,” said Dr. Tedros Adhanom Ghebreyesus, WHO director-general. According to many experts the coronavirus pandemic may cause an economic downturn the likes of which the world has not experienced since the Great Depression during the 1930s. Its negative effects on global economic output will likely supersede those of 2008 global financial crisis. Serbia's economy will not reach its 4% growth target for 2020 and most likely will face a recession, but President Vučić is expecting country to rebound to growth in 2021. Serbia's GDP is expected to decline by 0,5 percent in 2020, according to World Bank's Spring 2020 Economic Update for Europe and Central Asia. Arguably, the country is better prepared to tackle current crisis in comparison to 2008 economic turmoil. Fiscal deficit is below the 60 percent of GDP – a criteria accepted by the EU in order to, among other things, indicate the soundness of country's fiscal

position. In 2019 budget deficit was 0.2 percent of GDP, in line with the benchmarks.

Serbian government announced economic relief program of approximately 5 billion euros for individuals and businesses. This will inevitably lead to an increase in the deficit that could be covered, either from financial reserves, or borrowing. Monetary policy measures, i.e. money emission, is also an option, albeit, according to economists - the least desirable one.

Balancing the quest for expansionary measures and securing the sustainability of public finances in times of economic hardship is essential. By advancing measures such as 100 euros aid to all adult citizens and one-off assistance to senior citizens with the goal of alleviating the crisis effects, as well as, increasing consumption, it seems that Serbian stakeholders have emphasized the former at the expense of the latter. And while there is certainly a broad recognition of the fact that “extraordinary times call for extraordinary measures”, another assumption that borrowing on financial markets in these difficult times is highly uncertain, should not be overlooked for the sake of gaining political support in the face of the upcoming elections.

Conclusion

Kopaonik Business Forum is usually perceived as the most important economic gathering in Serbia. General conclusion reached at the Forum concerning the state of Serbian economy could be described as moderately optimistic. Although, Prime Minister expressed her belief that Serbia can become “one of the winners of fourth industrial revolution”, economic specialists have articulated more conservative stand concerning overall economic performance and future projections. To put it in a nutshell, majority of speakers stressed the importance of GDP growth rates together with digitalisation and innovation in all sectors, for the sake of moving forward faster. Unfortunately, due to the global uncertainty caused by the coronavirus outbreak, the more ambitious steps and reforms on the

economic agenda of the Serbian government will have to wait for the better times. All efforts are now directed towards saving lives and containing severe consequences of the ongoing crisis.

Coronavirus and economic outlook of Slovakia

Martin Grešš

Overview

Corona virus COVID-19 hit the whole world quite unprepared with exponential increase in the number of infected as well as continuously increasing number of deaths since the beginning of this year. Comparing the situation in Slovakia in regard to the rest of the world, number of positive tested cases as well as number of deaths were rather low since the first case has been reported on March 6. It is believed that this first case was a secondary infection (Sipos, 2020) – 52-year old man who was infected by his son who visited Venezia. According to the NCZI (2020), the highest number of positive cases was recorded on April 15th at 114. Overall, by April 23rd, total number of positive cases reached 1,360 with 355 cured. Since the outbreak, many measures were initiated in the countries all over the world, especially in hard hit countries of the European Union (EU), but also in Slovakia despite the low number of cases in the beginning of March. Member countries of the EU agreed to suspended fiscal rules on public deficits and the European Central Bank (ECB) launched EUR 750 billion stimulus package known as Pandemic Emergency Purchase Program (PEPP):

- Aiming to support the liquidity and the financial condition of all sectors of the Eurozone economy,
- Temporary asset purchase program of private and public sector securities,
- Purchases will be conducted until at least the end of 2020,
- All sectors of the economy can benefit, applying equally to families, firms, banks and governments (Koutsokosta and Gauret, 2020).

According to Ižip (2020), The European Stabilization Mechanism (ESM) will create credit lines for the EU member countries of up to two percent of their GDP. ESM funds should be available within two weeks. For Slovakia, the size of the loan could be up to EUR 1.8 billion. The use will be based on the condition that the funds from the program are used for direct or indirect expenditures related to the health and treatment or prevention of coronavirus.

In the next part of the briefing, we look at two major economic outlooks for Slovakia provided by the International Monetary Fund (IMF) and the National Bank of Slovakia (NBS).

Economic outlook for Slovakia - IMF⁷⁵

The IMF expects a recession in the world economy this year. In the current forecast, the IMF expects the global economy to fall by three percent this year. The IMF expects that in 2021, the global economy will recover significantly and grow by 5.8 percent. However, the necessary precondition is that the pandemic will come under control in the second half of 2020 and economic activity will return to normal. We note that the forecasts made by the IMF and other institutions are extremely uncertain given the ongoing pandemic.

Regarding Slovakia, the IMF expects a deep recession in the Slovak economy this year. In its current forecasts, the IMF expects Slovakia's gross domestic product (GDP) to fall by 6.2 percent this year after rising by 2.3 percent in 2019. However, depending on the future developments of current pandemic situation and early control over the pandemic in the second half of this year, Slovak economy should recover and grow by five percent in 2021. Because of the coming recession, inflation will slow rather significantly in comparison with the inflation last year. For 2020, the IMF predicts an increase in consumer prices in Slovakia of only 1.1 percent after 2.8 percent increase in 2019. In 2021, again based on the further developments, inflation should slightly increase and accelerate to 1.4

⁷⁵ Data provided by TASR (2020a).

percent. Since Slovakia is a small and open economy (one of the four most opened economies of the EU with 190 percent share of trade in GDP with 96 percent share of exports in GDP and 94 percent share of imports in GDP (SITA, 2019)), current pandemic will have also an impact on Slovak external economic relations reflected in the Balance of Payments. The IMF predicts the decrease in the current account surplus from 3.2 percent of GDP in 2019 to three percent of GDP in 2020 with further decrease to 2.4 percent in 2021. Another negative consequence of the recession will be a significant increase in unemployment this year. According to the IMF, its rate will increase to eight percent this year from 5.8 percent in 2019. In 2021, it should fall to 7.4 percent. The increase of the unemployment rate comes after eight years of continuous decrease in total unemployment rate which reached 15.8 percent in 2012 and was decreasing ever since to a record low of 4.9 percent in December 2020. Because of the fiscal easing in the member states of the EU, it is probable, that the general government deficit will also increase sharply. The IMF forecasts a deficit of 5.9 percent of GDP this year after 1.3 percent of GDP last year. In 2021, it should fall to 2.8 percent of GDP.

Economic outlook for Slovakia - NBS⁷⁶

The NBS presented its economic scenarios instead of standard economic forecast for Slovak economy in upcoming months in the media in the end of March 2020. Because of the exceptional situation caused by the coronavirus, the NBS decided to present some basic scenarios of economic developments in Slovakia that are more or less in line with the predictions made by the IMF. However, as mentioned in NBS (2020), the scenarios may or may not hold because of the great uncertainty in the spreading of the coronavirus and the real impacts on the economy may differ from these scenarios. On the other hand, the NBS explains that it is important to explain the situation of the Slovak economy in a clear and comprehensive way to all the subjects in Slovakia – individuals, families,

⁷⁶ Data provided by NBS (2020).

businesses, public and state officials – in order to better prepare and make the strategic decisions required in further functioning of these subjects on micro and macro level.

The differences between the scenarios lie mainly in the assumptions for developments in Slovakia's main trading partners (economies of other EU member countries, especially Germany). Since Slovakia is an open and export-oriented economy, as mentioned above, it requires smoothly functioning international supplier relations in industrial sector. Unfortunately, currently these relations are disrupted. From the point of view of domestic sources, the NBS expect the decline and the exceptional situation in the service sector to last for at least two months. Since the decline in foreign and domestic production, the household consumption will also be affected by declining income and rising unemployment.

Like the IMF, the NBS predicts in its latest scenarios the economic contraction of the Slovak economy between 1.4 percent and 9.4 percent depending on the length and depth of the upcoming recession. In case the coronavirus recedes more rapidly than anticipated, the economy could begin recovering sooner with a contraction of around 2-3%. The NBS also expects economic recovery to begin at the end of 2020 with gaining a momentum in 2021. According to the NBS (2020), pre-crisis level may be reached as soon as 2021.

Conclusion

When assessing the outlook for the Slovak economy in the following months of this year, we note that the economic crisis is hitting almost as dramatically as the corona virus pandemic as noted by the IMF (2020) and the NBS (2020). As proposed by Draxler (2020), the basic package of economic rescue has roughly the same composition in the most EU member countries, consisting of three pillars:

- Moratorium on various payments (taxes and levies to repayments of the loans),
- Wage subsidies,

- Loans to help companies overcome the downturn.

All of these pillars of fostering the economic recovery are slowly planned in the Slovak economy with the first complex economic package entering into force in the second half of April. However, we conclude that Slovakia lags behind other countries in terms of economic measures to mitigate the effects of the pandemics and quarantine measures on the economy. Slovak economists from various important institutions like the NBS, Ministry of Economy, Council for Budget Responsibility, Slovak universities and others, are afraid there is a risk that the Slovak economy will fall deeper into recession this year than the economies of other countries. They propose to pour more financial resources into the economy without delay, but also to negotiate with banks not only on the postponement of installments, but also the abolition of the bank levy (TASR, 2020b).

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Mitigating COVID-19 Effects on Slovenian Economy

Tina Čok

Summary

On April 2, the Parliament of the Republic of Slovenia adopted a law worth three billion euros on emergency measures to control the COVID-19 epidemic and to mitigate its effects on citizens and the economy to which it intends to address the widest possible range of people who will suffer the negative consequences (mainly financial) of the epidemic COVID-19 epidemic. In this paper we outline the second package of Covid-19-related provisional government measures that will apply from April 2, 2020.

An overview of the "aniticorona" measures in the field of taxation, labor and social security

On April 2, the so called mega anticorona law entered into force; a package of measures for the population and the economy, which was prepared by a team of experts under the leadership of the economist dr. Matej Lahovnik. Slovenia has never before seen anything similar. The measures presented below apply from 2 April to 31 May 2020, unless otherwise provided for in this Act. If the epidemic COVID -19 will not be contained by 15 May 2020, the deadlines set for 31 May 2020 will be extended by 30 days. What the Emergency Measures Act covers for workers and labor costs can be summarized in four basic points.

1. Extraordinary aid in form of monthly basic income for the self-employed

The Act sets a basic monthly income for self-employed persons who are unable to carry out their activity or who are significantly reduced in their activity due to the epidemic, whereby the Act defines a significantly reduced activity as 1) at least 25% reduction in income in March 2020 compared to February 2020 or 2) at least 50% reduction in income in April or May 2020 compared to February 2020.

Entitled are also self-employed persons whose income in the first half of 2020 will decrease by more than 20% compared to the same period in 2019 and will not reach more than 20% of income growth in the second half of 2020 compared to the same period in 2019. The amount of emergency aid for the month is EUR 350 for March 2020 and EUR 700 for April and May 2020.

Self-employed persons who do not pay compulsory benefits and who do not fulfill other monetary non-tax obligations under the tax administration law are not entitled to the basic income. This measure also applies to certain religious servants and farmers who are insured under the statutory pension and invalidity insurance scheme.

2. Reimbursement of wage compensation and exemption of SSC payment

Unlike the first intervention law in the area of wages and contributions, which provides for partial (40%) reimbursement by the State to the employer of the compensation paid to the laid off workers, the new law gives the employer the right to full reimbursement. The compensation may not be lower than the minimum wage or higher than the average wage in the Republic of Slovenia. This measure also applies to wage compensation for employees who are unable to perform their work due to force majeure.

The beneficiaries are employers whose income is expected to decrease by more than 20% in the first half of 2020 compared to the same period in 2019 and will not increase by more than 20% in the second half of 2020 compared to the same period in 2019. If the conditions are not met, the beneficiary will subsequently be obliged to repay the aid received.

The entitlement to compensation for the inability to provide work to employees under the mega anticorona law will be granted only for the period from 1 April 2020 to 31 May 2020, which is a shorter period compared to the provisions of the first intervention law, which provides for a maximum of three monthly waiting periods.

3. Partial exemption from SSC for private sector employees and crisis allowance

Employers will be exempt from paying pension and disability contributions in April and May 2020. During this period, these contributions will be fully covered by the State. Employers will pay the crisis allowance of EUR 200 to employees who work and whose last monthly salary did not exceed three times the minimum wage.

4. Healthcare and health insurance

Compensation in the event of temporary cessation of work due to illness or injury within the period from the adoption of the Act until the expiry of the reasons for the measures under the mega law, but no later than 31 May 2020, shall be covered by the health insurance fund. The Health Insurance Institute of Slovenia reimburses the employer for the compensation paid within 60 days of the submission of the reimbursement application.

What does the Emergency Measures Act mean for employees and labor costs

The Emergency Measures Act significantly reduces the burden of labor costs on employers. There are two types of companies that must be distinguished: (1) companies unable to carry out activities due to force majeure, whereby the employees are laid off by the employer, and (2) companies still operating in times of crisis.

Laid off employees of companies in the first group are entitled to 80% of their basic salary in accordance with the Employment Relationships Act. In the envisaged measures, the state reimburses the paid salary to the employer in the amount of the compensation paid out minus the contributions of the insured person. The Act also provides that from 13 March to 31 May of this year employers are exempt from paying contributions for all social security benefits from the wage compensation, which is paid in full by the Republic of Slovenia.

In practice, this measure means that the State assumes all the costs of a laid off worker, so that the employer does not incur any costs during this period.

A measure to support companies operating in times of crisis is also quite encouraging. For the duration of the crisis, operating companies write off the payment of pension and disability insurance (PIZ) contributions for the employee and the employer, and the employer is also obliged to pay the employee a monthly crisis allowance of EUR 200, which is tax-free. With this measure, the state stimulates companies to be active in times of crisis by reducing their labor costs during the crisis - they cover between 19% and 20% of their gross labor costs.

Many companies that do not close as a result of the decree will find themselves in a dilemma during the epidemic as to whether to continue their business or to close and lay off employees. This dilemma arises mainly from uncertainty about market demand and the ability to sell products or services. This dilemma will be dominated by financial considerations, as company administrations will weigh up whether it is

worth laying off all employees (provided by the state) and losing part of the revenue that would otherwise cover the costs of suppliers, annuities, depreciation and profits, or continuing to operate, with the state covering the cost of their pension contributions and the company having to add a crisis allowance of EUR 200. As it is the case, an employer with a otherwise net salary of EUR 1,000 would be worth EUR 0 per month in the event of dismissal, and if he works and adds value, he would earn over EUR 1,570. It is crucial that the state should pay about 20% of the total employment costs for employees of companies operating in times of crisis.

These government subsidies, which amount to 20% of total labor costs, are likely to make it much easier for companies to decide whether to continue their business. That is, of course, only if they have secured demand and are not required by the government to cease operations.

In this context, it should be stressed once again that the government's write-off of pension contributions to start-up companies significantly reduces labor costs in times of crisis compared to the situation before the crisis. For example, an employee with a net salary of EUR 1,000 (he will receive EUR 1,200 net during the crisis) will cost EUR 160 less per month due to the government subsidies to his employer. An employee with a net salary of EUR 1,500 (during the crisis he receives EUR 1,700 net) will cost almost EUR 380 less a month.

The government measures presented here are therefore a concrete help for companies to maintain their jobs and continue their operations in times of crisis.

Conclusions

Although the measures adopted by the Slovenian government are a great help to companies in these uncertain times, the government should consider increasing the wage compensation for laid off workers to 100 % of basic salary, given the need to stimulate aggregate demand and minimize the decline in GDP. This additional income would stimulate

consumption. However, it should be borne in mind that a decline in GDP also implies a reduction in the mass of income for all budget-financed activities. At the same time, it also reduces the base of the debt-to-GDP ratio, which will prove to be a significant factor in the future for the indicator of a change in the relative indebtedness of a country, which is crucial for achieving fiscal objectives.

Part III Social Perspective

COVID-19 Unveils Serious Shortcomings in Albanian Society

Marsela Musabelliu

Albania is becoming a kind of laboratory for social psychologists, probably because there are constantly situations that are drastic in themselves - such as last year's earthquake or COVID-19, where every event gains special features. The small population of the country and the shortened opportunities make the society reflect quickly and in a timely manner; in addition, when it comes to guidance based on fear Albanians are convinced that, the outcome usually is a smooth/submissive attitude when coping with the situation.

The main and initial problematic of Albanians when dealing with the outburst of COVID-19 were the insecurities and mistrust in the health system, which further increases a general feeling of anxiety. However, a distinct Albanian sociologist, Edmond Dragoti, argues that Albanians are accustomed to the fact that *life is what comes and not what they want it to be!* Moreover, a clear group identity makes it possible to be close to each other in times of need, by circumventing or altogether bypassing the role of the State in times of misfortune.

The virus is ruthless to not only humans, but also to lifestyles - it has affected and will affect social, family and interpersonal relationships. Society will have a new perspective at future reality, while COVID-19 is reminding everyone that when confronted with health emergencies, we are all equal.

The most vulnerable of the society

As it commonly happens in cases of severe emergencies, the first to be hit the hardest by the situation created, are the most vulnerable of a given society. COVID-19 brings unprecedented threats to the individuals and communities marginalized; as the most vulnerable often have the least access to the information, resources, and care, which makes it impossible

for them to stay healthy and safe. The elderly living alone; persons with special needs; Roma communities; unemployed and the ones working in informality; and families living on social assistance are the more exposed groups.

- The elderly

Three decades of youth migration from Albania to other wealthier countries have created a completely new portion of the society left to their own devices. Hundreds of thousands of over 65 years of age are living alone while their offspring are trying to integrate in foreign countries.

The elderly need support during the COVID-19 pandemic period more than ever. The situation created is particularly dangerous for them and disproportionately threatens their right to health as they are particularly exposed to poverty and exclusion, as well as social isolation - which has a direct impact on their health, especially mental health. The current situation also highlighted the major shortcomings of residential care institutions for the elderly who demand more attention especially those abandoned or with serious health problems. The consequences of a COVID-19 infection at this age can be fatal, so the measures taken have been drastic, totally limiting visits by relatives or contacts with outsiders. Yet, they have to struggle more than ever.

- Persons with special needs

The community of people with disabilities according to the World Health Organization (WHO) makes up over 15% of the world's population, in Albania it is at the level of a 6.2%, or about 184,987 people. People with disabilities find it more difficult to socially distance themselves because they need the support of personal assistants and family members to carry out daily life activities such as bathing, feeding, movement, etc. This puts them at a higher risk of COVID-19 infection.

Limited ability is often associated with deep health problems, which makes them more at risk for COVID-19. Poverty and disability appear to be intertwined, and in a situation where disability payments are low and their families have lost their jobs, survival becomes even more difficult.

Unfortunately, as of end of April 2020, people with disabilities are not included in the plan of measures taken by the Albanian Government to cope with the emergency. It is a moral and human obligation for persons with disabilities to have access to all forms of treatment in health institutions, and this category of society should be a priority in times of exceptional duress.

- Roma communities

According to the latest data available, the Roma and Egyptian communities in Albania are between 80 to 130 thousand, the exact number has never been accounted for, even in the latest census. These communities have a poverty rate of 78% in comparison to the country's rate at 22% as per the United Nations Development Program (UNDP) data, and fewer than half of Roma households have access to piped water in their own dwellings. In these conditions while the country is total lockdown and the movement of people is strictly limited, the Roma seem to be the drastically hit by the state of emergency. An overwhelming majority of them make their living on litter picking, collecting scrap metal or other waste and selling them in informal markets. In this trend, by seeing no way out, they protested in the streets of Elbasan, Korca and Tirana asking for food and Government support. Their lives were harsh even before the spread of COVID-19, but in March and April 2020, their living conditions have declined tragically.

- The unemployed and the ones working in state of informality

With regards to unemployment, the latest official data from Albanian Institute of Statistics (INSTAT) indicates the rate at 12% out of the total working force group age 15-65. However, what is the most worrisome index is youth unemployment that accounts for 21.5% among young age population respectively 15 to 29 years old. In total, again according to INSTAT data there are 71,000 Albanians registered as unemployed or waiting to find a job.

On the other hand, another dark reality that hits not only the economy but also the entire society is informality. Since informality can never be

accounted for in official data, the only indications come from economist who stretch the informal sector in Albanian economy from 30 to 50%. Informality in Albania is an ugly vicious circle. This relationship between employers and employees is dictated from the top: salary is given (in cash) without paying insurance and personal income tax. Thus the employer evades taxation by not paying his social and health insurance obligations to the employee, and the employee also evades by not paying his respective obligations for social and health insurance as well as the tax liability.

However, in most of the cases, the employees do not have a choice; it is either informality or unemployment, so they chose the first. It is a social relationship based on a total asymmetry of power between workers and their employers. Moreover, in the cases such of COVID-19 outbreak they are not entitled to any financial support from the Government.

- Families living on social welfare programs

There is an estimation of 64,000 Albanian families receiving economic assistance from the Government. According to the severity of their financial situation, the average monthly economic aid that these Albanian families receive varies from 6,000 Albanian Lek (ALL) to 8,000 ALL (50 to 65 Euros per month). By all standard, be this local or international, these amounts of money is extremely low even when dealing with families on basic survival mode. Moreover, the Child Right Center Albania (CRCA) estimates that in Albania there are at least 100,000 children, who are not guaranteed a meal a day and the quarantine is risking their very survival.

All these people living in extreme economic conditions, before the total lockdown of the country, had some slim chances of making extra income (like medicating, one-day-pay works such as heavy lifting or other, low skill requirement jobs and more). However, due to the total shutdown of almost all main activities of the country, they are all at the margins of collapse.

Note: in almost 45 days of mandatory quarantine and country lockdown another irritating and anachronistic phenomenon is observed – charity show off!

Even in harsh times like the present where all members of a given community or society should come together and help the ones at risk and the marginalized, every “donation” to families in need is broadcasted, photographed, acclaimed and flaunted at the service of the donor. This donors being in the overwhelming majority politicians (mostly from the ruling party since they have the state authorities at their disposal) are displaying their charity agenda as in the times of electoral campaign. In tones of obnoxious pleasantries, these politicians are taking what is left of these impoverished Albanians’ dignity. To add insult to injury, Albanian politicians are actually donating money from the state budget, not their own.

Conclusion

According to World Bank, in Albania at least 14% of the population lives in absolute poverty, which means that at least 400,000 people are exposed to its serious consequences, such as: lack of food, hunger, lack of means for personal hygiene, untreated diseases due to lack of medicine, etc. All of these people are exposed to serious health risks and potentially starvation! Prioritizing these people with no opportunity to generate income becomes crucial in the situation of the State of Emergency.

Once again, it took an extreme situation to unveil what the Albanian society really looks like: a distorted reality where severe shortcomings are politically sugarcoated, poverty is criminalized and the marginalized are left to their own devices.

General impact of the coronavirus outbreak on BiH society

Zvonimir Stopić

The SARS-CoV-2 coronavirus first appeared in Bosnia and Herzegovina on 5 March 2020. Following the first confirmed cases in Republika Srpska's city of Banja Luka, other cities and towns soon after began reporting the appearance of the coronavirus. The entity's governments, as well as the state government itself, responded relatively quickly by closing down the country step by step. By the end of March, the whole country was in a state of a lockdown, with introduced curfews, various restrictions of working hours of many business, restrictions of movement of the people, self-isolation solutions, and mandatory quarantine solutions for people entering the country and suspected carriers of the disease. In April, Bosnia and Herzegovina continued to expand the restrictions and focused on maintaining the situation under control. The number of cases contained to rise in April, never reaching the exponential rate. As the number of confirmed cases began to fall on a daily basis toward the end of April, some restrictions were abandoned.

The SARS-CoV-2 entered Bosnia and Herzegovina in March through Italy, Germany, Croatia, Switzerland and Serbia, after which it spread through the country. March ended with 420 confirmed cases: 226 in Republika Srpska, 160 in Federation of Bosnia and Herzegovina and 6 in Brčko District (the numbers might differ from the numbers reported in the previous reports due to yet unexplained retroactive corrections made by the Federation of Bosnia and Herzegovina authorities). On March 31, there were 13 deaths related to coronavirus reported in total. In April, the number of cases was rising by a steady linear rate until around April 22, after which a drop in confirmed cases was reported in all three of the Bosnia and Herzegovina's entities. The rate of infection by the coronavirus in Bosnia and Herzegovina is presented in the table below.

| Date | Number of confirmed cases of COVID-19 | Remark |
|-------------|--|---|
| April 1 | 454 | 243 in Republika Srpska, 205 in Federation of Bosnia and Herzegovina, 6 in Brčko District. |
| April 2 | 500 | 267 in Republika Srpska, 226 in Federation of Bosnia and Herzegovina, 7 in Brčko District. |
| April 3 | 542 | 274 in Republika Srpska, 254 in Federation of Bosnia and Herzegovina, 14 in Brčko District. |
| April 4 | 587 | 299 in Republika Srpska, 274 in Federation of Bosnia and Herzegovina, 14 in Brčko District. |
| April 5 | 623 | 302 in Republika Srpska, 307 in Federation of Bosnia and Herzegovina, 14 in Brčko District. |
| April 6 | 648 | 304 in Republika Srpska, 330 in Federation of Bosnia and Herzegovina, 14 in Brčko District. |
| April 7 | 725 | 346 in Republika Srpska, 363 in Federation of Bosnia and Herzegovina, 16 in Brčko District. |
| April 8 | 752 | 348 in Republika Srpska, 387 in Federation of Bosnia and Herzegovina, 17 in Brčko District. |
| April 9 | 809 | 365 in Republika Srpska, 427 in Federation of Bosnia and Herzegovina, 17 in Brčko District. |
| April 10 | 853 | 381 in Republika Srpska, 455 in Federation of Bosnia and Herzegovina, 17 in Brčko District. |
| April 11 | 889 | 392 in Republika Srpska, 480 in Federation of Bosnia and Herzegovina, 17 in Brčko District. |
| April 12 | 950 | 421 in Republika Srpska, 512 in Federation of Bosnia and Herzegovina, 17 in Brčko District. |

| Date | Number of confirmed cases of COVID-19 | Remark |
|-------------|--|---|
| April 13 | 979 | 425 in Republika Srpska, 537 in Federation of Bosnia and Herzegovina, 17 in Brčko District. |
| April 14 | 1,026 | 453 in Republika Srpska, 555 in Federation of Bosnia and Herzegovina, 18 in Brčko District. |
| April 15 | 1,061 | 458 in Republika Srpska, 585 in Federation of Bosnia and Herzegovina, 18 in Brčko District. |
| April 16 | 1,116 | 486 in Republika Srpska, 612 in Federation of Bosnia and Herzegovina, 18 in Brčko District. |
| April 17 | 1,172 | 500 in Republika Srpska, 654 in Federation of Bosnia and Herzegovina, 18 in Brčko District. |
| April 18 | 1,212 | 528 in Republika Srpska, 666 in Federation of Bosnia and Herzegovina, 18 in Brčko District. |
| April 19 | 1,230 | 534 in Republika Srpska, 678 in Federation of Bosnia and Herzegovina, 18 in Brčko District. |
| April 20 | 1,263 | 545 in Republika Srpska, 700 in Federation of Bosnia and Herzegovina, 18 in Brčko District. |
| April 21 | 1,306 | 564 in Republika Srpska, 724 in Federation of Bosnia and Herzegovina, 18 in Brčko District. |
| April 22 | 1,344 | 580 in Republika Srpska, 746 in Federation of Bosnia and Herzegovina, 18 in Brčko District. |
| April 23 | 1,384 | 611 in Republika Srpska, 755 in Federation of Bosnia and Herzegovina, 18 in Brčko District. |
| April 24 | 1,407 | 617 in Republika Srpska, 772 in Federation of Bosnia and Herzegovina, 18 in Brčko District. |
| April 25 | 1,478 | 656 in Republika Srpska, 804 in Federation of Bosnia and Herzegovina, 18 in Brčko District. |

| Date | Number of confirmed cases of COVID-19 | Remark |
|-------------|--|---|
| April 26 | 1,510 | 671 in Republika Srpska, 821 in Federation of Bosnia and Herzegovina, 18 in Brčko District. |
| April 27 | 1,564 | 706 in Republika Srpska, 839 in Federation of Bosnia and Herzegovina, 19 in Brčko District. |
| April 28 | 1,616 | 708 in Republika Srpska, 889 in Federation of Bosnia and Herzegovina, 19 in Brčko District. |
| April 29 | 1,700 | 767 in Republika Srpska, 914 in Federation of Bosnia and Herzegovina, 19 in Brčko District. |
| April 30 | 1,757 | 820 in Republika Srpska, 918 in Federation of Bosnia and Herzegovina, 19 in Brčko District. |

* The data in this table is collected from official government statements, confirmed press reports and the daily reports of the Public Health Institute of the Republic of Srpska, Institute for Public Health of the Federation of Bosnia and Herzegovina and Department of Health of Brčko District and the “covid-19.ba” website which throughout April was accepted as the official source for Federation of Bosnia and Herzegovina. Daily numbers, however, might not correspond with the other similar lists due to slight difference in reporting of the daily cases or relaying on other, often, unofficial sources. It is also important to note that the numbers presented in this table were last time confirmed on 30 April 2020 and that during the entire April the number of patients which contracted the virus in Federation of Bosnia and Herzegovina was retroactively adjusted (mostly redistributed) without explanation on many occasions. Numbers coming from the Republika Srpska and Brčko District were consistent throughout the April without any retroactive changes being noted.

Within the first week of April, most of the identified COVID-19 clusters were placed under control. This was the case with one of the largest clusters, the company “Igman” from Konjic. There, during a

celebration of 70 years of company's existence on March 11 more than 200 people from various places in Bosnia and Herzegovina were placed in danger of contracting the virus, including the Prime Minister of Federation of Bosnia and Herzegovina, Fadil Novalić. However, some clusters proved to be more resilient. Two of such were situated in the city of Mostar, and small town close to an important Catholic religious site Međugorje, Čitluk. For both clusters it took several weeks to be placed under control. Aside from the persistence of several clusters, few new emerged within the first two weeks of April. Largest one was in the city of Tuzla, centered around the Medical institute Bayer, while few smaller ones reappeared in Livno and Goražde (the one in Goražde, for example, baffled the authorities because it had no connection to the previous one which was centered around the company Ginex). All the clusters in Bosnia and Herzegovina were either extinguished or under control by the end of April.

The April ended with 1,757 confirmed cases in total: 820 in Republika Srpska, 918 in Federation of Bosnia and Herzegovina; and 9 in Brčko District. There were 69 deaths related to coronavirus in total. Although it is much too soon to give the final numbers, the death-rate in Bosnia and Herzegovina at the end of April seemed to be under 4%. As it is reported in the rest of the world, individuals most vulnerable to SARS-CoV-2 belong to the group of people over 50 years in age. The table representing the number of death in connection to coronavirus is follows below.

| | | | | | | | | | | | | | | | | | | | | | |
|-----------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Date (April) | | | | | | 0 | 1 | 2 | 3 | 5 | 7 | 9 | 0 | 1 | 2 | 3 | 5 | 7 | 8 | 9 | 0 |
| No. deaths | 6 | 8 | 0 | 4 | 5 | 6 | 7 | 9 | 0 | 2 | 5 | 8 | 0 | 1 | 2 | 4 | 8 | 0 | 3 | 5 | 9 |

Conclusion

As the the April was coming to an end, the spread of the SARS-CoV-2 coronavirus was well under control and the number of new cases were dropping in the entire Bosnia and Herzegovina. The significant drop in number of infected people, as well as the lack of the increase of the death-rate, prompted the Government of Bosnia and Herzegovina to abolish some of the restrictions, such as the curfew or the movement of the people. Additional restrictions will be removed depending on how the general population will follow the Government guidelines and how the epidemic will behave. Although at this moment everything looks like the Bosnia and Herzegovina is close to defeating the SARS-CoV-2, experts and politicians continue to be vigilant, careful and ready to implement all the previously abolished restrictions at the first sign of the emergence of new coronavirus clusters.

Increasing unemployment as the biggest social problem for Bulgaria as a result of the pandemic

Evgeniy Kandilarov

As a result of the epidemic in Bulgaria, one of the major social problems of great importance for the future socio-economic status and development of the country is the issue of rising unemployment. The number of unemployed people in Bulgaria registered since a countrywide state of emergency was imposed on March 13 due to the coronavirus disease (COVID-19) pandemic, has reached some 71,600 people. The restrictions introduced by the government have forced employers to shut down businesses, particularly in tourism, retail and other services. Bulgaria has been in a state of emergency for about a month now. At the end of last week, the parliament approved a government proposal to extend the state of the emergency by a month, until May 13.

According to the European Union statistics agency Eurostat the unemployment in Bulgaria in February 2020 was 4.1 per cent, unchanged from January and down from 4.7 per cent in February 2019. The February 2019 figure represented an estimated 157 000 unemployed people in Bulgaria and the number decreased to 138 000 in February 2020. Youth unemployment in Bulgaria was 10.3 per cent in February 2020, up from 9.8 per cent in February 2019. Bulgaria reported its first four confirmed Covid-19 cases on March 8. By the morning of April 17, the figure had increased to 800. There have been reports of employers laying off staff, while expatriate Bulgarians have returned to the country in large numbers. According to this statistics in February 2020, average unemployment in the EU was 6.5 per cent, stable compared with January 2020 and down from 6.9 per cent in February 2019. The February 2020 figure remained the lowest since the start of the agency's monthly unemployment series in February 2000. Average youth unemployment in the EU in February 2020 was 14.9 per cent.

Between February 20 and March 20, the number of people to have registered as unemployed rose by 0.3 per cent, Bulgaria's Labour and Social Policy Ministry said on March 24, citing preliminary data from the Employment Agency. The ministry's statement said that between March 16 and 20, a total of 6894 people, including people who had returned from abroad, had registered at the labour bureau as unemployed. Since the beginning of March, a total of 11 871 job vacancies have been announced at the labour bureaux. Just for comparison between March 16 and 20 2019, a total of 5190 people had registered at the labour bureaux as unemployed and 6085 people had got jobs. Of those who had registered as unemployed between March 16 and 20 this year, 16.6 per cent had been employed in manufacturing, 14.3 per cent in trade and repair of motor vehicles, 8 per cent at hotels and restaurants, and 7.3 per cent in government.

On April 16 2020, the Bulgarian government's employment agency said that Bulgaria's registered unemployment rate increased to 6.7% in March, as it was severely affected by the ongoing measures to stop the spread of the novel coronavirus disease. At the end of March, the number of registered unemployed people was already 220,072, or 17,572 more than a month earlier. According to data by the government's employment agency, there were 202,500 registered unemployed people at the end of February. Among the newly registered unemployed in March, the largest share was recorded by those exempted from the hotel and restaurant sector (46.4%), followed by trade (18.8%) and manufacturing (11.3%).

According to the statistics of the Employment agency, about 3,000 people per day lose their jobs and register in the unemployment offices across the country since the introduction of the coronavirus state of emergency. During the last month the number of the people registered in the unemployment offices at one point grew up to 7,178 per day. At the same time 5,075 of them say that directly or indirectly the loss of their job was because of the coronavirus crisis situation. So since the start of Bulgaria's State of Emergency, voted on March 13 against the spread of

coronavirus, about more than 72 000 people have registered as unemployed until April 14.

In the meantime, the government has taken legislative measures to curb unemployment growth and support employers. Starting March 31, businesses affected by the coronavirus crisis can apply for state financing of 60% of the insurable earnings of their employees. They can expect a decision within seven days since their application and if approved for state financing, they can receive the respective sum within five days. The government cannot finance labour costs, as they are different in every company and depend on a lot of factors. According to the so-called '60-40 measure', the state will finance 60% of the insurable income of employees only if the employer contributes the remaining 40%. As regards the government's job retention scheme, a total of 873 employers have filed applications as of April 7, seeking support for some 12,400 employees. Startups will not receive state financing under the 60-40 scheme but at the moment the government is working on different instruments through the Fund on Funds to support the operations of starting companies during the crisis. Only companies the worst affected sectors will be able to benefit from state financing under the 60-40 scheme, as well as companies which can prove that their sales revenue has dropped by 20% year-on-year in March. The measure will be in force for three months and if the crisis deepens the government will discuss additional measures to cope with the situation. Prime Minister Boyko Borissov said last month that the government will allocate around 1 billion leva (\$555 million/511 million euro) to paying out its share of this employment support measure. Most of the applications have been filed by small and medium-sized enterprises (SMEs) active in the hospitality and manufacturing sectors. The labour minister confirmed that the government is working on changes to the 60-40 scheme. Earlier this week, finance minister Vladislav Goranov said that the government will further align the measure to the needs of businesses affected by the COVID-19 pandemic. The government is also considering more measures to support employees and businesses after

the end of the countrywide state of emergency. In this regard the government announced that Bulgaria has secured a resource of 300 million BGN (150 million EUR) for this purpose, through the EU's operational programme "Human Resources Development 2014-2020".

On April 16 the European Commission said it has approved the Bulgarian wage subsidies support scheme for preserving employment in the sectors most affected by confinement measures imposed over the coronavirus outbreak, worth 1.5 billion leva (\$834.7 million/766.9 million euro). *"The Bulgarian scheme we approved will help thousands of workers to keep their jobs and undertakings to resume their activities as soon as the circumstances allow it. We work with member states to ensure that this is done in line with the EU rules,"* Margrethe Vestager, the Commission's executive vice-president in charge of competition policy, said in a statement published on the website of the EU executive body. The scheme was approved under the State aid Temporary Framework adopted by the Commission on March 19 2020, as amended on April 3. Bulgaria had notified the Commission, under the Temporary Framework, of a wage subsidy aid scheme that would allow the Bulgarian authorities to finance 60 per cent of the wage costs (including the employers' social security contributions) of undertakings that, due to the coronavirus outbreak, would otherwise lay off personnel. The measure is restricted to undertakings active in the sectors most affected by the current public health crisis, such as retail, tourism, passenger transport, culture, sports activities, amusement and recreation activities and others. The Commission found that the Bulgarian scheme will compensate the wage costs of undertakings active in sectors that are particularly affected by the coronavirus outbreak.

In conclusion we have to say that the crisis with the coronavirus has definitely caused a shock in the labor market. A few days after the declaration of the state of emergency on March 13, 2020, queues of people who had been released from their jobs were twisted in front of the labor offices. According to the analyses of the Bulgarian Institute of Market Economy the data from The Employment Agency on the work of the

country's labor bureaus in the period March 1 - April 14, 2020 clearly show the increase in the number of unemployed persons after the state of emergency. The number of unemployed persons increased from 201,000 to 272,000 in the period from 13 March to 14 April 2020.

The daily data shows that more significant increase in newly registered unemployed began on March 23 and peaked on April 6, 2020, when in just a day their number reached over 9,000 people. There has been some calm in the last days, but still 4-5 thousand people a day go through the labor offices. We have yet to see what the behavior of the unemployment curve will be in the coming weeks and how far the 60 to 40 measure may limit its growth.

The "60 to 40" measure has caused a lot of controversy, but at a practical level, its estimate will come clearly from the data on the number of newly registered unemployed in the context of a state of emergency compared to the number of workers benefiting from the measure. In the general case, if the measure "60 to 40" passes similar or more workers than the total number of newly registered unemployed - dismissed by Bulgarian employers due to the coronavirus, then it can be said that the measure has achieved its goal - to keep employment in some meaningful scope. According to recent data, we know of 45,000 workers who will pass the measure "60 to 40", which shows that it is gaining momentum. We are about to see how it performs against the rise in unemployment.

In recent weeks, we have been hearing a lot about the coronavirus morbidity curve and trying to avoid a large peak in those infected through social distance measures. The argument with the unemployed and the 60 to 40 measure is very similar. The aim is to keep jobs and avoid a large peak in unemployment, and the '60 to 40' mechanism should push the unemployment curve down - just as social distance pushes the morbidity curve down. In a few weeks, we will be able to compare daily unemployment data with more data on the implementation of "60 to 40" and the impact of the mechanism will be practically possible to evaluate.

Unfortunately some general prognostic analyses published recently are not optimistic at all. According to the forecast of the International Monetary Fund (IMF) for Bulgaria regarding the labor market situation Bulgaria's unemployment rate is seen nearly doubling to 8% in 2020 from 4.2% in 2019. This means that the expectations are that by the end of the year the number of unemployed Bulgarians will increase by another 70,000 or more and will reach a total of 140 thousand people encasement only for this year. This will put the social security system in the country a very serious challenge. The good news is that according to the same IMF forecast, the country's economy will be able to recover by the end of next year and jobless rate is then seen falling back to 4.5% in 2021. Unfortunately, sometimes forecasts are not able to account for all possible factors, some of which are extremely dynamic and too unpredictable. Therefore, I believe that at this stage all the forecasts contain too many unknowns and for this reason we cannot trust them completely.

Croatian education system's response to COVID-19 and introduction of online classes

Valentino Petrović

Summary

As the COVID-19 epidemic is spreading around the world, people are still required to continue with their work, some from their offices, others from the safety of their homes. For children and students this situation represents a turning point, since schools in Croatia are no longer secured, and classes are now organized through online platforms and television. That system is currently showing the results, however the hardest period of evaluating children and enrolling to universities for seniors is still to come.

Introduction

There are number of newspaper headlines in Croatia that underline how well the country or, in this time a more suitable word would be “nation”, is dealing with the health emergency after the world was struck by the epidemic of COVID-19 virus. Of course, there is always a significant amount of irresponsible citizens who still do not take the situation seriously, but overall, it would not be an overstatement to say that Croatian Government, Ministry of Health, medical staff and experts in the field of epidemiology are doing a good job when compared to other European countries. The economic crisis will, undoubtedly, disrupt the flows not only Croatia, but the rest of Europe and the world, and many papers have already written about it. There is another field or policy area that requires more attention during this time and that is education. Since March 16th, Croatia has implemented the online classes for children in primary schools and for those in secondary or high school. The online system has been doing pretty good so far, but there is a rising number of

questions that will, eventually, call for an answer from the decision makers and people in charge of education portfolio. For instance, nobody is still aware of the fact how the grading procedure will be done via online platforms; there are no answers on the date and place of final exams for high school seniors; those who wish to undertake college applications still do not know how this process will be arranged since some colleges require entrance exams.

The Teacher's Strike in a Late 2019

Unlike other European countries, Croatia has already faced with serious challenge during the current academic year due to a strike in primary and secondary schools in late 2019. According to some data, around 95% of school staff in Croatia had participated in strike, including teachers and professors, but also administrative and technical staff. The strike began on October 10th and lasted for 36 days. During that time, the main concern was whether or not the whole academic year will have to be prolonged. The Government and the Ministry of Science and Education assured parents and students that there would not be any need for such kind of measures and that academic year will be continued as soon as the agreement with school syndicate is reached. Finally, the strike ended in early December when Prime Minister Andrej Plenković announced that salaries of school staff will be increased based on a coefficient of 6 percent. The deal included 3+1+2 criteria, meaning that the salaries have gone up for 3 percent starting in December 2019, and will be raised for additional 1 percent in June 2020, and for 2 percent in January 2021. At that time, nobody was counting that the virus epidemic will cause further problems in school system and that children and students will not be able to attend classes in a few months. Given the weight of current COVID-19 crisis, the Government reacted quickly and Croatian children are now attending school from the safety of their own homes with classes being broadcasted on national and private television channels from morning hours until afternoon.

The Ministry of Science and Education Response to Crisis

Even though Croatia was one of the first European countries that had implemented online classes since the inception of COVID-19 epidemic, there are still a number of concerns that have to be addressed in the forthcoming period. The strike in the late 2019 has shown how fragile an education system can be when conflicting positions cannot be reconciled and that consequences of disagreement between politics and certain professions, in this case teachers, often end up at the expense of the most vulnerable groups in society, that being children and young people. Therefore, the corona crisis required the mentioned actors to find a common ground on how to continue with school activities and curriculum in a time when social distance has become probably the most commonly used phrase and advice given by the authorities and experts. Since children are now required to attend classes by using television and internet, the Ministry of Science and Education had to make sure that every family in Croatia has equal access to those services in order for their children to continue with regular school activities. For those families living in poorer financial conditions and who cannot afford technologies such as computers, tablets, or internet access in general, the Ministry agreed that schools should provide them with necessary equipment, and for those schools that cannot meet those requirements, the Ministry offered a financial injection in amount of 4 million kunas to buy it and serve it to the families. To keep track of their children progress, the parents should be connected via Viber, WhatsApp, or e-mails with teachers and inform them if the above mentioned mechanisms of teaching and learning are showing results.

How is This Situation Affecting Students and Teachers?

The scientific institutions have also taken a role in following of the whole progress of online classes. The Institute for Social Research have made a study of three schools based in Zagreb with a goal of helping them in a creation of curriculum programs and other activities to keep children

occupied during these times, but also to gain some insights on how the children are accepting and evaluate online courses. The results have shown that children are showing high levels of stress due to social uncertainties in these times, with being closed in houses and not being able to be in contact with other people of their age as the most common denominator. Thus, the stress levels are not connected exclusively with online classes, rather they are more of a social and emotional matter. Furthermore, the results are pointing in a direction of a high school seniors who are represented as a most vulnerable group, which is actually highly expected because of the fact that they have to enroll to universities this summer, but they still do not know when the final exams will take place and in what circumstances. Additionally, the Ministry of Science and Education have conducted a survey itself among 4139 teachers and students from March 27th to April 2nd, showing that 34,2% of teachers are completely satisfied with the way the classes are organized, while 61,5% are mostly satisfied with it. Regarding technical equipment that is being used for school and teaching purposes, 87% of teachers are considering it to be adequate for online classes, but 13% of them were unsatisfied mostly during the first week. Finally, almost half of teachers request more video lessons and some additional software's for the upcoming period.

Some Questions Still Require an Answer

Blaženka Divjak, Minister of Science and Technology in Croatian Government, recently opened up about some remaining questions in the field of education. Her comments were mostly in line with expectations and estimations of medical staff and epidemiology services, thus, she said that online classes will remain until the experts from above mentioned domains come up with the decision that students and teachers can go back to schools and continue with regular classes. Of course, nothing new has been said with that statement as it is now obvious that the rest of the school year will most probably have to be conducted via online courses. However, parents and teachers are interested in how the remain of the year will be

organized, most of all how the grading system will be carried out, and how or when the children will enroll to high schools and universities. Divjak said that some part of grading scheme will most certainly take place by using the online services, since students are not in a position to come back to schools only for the purpose of passing the exams. The biggest challenge will be to organize final exams for seniors who aim to enlist to university studies. The exams are usually prescribed for mid-May to mid-June period and by the strict rules of procedure, they require seniors to take their exams personally at schools, but it does not seem so likely that it is going to happen, at least during summer time. One exam, that of Croatian language and literature, has already been postponed. It seems more likely that the whole process will take place somewhere during autumn, which is not very much out of order, because of the fact that the academic year at universities officially ends in September. Therefore, if the exams are taken in early September, there would still be enough time for seniors to take their place at universities they want.

Conclusion

The COVID-19 outbreak has struck education portfolio quite severe. Croatian children and students have already lost 36 days in late 2019 when the strike of teachers and professors kept them out of schools. Much needed to be compensated, but as regular classes are postponed in favor of online teaching, it appears that the end of a school year 2019/2020 will have to be organized via internet streams and broadcasting on television. Such solution does not seem to be wrong as long as the interest of children is set as number one priority.

Estonia: understanding and waiting patiently... Until when?

E-MAP Foundation MTÜ

When any serious crisis is on, any normal Government would, presumably, prefer knowing how the country's population is coping with the crisis-associated issues. The COVID-19 is not an ordinary challenge for any society, big or small. On the multi-faceted societal community of Estonia, the pandemic has made a distinctly dualistic impact. **Firstly**, a highly globalised nation, Estonians enjoy travelling, while being free to move to almost anywhere and discover almost anything. This is not quite a possibility at the moment. However, **secondly**, a very local society, having 'arrived' into prosperity and 'grown up' into its nationhood from the peasantry, Estonia is capable of switching its 'gears' into resilience almost at any given moment. The COVID-19-generated global chaos has framed up the time to do so, and this is what Estonia has successfully done – the country has simply adopted a particular mode to act as a 1.3 million strong resilient society. A survey, conducted in April by the Estonian National Institute for Health Development (*Tervise Arengu Instituut*), mapped out the Estonian people's awareness, behaviour and attitudes in the current emergency situation, proving the point made.

For example, the survey showed a very high level of societal understanding on what the country is facing – 86% of the respondents noted that the virus is perceived by them as “dangerous or very dangerous”, and the “the perceived level of threat was highest among women, the elderly and people with higher education”⁷⁷. In a significant addition, a bit more than 50% of the survey's participants confirmed their self-isolation at home during the state of emergency; especially, such a practice was

⁷⁷ 'Study: Estonians understand necessity of restrictions' in *ERR*, 27 April 2020. Available from [<https://news.err.ee/1082885/study-estonians-understand-necessity-of-restrictions>].

reported by the societal segment of “over 65”,⁷⁸ which, arguably, prevented the virus from spreading exponentially in Estonia. Finally, the survey underscored that “98% of people regularly wash their hands with soap and 89% disinfect their hands”, while, in general, the respondents confirmed that they are “not attending events and gathering and are keeping a distance of at least two meters from other people, particularly those exhibiting virus symptoms”⁷⁹. These results were treated as encouraging by Sigrid Vorobjov, Head of the Centre for Prevention of Drug Addiction, who made the following statement on the matter:

We were happy to observe that people are keeping a close eye on information channels and wish to contribute to curbing the spread of the virus. People’s attitudes with regard to restrictions are supportive – they are trying to prevent contact with other people and are making an effort to ensure hand hygiene; however, it also appeared that over half of the respondents are more stressed out or anxious than usually.⁸⁰

The final bit of the above statement sounded undeniably realistic – a relative level of societal resilience, which can be quantifiably determined, does not, however, allow the state to dwell on it for a long time. Whatever it is, – either the nation’s unmatched patience or its resilient attitude, – it can quickly get to the ‘pushing-the-limits’ stage. Such a concern was well picked up by Mihhail Kõlvart (*Centre Party*), Mayor of Tallinn. The experienced politician who, despite his relatively young age, seems to have mastered a skill of walking on a fine line between populism and realism, reflected on the current *status quo* in a comprehensive manner:

The easing of measures needs to be planned as simply lifting all restrictions at once is unthinkable. I can see a dangerous coeffect of

⁷⁸ ‘Study: Estonians understand necessity of restrictions’.

⁷⁹ ‘Study: Estonians understand necessity of restrictions’.

⁸⁰ Sigrid Vorobjov in ‘Study: Estonians understand necessity of restrictions’.

circumstances where people are tired of restrictions, the weather is beautiful and we are hearing positive signals of alleviation and exiting the crisis. The results of this have already manifested. [...] The number of children who attend kindergarten, public transport passenger figures – they [a]re all growing. If at the beginning of the emergency situation we had on average 1,200 children attend kindergarten, the number has now grown to 1,800 (Tallinn has a total of 22,000 pre-schoolers). More and more people are taking public transport too. [...] Our goal right now is to prevent a new wave inside the current epidemic. We are on relatively thin ice here.⁸¹

The idea, which the Mayor of the country's capital as well as largest city wanted to underscore, was very obvious – the society of the Republic of Estonia should do their utmost best to avoid a situation when the whole country will be put on hold once more. On 30 April, Estonia had 1,694 of the confirmed COVID-19 cases, losing 54 people by then and having 7 in intensive care⁸². For a relatively small country where every person's life is treasured and every loss is remembered, it was already 1,694 people too much. Additionally, the virus made its tremendous 'footprint' on the nation's economic life and cross-societal interconnections. The country's largest island, Saaremaa⁸³, was/is the worst hit – by the end of April, the island had 545 cases out of the total number of confirmed cases (only 49 cases less than Estonia's most populated county, Harjumaa, where Tallinn is also located). The problem, however, is that the number of positive tests per 10,000 population is about 16 times higher on Saaremaa, if compared to the same Harjumaa (please see *Table 1* for more details). For a better visibility, *Figure 1* shows how the total number of cases is 'distributed'

⁸¹ Mihhail Kõlvart in Toomas Sildam, 'Mihhail Kõlvart: Life cannot be put on hold for a second time', *ERR*, 24 April 2020. Available from [<https://news.err.ee/1082040/mihhail-kolvart-life-cannot-be-put-on-hold-for-a-second-time>].

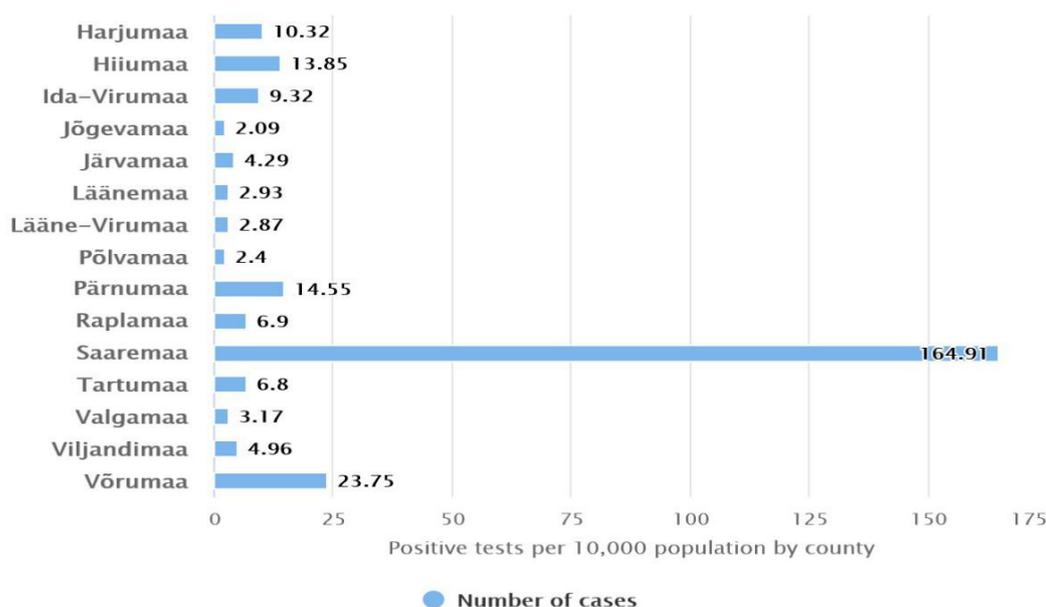
⁸² 'Koroonakaart'. Available from [<https://www.koroonakaart.ee/en>].

⁸³ Saaremaa, 2,673 km², is located in the Baltic Sea and belongs to the West Estonian Archipelago. Its area is compared to Moresby Island (BC, Canada), North Andaman Island (India), and Kupreanof Island (Alaska, U.S.A.).

across the country, with the darker segments of the map indicating those counties with a higher number of the recorded cases.

Table 1

Positive tests per 10,000 population by county



Source: Koroonakaart

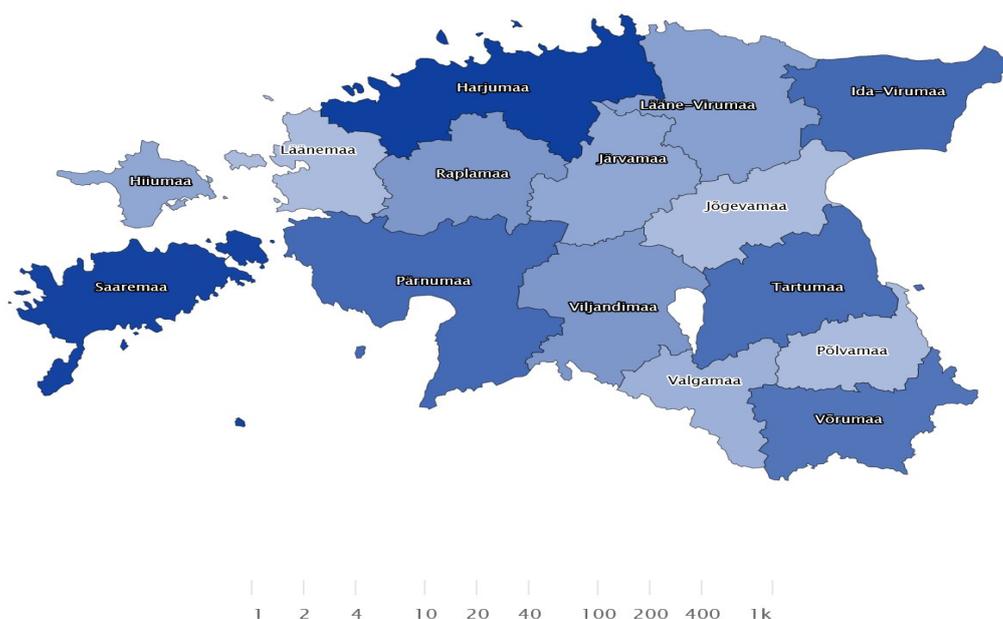
Another major societal issue that was brought up by the COVID-19 was (and still is) related to education. The country’s youngsters are among the world’s most performing, academic skill wise. Evidently, Estonia is the European continent’s leading nation in education (No 1. in *PISA* test in Europe)⁸⁴, and its 15-year-old students have just been confirmed by the global *OECD PISA* 2018 financial literacy assessment as the “world’s most financially literate”⁸⁵. Indeed, it would be something to keep up, and

⁸⁴ ‘Estonian example: vocational education and remote learning is possible’ in *Estonian Ministry of Education and Research*, 22 April 2020. Available from [<https://www.hm.ee/en/news/estonian-example-vocational-education-and-remote-learning-possible>].

⁸⁵ ‘PISA assessment ranks Estonian students as world’s most financially literate’ in *Estonian Ministry of Education and Research*, 22 April 2020. Available from

going down from these heights – because of the crisis or for any other reason – would not be tolerated socially, economically and politically. In such a context, it was very important for the public to hear the President’s take on how the nation’s future – the children of Estonia – is combating the COVID-19. Kersti Kaljulaid, who was, in fact, relatively quiet during the pandemic (speculatively speaking, she was, probably, did it intentionally to allow the Government to take responsibility and perform to the best of their abilities), addressed one of her latest messages directly to the youngsters, acknowledging their efforts:

Figure 1



Source: Koroonakaart

It is a beautiful spring, but we have stayed indoors a little bit more this year. We have definitely been more thoughtful this spring because we all have had to contribute to the future of Estonia, a contribution which is

[<https://www.hm.ee/en/news/pisa-assessment-ranks-estonian-students-worlds-most-financially-literate>].

observable every day. [...] On the day when the emergency situation will end in Estonia, when current restrictions will be eased and we can more freely to visit stores, maybe restaurants, one day cinemas and theatres; it will still be our responsibility to wash our hands until the virus has disappeared for good, to keep a safe distance with others, maybe even wear a mask while using public transport. [...] In any case, we have to be vigilant and stay at home when feeling ill. This will help protect us from not only the coronavirus but from other diseases. I thank you for your efforts, we have to try a little bit more and freedom will be slightly different this summer. [...] Thank you, dear children, for being so understanding.⁸⁶

Arguably, it was rather a message from a mother of four than the country's President. At the same time, each society needs a personal touch from the governing bodies – especially, when the whole international system is challenged by an unexpected global danger. There is a life to live after this new virus gets settled into its new localities, and Estonian society needs to be ready to get on with normal life.

⁸⁶ Kersti Kaljulaid in 'President thanks children for their efforts during crisis', *ERR*, 28 April 2020. Available from [<https://news.err.ee/1083290/president-thanks-children-for-their-efforts-during-crisis>].

Technology during the COVID-19 Pandemic in Greece

George N. Tzogopoulos

The COVID-19 pandemic has brought uncertainty and negative consequences to Greece's economy and society. But if there is a positive development that is monitored, this is the ongoing digitalization. While for years the country's performance had been poor, some changes are recorded. Minister of Digital Governance Kyriakos Pierrakakis have sought to export the Estonian model to Greece even before the outbreak of the novel coronavirus. During the public health crisis his effort is being intensified. Pierrakakis is expected to continue his work by launching new on enriching existing websites that are used by ministries and citizens. His role will be also critical in supervising the auction of the 5G spectrum that – according to his announcement – will be completed by the end of the year.

Greece digitalization record is not impressive. The 2019 Digital Economy and Society index that summarizes relevant indicators on Europe's digital performance and tracks the evolution of EU member states in digital competitiveness ranked Greece in the 26th position among 28 countries, only higher than Bulgaria and Romania. An article written in *Politico* magazine at the beginning of April by Nektaria Stamouli nicely describes bureaucratic adventures. According to the piece Greece remained the only EU country without a computerized land registry while the resistance of the justice system to follow the path of technology caused delays in the enforcement of contracts and the organization of public tenders.

Despite its problematic performance for years Greece made some progress during the COVID-19 pandemic. During the lockdown period, for example, citizens could send a free SMS to 13033 and explain the reason

of their movement according to relevant guidelines. Digital Governance Minister Kyriakos Pierrakakis has talked about a race and said that this hotline was set up in only a few hours demonstrating reflexes. And he explained that it was not the purpose of the Greek government to monitor citizens, store data or keep records. An OECD report titled: ‘Regulatory Quality and COVID-19: Managing the Risks and Supporting the Recovery’ focuses on mobile applications which have enabled administrations to avoid unnecessary burden for citizens. In so doing it mentions the case of Greece and France which provided alternatives to printed form of papers. Another initiative of the Ministry of Digital Governance has been the creation of the website solidarity.gr. It aims at helping citizens find access to the necessary digital tools provided for free or at low cost from private or public institutions. Distance learning, teleworking and entertainment are sectors of interest.

Before his appointment as Minister of Digital Governance Pierrakakis, who had received MA degrees from leading American universities, worked as Director of Research at Dianeosis – a new but active think tank in Greece – concentrating on the economic and social reconstruction of the country. While in government he has systematically worked to improve digital governance as other countries have done, for instance Estonia. *Kathimerini* has reported that former President of Estonia Toomas Hendrik Ilves, is one of Pierrakakis’ advisers and a friend. Before the launch of the 13033 hotline, he contributed to the operationalization of the European emergency number 112. This control service center could respond to calls for help, identify the location of the caller and also send evacuation messages in serious emergencies or other instructions to protect citizens – as it happened during the COVID-19 pandemic. The service had not existed during the catastrophic wildfires of July 2018 in Mati and its establishment was considered a priority in the immediate aftermath.

Pierrakakis has played an important role for the creation of the epresence.gov.gr platform enabling civil service and local government to organize teleconferences. Furthermore, the gov.gr portal providing several

digital services to Greek citizens is a new development. The portal endeavors to electronically coordinate different ministries, organizations and independent authorities and create a central electronic point of reference. Domains already covered on gov.gr encompass agriculture and livestock, justice, education, entrepreneurial activity, work and insurance, family, property and taxation, citizen's everyday life, culture, sport and tourism, military service as well as health and welfare. During the ongoing public health crisis the portal provides information concerning psychological support and other necessary instructions.

The Greek Minister of Digital Governance will be also responsible for the auction process of the 5G spectrum in the country in line with law 4635/2019. In January 2020 he gave an interview to *Kathimerini* newspaper saying that telecom companies – after buying their share of the spectrum – would have to act and invest fast in order for consumers to use 5G. On 24 March COSMOTE Greece became the first telecommunication company to announce its selection: that was Ericsson. Other Greek companies have not made their decision at the writing. On 30 April the Ministry of Digital Governance announced that the 5G frequency map prepared by the National Telecommunications and Post Commission had been ready. The latter can now proceed to the designation of the 700 MHz spectrum auction. With reference to Huawei Pierrakakis had given an interview on *Euractiv* on 3 December 2019 suggesting that the Greek government would be open to additional Chinese investments.

While the 5G network will be critical for Greece's technological transformation and Greece needs to find a balance between American pressure and European strategic autonomy, the COVID-19 pandemic has revealed additional opportunities. Students and teachers have used the technological means and smart education applications during the pandemic. To start with, the Education Ministry offered educational television programs for primary school children via state broadcaster ERT. Additionally, teachers and professors have used tools such as Skype, Zoom, Microsoft Teams and Webex to replace their face-to-face meetings with

pupils and students in classrooms. Education Minister Niki Kerameus and Pierrakakis secured zero-rating cellphone access to government platforms being used for distance learning. For his part, US Ambassador to Greece Geoffrey Pyatt said during an online conference with Greek journalists that he was proud that American companies such as Google, Cisco and Microsoft closely engaged with the Ministry of Education, the Ministry of Health, the Ministry of Tourism and the Greek Unemployment Authority, to help bring to bear the tools of US technology.

In the field of tourism, Greek government has developed the ‘Greece from Home’ platform. The aim has been to give the opportunity to potential visitors of Greece – who are currently unable to travel because of the crisis – to learn more about the country by offering them meaningful content. This has been an initiative of the Ministry of Tourism in cooperation with the Greek National Tourism Organization and Marketing Greece. Google became a partner supporting the learn section of the initiative. Steve Vranakis, who was appointed as Greece’s chief creative officer by Prime Minister Kyriakos Mitsotakis in October explains that the project was implemented in a period of only two weeks. The platform was built on a platform called ‘wix’ with the participation of interns working remotely. It reproduces already available content but is also grounded on exclusives, premieres and livestreams. On the same wavelength, some Greek museums have started to offer virtual tours. The Museum of Cycladic Art, for instance, offers an online tour of its exhibition ‘Cycladic Society: 5,000 Years Ago’.

Looking towards the future the question is whether this reliance on digitalization will continue. Pierrakakis has symbolically announced the abolishment of the fax service and is working on the use of a single number in people’s dealings with the state that will incorporate the current tax number, the identity and the social security number. In spite of ambitions, the problem of digital literacy – especially for elderly citizens has not been addressed. More importantly, in a period during which e-commerce is developing fast in Greece, the theme of cybersecurity has not been

constantly placed on the public agenda. Cyberattacks against Greek governmental sites before the outbreak of COVID-19 also incite some fears about the existing level of protection. And this might impact on Greece's national interest should significant talks during the pandemic are intercepted via compromised devices of politicians.

Conclusion

The ongoing pandemic finds Greece keen on discovering the digitalization era. Minister of Digital Governance Kyriakos Pierrakakis has contributed to the country's transformation after years of political inaction and bureaucratic complexity. His work has already started to bring results including the launch of emergency numbers and websites offering digital services. Pierrakakis is also supervising the 5G spectrum auction. The Greek telecommunication company COSMOTE has decided to cooperate with Ericsson but others have not made announcements yet. The Minister of Digital Governance has said in an interview that new Chinese investments would be welcomed in Greece. The navigation between American policies and European guidelines in the digital sector will be a very difficult task for the Greek government in 2020.

Hungarian public perception of the Covid-19 virus' impact on our life

Csaba Moldicz

The social impact of the Covid-19 virus cannot properly be assessed by us at this moment since the Hungarian labor market data and other significant economic indicators are not available yet.⁸⁷ The economic sectors mainly hit by the crisis are those where physical contact or proximity with the customers is the daily routine, the nature of the services or the production process requires the physical presence of the workers, thus tourism, the catering industry, hotel sector, education, public services or manufacturing sectors are struck mostly by the crisis.

In other words, the backbone of every economy is severely hit by the crisis. Unlike the former economic crises of the 20th century, this economic crisis was not brought about internal forces of the economy, but it was endangered by an external force, the novel coronavirus. In this aspect, what we can witness in the economy today is very much like the economic effects of war without the destruction of infrastructure and machines. That is the reason why it is worth (re)using the ideas of the Hungarian economist Ferenc Jánossy, who argued in the 1970s that the European postwar boom in the 1950s and 1960s was a return to the path marked out by extrapolating each country's prewar growth. That is what he called the trendline. In our interpretation, similar trends are to be observed in Hungary and other economies in the second half of the year, this type of economic recovery is described as V-shape recovery. And that is basically the main reason – even if we had the labor market data and other economic indicators from March – why we still would not be able to make a proper forecast as for the labor market's development. Thus, this social briefing

⁸⁷ The Hungarian government announced this week, that the first data related to unemployment will be accessible next week.

mostly focuses on the question of how Hungarians interpret and assess the impact of the coronavirus pandemic on their lives with a special focus on the Hungarian health sector. It is also investigated how Hungarian citizens evaluate the government measures to combat the virus and the capabilities of the Hungarian health sector to deal with the novel coronavirus. The briefing also reflects upon the starting discussion about when and how the country should ease the restriction imposed on society and the economy.

1. Figures related to medical supplies

When managing the health crisis, several indicators as to the quality of health services and capacity of the sectors are crucial elements, however, the capacity problems seem to be the most difficult ones to manage. The number of hospital bed per 10,000 people is relatively good in Hungary (702), since the country ranks fourth in the European Union based on Eurostat data (Sweden: 222, United Kingdom: 254, Spain: 297, Italy 318.) The other crucial point when it comes to intensive care of the coronavirus patients, is the number of respirators. There were 2,560 respirators before the outbreak of the coronavirus in Hungary, however several others were bought here from China since then. Even here, the relative number matters more. The number of respirators per 100,000 people is 20.62 in Hungary, while the same indicator is 10.09 in Slovakia, 7.57 in the United Kingdom, 7.46 in France and 4.91 in Italy. The Századvég Group claims that this number of respirators can sufficiently treat around 50,000-55,000 coronavirus infected people based on international experiences.⁸⁸

It was underlined by the government that 26 planes from China transported medical supplies to Hungary. Just the last week, 13 million 207,000 facemasks, 6 million 203 protective equipment, 155,000 tests, and 101 respirators arrived in Hungary. Péter Szijjártó, the Minister for Foreign Affairs and Trade pointed out in his speech in the Hungarian Parliament,

⁸⁸ <https://szazadveg.hu/hu/hirek/vannak-fegyvereink-a-koronavirus-ellen-es-van-eleg-municionk>

that Hungary has made a contract for buying 148 million 700,000 facemasks (of which 46 million 855,000 already arrived), 3 million 305,000 tests, (of which 352,000 already arrived), and 47 million 754,000 protective equipment (of which 20 million 292 already arrived). Hungary also reached out to its neighbors, and it helped North-Macedonia, Serbia, Slovenia, and Croatia with facemasks and protective equipment. Hungary also sent Italy 100,000 facemasks and 5,000 protective cloths.⁸⁹

2. Survey data related to how the novel coronavirus is perceived

At the same time, the general public assessment of the quality of Hungarian health care services is not positive, as the results of the IDEA Institute suggest.⁹⁰ The survey was carried out between 17th and 20th March 2020 and it included 2,000 people. Based on the result of the survey, 58 percent of the pollees think that the Hungarian health care sector doesn't receive the necessary financial funding from the government to fight against the spread of the coronavirus, while only 20 percent of the Fidesz-KDNP voters agreed on this statement. The share of those agreeing on this statement among opposition voters was extremely high and 81 percent approved the statement that the health care sector lacks sufficient funding to combat the coronavirus.

The Publicus Research also launched a survey between 17th and 21st March 2020, including 1003 people.⁹¹ This survey was much more comprehensive, and it raised a broad range of questions. Among them, the briefing only highlights those related to the public assessment of the government's and health care sector.

Based on the finding, around three-fourths of the pollees is rather satisfied with the government's performance as to managing the

⁸⁹ <https://www.kormany.hu/hu/kulgazdasagi-es-kulugyminiszterium/hirek/folyamatos-avedoeszkozok-behozatala>

⁹⁰ <https://hu.euronews.com/2020/03/26/idea-a-magyarok-tobbsege-szerint-az-egeszsegugy-nem-kap-eleg-tamogatast-a-jarvany-megfekez>

⁹¹ <https://publicus.hu/blog/koronavirus-tarsadalmi-es-politikai-hatasai-2-resz/>

coronavirus crisis. The share is 96 percent, but even among opposition voters, this figure is quite high. (Jobbik: 71 percent; DK: 48 percent, MSZP: 41 percent, other parties: 74 percent) Similar shares can be found concerning the question of whether the government will be able to manage the coronavirus situation in the case of more infections. Another question was about the capacities of the health care sector to manage the slowing of the spread of the Covid-19. 82 percent of the pollees rather agreed with a positive assessment of the health care sector's capabilities to manage the crisis. This share was 92 percent among Fidesz-KDNP voters. 76 percent of Jobbik voters, 73 percent of MSZP voters and 57 percent of DK voters were positive about abilities to handle the crisis.

Maybe the most interesting question was about the trade-off between economic costs of fighting the virus and its impact on human lives. Three answers were offered to the pollees. The answer "*We should try to contain the spread of the virus even if it causes a lot of trouble.*" was supported by 76 percent of the pollees. 21 percent of pollees agreed with the answer "*At this point, we should do everything to contain the spread of the virus, however, there is a point where it is not worth fighting it*" And 2 percent said, that "*We should let the virus spread since it cannot be contained, it is not worth imposing lockdown on cities and regions.*" If looking at the breakdown of answers based on party sympathies, we actually cannot see real, significant differences, however, we can discern a different pattern in the answers based on the pollees' place of residence. Only 66 percent of citizens of Budapest agreed with the first answer, where the aggregate number was 76 percent, and town citizens had the strong support of 83 percent for the first answer.

3. Summary

As we argued in our former briefings, there is a trade-off point indeed, where the decision-makers might reconsider the economic and social effect of the measures to combat the virus in a form of benefit-cost analysis. And when the time comes, it is worth giving other impulses to the public as for

the priorities to get public support for the needed measures that rather aim at boosting the economy. And we could see the change in communication might be done easier in Budapest than in the countryside.

To summarize the challenges Hungary is facing right now, we can argue by and large that the significant majority of the Hungarian population supports the government measures to combat the virus and it has trust in the capabilities of the Hungarian health care sector to cope with the challenges. As to the question of when the first measures should be taken in regards of going back to the normalcy, there are clearer differences in the opinions. What is surprising in this context is that these dividing lines do not run according to party sympathies but the place of residence. In other words, we can clearly distinguish a different perception and assessment of the coronavirus in the capital city and the rest of the country. It adds to the surprise that citizens of Budapest, which is the most affected area in Hungary, are more supportive of fast-tracking measures aimed at restoring order in the economy and public life. The Hungarian Prime Minister said in a radio interview on 17 April 2020, that we cannot relax the restriction imposed on the society yet, however, he added if easing of restrictions in Austria will be working out, Hungary must also consider this opportunity.

The coronavirus pandemic challenging Latvian education system: distance learning implementation experience

Nina Linde

On March 14th, 2020, the government of Latvia declared an emergency situation due to the global pandemic. Because of that all educational institutions now have been closed for more than a month thus making one of the historically biggest challenges for all members of the education process such as teachers, students, parents, and the Ministry of Education. Although previously there had been developed virtual tools for contribution to the educational process, the capacity of them is insufficient since they were not originally developed for ensuring the learning process for all students of Latvia simultaneously. The shift of educational approach has been drastic and demanded a fast reaction from all the sides involved. Despite the pressing issues and all the difficulties in such a short period of time, the educational institutions and the government have developed new tools and innovative approaches to ensure the continuation of the remote education process in Latvia.

One of the first challenges right way that restricted ensuring virtual educational process was the students' limited access to technologies with an internet connection. A research made by the Ministry of Education in March 2020 showed that approximately 3% , which is around 5300, of the students studying in school do not have access to nor computer, nor a smartphone with an internet connection, which made it difficult for these students to participate in the distance learning process.⁹² In the age group from 1st to 5th grade there were slightly more than 3000 or 3.6% of the total number of children who did not have any smart devices, in 6th-9th grade there were almost 2000 students or 2.8% in total, but from 10th to 12th grade - 361 or 1.22% of the total number of students in the particular

⁹² <https://izm.gov.lv/lv/aktualitates/3978-izm-kopa-ar-partneriem-plano-nodrosinat-5000-viediericu-latvijas-skoleniem>

age group who did not have the access to the internet. The survey data showed that in schools with less than 100 pupils, the percentage regarding the lack of smart devices is higher – approximately about 4.5% of pupils lacked the smart devices, while on average in the country there were 2.9% who did not have the necessary facilities for distance learning process.

To solve this problem the Ministry of Education by working together with one of the biggest mobile operators in Latvia were able to ensure the needed tools including free of charge internet connection for the students. By far the problem has been solved partially as the Ministry of Education continues to receive notice from large families with one or two devices on a household for 3 or more children by that limiting proper access to virtual education tools in larger families. Because of that there are approximately 2000 pupils who still lack facilities for distance learning process.⁹³

To ensure accessibility, quality education content and provide more support to parents, especially in primary school during the distance learning process the Ministry of Education came with an innovative initiative developing a TV channel “Your class”, which aim is to simulate a class environment for students. The lessons consist of 20-minute-long audiovisual materials, in which teachers, enthusiasts in their field from different cities of Latvia, present the subjects in an interesting and student-friendly way. The curriculum is designed so that the younger students can complete a task after each subject and move on to the next subject. The project “Your class” solves various problems, that have been identified during the first weeks of distant learning approach. One of the key problems for ensuring distance learning was that there was a crucial necessity to ensure high quality study environment for pupils in grades from first to sixth. Experts of education system have claimed that for this age group it is practically impossible to obtain such a large amount of study material independently.⁹⁴ Additionally, the project will also facilitate distance learning in families with several students. Besides that, with the

⁹³ <https://www.la.lv/vel-2000-skoleniem-trukst-attalinatajam-macibam-nepieciesamas-viedierices>

⁹⁴ <https://izm.gov.lv/lv/aktualitates/4006-izm-izveido-izglitojosu-tv-kanalu-tava-klase>

implementation of this project equal educational opportunities are created throughout Latvia, reducing inequalities that arise due to the lack or inaccessibility of teachers or infrastructure.

During April 2020 the main discussion regarding distant education process revolved around State examination. By far the Ministry of Education is still planning to hold exams for 9th and 12th grade students, and has currently elaborated three working plans regarding State examination depending on the development of the pandemic in the continuous months. Currently the Ministry of education has only postponed the exams for a certain period. However, depending on the development of the Coronavirus there will be made some amendments to the content of exam, or the exams will be canceled completely replacing the results with final grades. Additionally, it has been proposed to hold combined examination for 9th grade students instead of four separate exams. However, the representatives of the Latvian Association of Local Governments and the Union of Educators and Researchers recommended that in the case of 9th grade, exam this year should be cancelled and that the innovation - combined exam – should not be introduced especially in the times when the education process is already difficult. Additionally, a recent survey showed that 88% of Latvian 9th and 12th grade students have expressed that they do not feel fully prepared for the upcoming exam session.⁹⁵

During April 2020 there had been made survey in 4 days' time by the Ministry of Education with approximately 60000 respondents focusing on students, parents, and teachers regarding the transformation of education process. The aim of the survey was to understand how distance learning takes place in Latvian schools, to identify areas where the Ministry of Education and Science, municipalities and schools can improve the learning process remotely, as well as to get feedback from students, teachers and parents on the organization of the learning process. Overall the implementation of distance learning has been described as

⁹⁵ <https://www.db.lv/zinas/88-skolenu-nejutas-pilnvertigi-sagatavoti-eksameni-495919>

good by the respondents. Furthermore, the respondents of the survey had emphasized that there is an operative exchange of information between all parts involved – teachers, students, and their parents. Approximately 99% of the students and parents noted that they have received all the information about distant learning.⁹⁶ In addition, 86% of the teachers think that continuing learning remotely has succeeded quite well. However, the teachers have noted that with the implementation of distance learning approach they have been facing various challenges. Almost half of the teachers noted that they are facing additional workload because they have to develop new or adjust the previous educational materials and have to spend more time on giving feedback to their students. Although the distance learning approach has been identified as overall successful the survey showed that there is one alarming aspect that has not been taken enough into consideration – the overall workload of students. Despite the fact the Ministry of Education and Science has recommended to lower the overall workload of studies by up to 50% in primary schools and at least 10% in high schools⁹⁷, 60 % of the students claimed that with the implementation of distance learning they devote more time for their studies as they used to.

The innovations have not only been implemented in schools but as well in higher education institutions. Latvian university students have already proven that they have been able to create and develop original and practical solutions in various short programs, hackathons. Because of that on April 2020 five universities jointly created a new program “CrisisLab”. The aim of the developed program is to involve students to come to a solution for such pressing issues, which have appeared due to the Coronavirus, in field of education, healthcare, security of organizations and businesses, offering innovative tools and methods to improve distance learning, patient consulting remotely, tackling the economic crisis and other challenges. Students of all Latvian higher education institutions will

⁹⁶ <https://home.edurio.com/izm-attalinato-macibu-rezultati>

⁹⁷ https://www.izm.gov.lv/images/MaciesMajas/VISC_Skola2030_Vadlinijas-attalinatam-macibam.pdf

be able to participate in the program in order to develop solutions to problem situations of local governments and the public sector, industry, non-governmental organizations that have arisen or may arise due to the global pandemic, emergency and restrictions on movement, assembly and social distance. Student teams will be formed to develop solutions, assisted by mentors and experts.

Summary

Although the implementation of distance learning education process has been one of the greatest challenges in history of Latvian education system, the shift to a distance learning process has been successful with the help of innovative approaches and solutions. While the overall transition to distance learning process has been described as smooth, Latvian authorities are still facing challenges such as lack of smart devices with internet connection and the workload of students. To solve the pressing issues with the lack of smart devices for distance learning, Ministry of Education and Science together with one of the biggest mobile operators in Latvia have come to a solution and were able to provide mobile devices with free internet connection for 3% of the Latvian pupils who did not have any access to mobile devices. This has solved the problem partially as households with larger families do not have enough devices to ensure the distance learning process for all children simultaneously. To simulate the class environment for younger students the Ministry of Education and Science in a week's time developed a new, innovative TV channel. Survey by the Ministry of Education and Science shows that overall the distance learning process has been seen positively as almost all of the students and their parents have received sufficient information regarding distance learning process. Although 86% of the teachers think that overall the shift to distance learning has been successful, 88% of Latvian 9th and 12th grade students have expressed that they do not feel fully prepared for the upcoming exam session.

The Coronavirus stirring up negative emotions in Lithuania

Linus Eriksonas

Since the introduction of the quarantine on 15 March, the Lithuanian society has been exposed to an unprecedented level of social distancing. Each person who was returning from abroad or was in touch with a person infected by COVID-19 was obliged to self-isolate at home. Those returning from abroad after 26 March were put into the quarantine in the places arranged by the relevant municipalities. During the Easter holidays, further preventive measures were taken – the free movement of people between individual municipalities was curtailed. Only those having their home address or property in a particular municipality were allowed through the police check-points which cordoned all cities and towns in the country throughout three Easter festive days with effect from 8 pm on 10 April to 8 pm on 13 April. One hundred fifty thousand vehicles have been checked on the roads leading to the municipalities, and 15 thousand vehicles were disallowed entry during those three days. Police monitored the urban areas using CCTV footage and arrived quickly on the spot to disband any gatherings of few people. The municipality of Vilnius has additionally put drones to use for identifying the hotspots of potential gatherings.

Below is a brief outline explaining how the imposed quarantine measures have impacted the emotional climate in Lithuania and what are the significant concerns about the longer-term impacts of the pandemic on the socio-psychological well-being of society and what plans are being put under consideration.

Until this pandemic, Lithuania's society has not experienced such a massive public health issue in modern times. Cholera which had caused numerous deadly epidemics in the country during the 19th century, was eradicated more than a century ago. Hence, the challenges posed by the coronavirus have created a shock.

Before the coronavirus crisis, the emotional climate of Lithuania's society was assessed quite positively. It is confirmed by the latest report "World Happiness Report 2020" (released on 20 March) which ranks 156 countries by measuring the state of happiness using different variables from multiple sources to assess different factors in social, urban and natural environments which affect the happiness that people perceive. The report (prepared annually by the Center for Sustainable Development at Columbia University) is based largely on the data from the Gallup World Poll. The latest ranking shows that Lithuania occupies the 41st place in this index (scored as 6.215 out of 10), the 4th highest place within the Central and Eastern European (CEE) countries, Czechia being ranked the highest (19th) among the CEE countries, followed up by Slovenia (33th) and Slovakia (37th). Lithuania has been ranked as 18th on the list of the countries where the changes in the levels of happiness have significantly increased during the last decade since the global financial crisis of 2008.

The impact of the coronavirus on the socio-psychological climate was immediate and profound. The survey of the emotional climate of Lithuanian society (which was carried out on 15-30 March) has shown that the effects of COVID-19 were indeed dramatic. The number of respondents who reported the increased sense of anxiety has increased more than two-fold (from 16,1 to 64,6 per cent). The number of the respondents who expressed sadness has also more than doubled (from 21,9 to 46,8 per cent), while the number of people who experienced a sense of anger also notably increased (from 19,8 to 35,6 per cent).

The mental health experts have been quoted saying that such a jump in negative emotions is very dangerous to the people's physical and emotional health, especially, given the fact that negative emotions severely weaken the immune system of the person and also aggravate the health condition of people with chronic diseases. The experts also alerted to the fact that such a rapid increase in the level of anxiety and anger would eventually lead to the increased tensions in the intra-personal relations, causing domestic violence and other harmful behaviours.

Two factors are ascribed to the worsening emotional climate in society. First, the strict quarantine measures (including the increased presence of policing in the public spaces), to which the Lithuanian society has not been used, contributed to the feeling of scariness which translated into anxiety and other negative emotions. Second, the increased emphasis on identifying and isolating all those categorized as being in the risk category of being the would-be infectors led to their ostracization. Since the country lacked an adequate number of kits for the coronavirus testing, the suspicions about the infected people freely moving undetected in public only increased the sense of anxiety and fuelled anger. The above survey has shown that the number of respondents who expected to receive help from their neighbours has decreased from 61,9 to 81,2 per cent. During the first three weeks since the introduction of the quarantine, the reported cases of domestic violence have increased by 20 per cent, according to the official data by the Police Department, yet the situation has not exacerbated further.

As the surveys have shown the critical aspect which kept society in the hold was a deep-down held conviction that the government would help. Thirty per cent of the respondents put their trust in the government's actions, despite the fact that the strict quarantine measures were unprecedented in terms of their scope and rapidness of deployment. The follow-up survey (conducted on 5-8 April) have already shown a marked improvement in the emotional climate. The number of those who reported the experienced anxiety has dwindled from 64,3 to 49 per cent. The sadness receded from 49 to 40 per cent of the reported cases, while the anger from 35,6 to 29,3 per cent. The overall level of stress has dropped from 45,8 to 33,8 per cent.

The experts commented that the decrease in negative emotions could be explained as the confirmation of society's coming to terms with the initial shock. "People started seeing that the catastrophic picture created in their imagination does not correspond to reality, and they started guiding themselves by reason, real statistics and not fantasies. Secondly, the natural

resistance of psyche has turned on, which helps the person to avoid the impact of negative emotions by suppressing or changing them. Thirdly, no new, dramatic events have happened in Lithuania, which might have caused a new surge of emotions. Fourthly, with the decrease of the emotional heat, the people got used to the new conditions and started to discover new measures for calming down under the quarantine – the number of those who have experienced calmness has increased from 52,9 to 65,1 per cent”, -- concluded the organiser of the survey.

The uncertainty that plagues society also stems from the fact that since the spread of the pandemic in the country due to the imposed quarantine, more than 50 thousand people became jobless. The rate of unemployment, which was stabilized during the last two years following the healthy growth of the economy and the steady growth of personal income, has increased by 17 per cent. On 8 April the non-governmental organizations in an open letter addressed to the Government and the Parliament urged to take adequate measures to minimize the impact of the coronavirus crisis on the most vulnerable segments of society through the increased financing of social services. The social services that are most needed include the psycho-social support of the part of the population which might feel alienated during the crisis and exposed to the increased levels of the emotional distress resulting in domestic violence and other violent behaviours. Special attention is to be paid to children and people with disabilities whose families and relatives have difficulties in providing adequate care under quarantine. The NGOs also called for making the provision of warm food for families who are experiencing social risks and providing help and support to children from the socially disadvantaged backgrounds having difficulties in accessing and benefiting from online schooling.

In response to these concerns, the Ministry of Social Security and Labour and the Ministry of Health have an integrated 24/7 hotline which provides support over the phone to individual social groups, and a website

(www.pagalbasau.lt) providing the information about the emotional and psychological help freely available.

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N. Macedonia ambling in (spite of) times of coronavirus: the social cost of profit

Adela Gjorgjioska

In addition to its numerous negative consequences to health, society and the economy, the coronavirus pandemic has also led to the temporary suspension of some ‘normalized’ negative behaviours. For instance, it has been reported that crime and pollution have dropped around the world amid stringent coronavirus measures. In the Macedonian case, the disruption of the widespread practice of ‘gambling’ can be considered to be another example of a break from ‘normalized’ negative behaviours disrupted by the coronavirus pandemic. However, this effect is likely to be short-lived, as the government introduces new measures likely to breathe new air ensuring the survival of the ‘toxic’ gambling industry.

The Macedonian gambling industry has seen an exponential rise in recent years. The capital accumulated by gambling businesses has been accompanied by a simultaneous dispossession of the local and regional population, resulting in numerous socio-psychological consequences. The state and its institutions have played a crucial role in the process of stimulating the industry, firstly in the normalisation of gambling and secondly in creating a social and spatial environment where gambling can achieve its full revenue generating potential. As a result of the continuous growth, the sector now contributes with around 4% of GDP. In 2018, 253 million euros were paid in taxes by betting shops and casinos. According to the Association of sports betting shops (ASOM): “Out of the total sum, direct revenue accounts for 135 million of euros in 2018, which is a 12% increase compared to 2017. On the other hand, indirect revenue (from VAT, local tax, salary tax and contributions, as well as property tax) accounted with 118 million euros, which is an increase of 41% compared

to 2017.”⁹⁸ The four largest betting shops (Sport life, Zlatna Kopacka, BetCity Balkan and Bet Pro Bill Hill) earned an income of 140 million euros and a profit of 4,3 million euros in 2017. The biggest sports betting shop “Sport Life Trade” had a turn around of 71 million euros in 2017 and a profit of 3,5 million euros. For comparison, it had a larger turn around than other large companies such as “Vero supermarkets” or “Brewery Skopje”.

ASOM lists employment generation as one of the biggest benefits of the sector’s growth. It claims that there are around 7,700 directly employed in the industry, earning an average of 19,000 dinars (300 euros per month) and according to the Association another 54,000 jobs are supported in related economic sectors. In 2017, Sport Life employed 511 people, which is larger than the number of workers in Johnson Matthey- the largest foreign direct investment in the country. Although economic factors such as those described above have been presented to be the biggest benefits of the gambling industry in the country, a closer inspection reveals a toxic industry, which thrives on the further impoverishing of the people, with numerous adverse economic, social and psychological consequences.

The Normalisation of Gambling

The extension of neoliberal values in the Macedonian capitalist periphery has meant the elevation of quick profit to the level of the highest social and personal goals. At the same time, the diffusion of unemployment and poverty, combined with the absence of any state support or social security framework for attaining economic prosperity and security, has created a fertile ground for the reliance on quick options for success. As a result the offer presented by the gambling industries has become increasingly attractive for people (especially men) on the lookout for options for quick profit. Simultaneously, the supply of gambling has been

⁹⁸ “Betting shops and casinos have brought 253 million euros to the budget in 2018” available at: <https://sportmanija.mk/od-oblozhuvalnitsite-i-kazinata-vo-budhetot-na-rm-zavrshile-duri-253-milioni-evra-za-2018-godina/>

greatly assisted by the favorable legislation implemented by the State. Today the gambling industry in the country is regulated by the Law on Games of Chance and Entertainment Games, which came into effect in 2011 and regulates the licensing on forecasts of sporting events, lotteries, casino games, slot machines, Lotto and instant lotteries. The Law represented a part of the wider framework policy for attracting Foreign Direct Investments of the former VMRO-DPMNE and DUI Coalition Government. As a result of the favourable legislation, 23 companies now hold licences for slot machine clubs, five companies are licensed for casinos and 8 companies are licensed as betting shops.⁹⁹ Today, Austrian companies and companies from countries with tax incentives, which are known as offshore financial centres, are the biggest players in the Macedonian market of games of chance.¹⁰⁰ Whilst in most countries the number of casinos is limited and they are located outside the cities, this is not the case for Macedonian casinos.¹⁰¹ Casinos and betting shops occupy central locations in Skopje as well as other cities across the country. Slot machine casinos are intensively opened, which attract the attention of passers-by with their spectacular lights that focus on the jackpot available. For example, the biggest betting chain in the country (which is only one in 8 licences betting chains) Sport Life has over 150 shops across the country, most of which occupy the best locations in city centers. In the city of Tetovo, there are 30 casinos and 140 betting shops.¹⁰² Other cities are similarly saturated with betting shops and casinos, which often take up the

⁹⁹ “Betting shops and casinos empty the pockets of citizens across the country” available at <https://inbox7.mk/archives/6130>

¹⁰⁰ “Macedonia becomes Balkan Las Vegas” available at: <https://en.scoop.mk/macedonia-becomes-balkan-las-vegas-low-standards-and-too-much-gambling/>

¹⁰¹ For example, throughout Greece there are only a few casinos. In Thessaloniki there is only one. As a result of this difference, the city of Gevgelija has become a real gambling centre frequented by Greeks. It has 4 gambling facilities and an entire local economy has been built around gambling in this location.

¹⁰² “The religious communities want the betting shops to be closed” available at: <https://a1on.mk/macedonia/verskite-zaednici-sakaat-zatvoranje-kockarnici-za-drugi-da-otvorat-novi/>

space of former cultural centers or other types of old state properties from socialist Yugoslavia. The local population often complains because betting shops and casinos are being opened in the very centres of the cities, even near primary and secondary schools, thus attracting under-age users and causing addictions from an early age. Unsurprisingly, the over-saturation and proximity of gambling options has meant that it has become widely used. According to the statistics, about 72% of the adult male population in Macedonia under the age of 25 place bets on sporting events on a regular basis.¹⁰³ According to a survey, 73.5% of the citizens with income lower than the Macedonian average place bets at the bookmakers.¹⁰⁴

The huge revenues collected each year by a handful of betting shops and casinos, is at the same time the loss suffered by users/participants in betting shops and other games of fortune. In 2017, the population was impoverished by around 400 million euros as a result of their losses due to participating in the gambling industry.¹⁰⁵ Of course, in addition to the economic losses there is also the social cost which cannot be quantified and includes the rise in alcoholism, drug addiction, domestic violence and crime. These negative externalities of gambling suggest that the consequences far exceed the financial benefit that the society and the state gain from taxing the industry or from charging for licenses.

The coronavirus restrictions- only a temporary relief from gambling?

Since the state of emergency has been in place in mid-March all casinos and betting shops across the country have been closed. These restrictions provided relief from the negative consequences attached to the gambling practice. However, on the 24th of April the Government brought a legally binding ordinance on the implementation of the ‘Law on Games

¹⁰³ <https://neonslots.com/macedonia>

¹⁰⁴ <https://www.ceeol.com/search/gray-literature-detail?id=513365>

¹⁰⁵ <https://inbox7.mk/archives/6130>

on Chance and Entertainment Games’ allowing the ‘economic operators that organize such games of chance to conduct activities online’. The government further added that the decision will allow the conditions for keeping 7500 jobs in this industry. In its justification the decision states: “This ordinance provides for the possibility for the Government to collect tax revenue, which until now we were not able to do because of the measures introduced against the spread of coronavirus. Bookmakers, slot machines clubs and casinos ceased to bring tax revenues as of March 15, 2020, when the organizers of these services closed all the business premises where they organize games of chance.”¹⁰⁶

It remains to be seen whether and to what extent ‘gambling customers’ will switch to online gambling. However, amidst the coronavirus, the industry has seen its further liberalisation into the online sphere, which opens the space for further increases of the practice in the future. Unable to play a developmental role and to stimulate the economy through the generation of productive and sustainable jobs, the state has once again, during the coronavirus state of emergency, fallen back on supporting the gambling industry in spite of its negative social and psychological externalities.

¹⁰⁶ <https://vlada.mk/node/21166>

The social effects of the corona virus in Montenegro

Vojin Golubovic

Since the occurrence of the first case of COVID - 19 infection in Montenegro in mid - March, numerous measures have been taken to protect citizens and the economy. However, the Corona virus pandemic is not only a matter of reaction of political institutions and competent health care institutions and professionals. It is something that tangents to each individual, and therefore responsibility is shared. Therefore, the question is what the pandemic revealed in Montenegro, but it is also a significant question what social consequences can be expected? In any case, a pandemic is something that has engulfed every domain of social life in Montenegro.

The situation so far - the effectiveness of the measures adopted or...?

It seems that the competent institutions have responded promptly in Montenegro when it comes to responding to the prevention of imports and combating epidemics within national borders. Initially, the question was whether the late occurrence of the first cases was the result of good preparedness and timely measures taken by the National Coordination Team for Infectious Diseases, or whether it was due to the unwillingness of the system, which perhaps delayed the announcement of the presence of the virus in Montenegro? However, the events and statistics from April confirmed that last suspicious is not true. The fact is that, (with experience of other countries), Montenegrin institutions responded in a timely manner and in a balanced manner adopting measures in different areas (health, business, movement, traffic, etc.). It seems that measures contributed to the much milder direct consequences of the spread of the virus. Based on statistics on the number of infected and died in the countries of the region, the mortality rate from the Corona virus is the lowest in Montenegro, as

confirmed by the Director of the World Health Organization (WHO) for Europe, stating that the reason is timely measures. Namely, the mortality rate (in relation to the number of those infected) at mid-April in Montenegro amounted to only 1.63%, which is a significantly better indicator than in all countries of the region (some of which have a mortality rate of over 5%). Also, an indicator of the number of infected people per million¹⁰⁷ population can serve as a confirmation. This indicator for Montenegro amounted to 487 in the aforementioned period, which is again significantly better than many countries in Europe and the region. These indicators may also give a false picture if a small number of tests were performed. But, by that parameter (number of people tested per million inhabitants) Montenegro is just behind Slovenia (when it comes to countries in the region). This information indicates that the measures adopted are timely and well balanced. Still, something that perhaps no data takes into account is the degree of openness of the country, which may raise the same question - is a really good epidemiological situation solely the result of government measures? This could certainly be the idea for the whole research project, not only for Montenegro, but for numerous countries.

Corona has revealed some of the positives and negatives of Montenegrin society

The Corona revived community and solidarity, but also demonstrated the flaws of Montenegrin society. Most of the citizens of Montenegro, in addition to solidarity and togetherness (which has not been a characteristic of the Montenegrin society accustomed to divisions in recent years), has shown a high level of awareness and responsibility. The solidarity is confirmed through numerous voluntary activities and initiatives, donations from Montenegrin citizens, companies, but also from the diaspora. It is also interesting that Montenegrin citizens (at least

¹⁰⁷ According to the World Health Organization methodology, the number of infected people is expressed per million population for better comparison.

the vast majority) are more disciplined than expected to accept the measures and prohibitions imposed. It is difficult to talk about the environmental consequences without concrete facts, but one of them is that Pljevlja, as one of the most polluted cities in the world, got clean air due to the stop of various economic activities.

Unfortunately, the situation caused by the spread of the virus has (in addition to its negative impact on health) witnessed some other negative examples. This is not so much about the non-observance of measures from the rare individuals, as it is about the abuse of the situation itself. In addition to the fact that the price of medical equipment (disinfectants and masks) has increased dramatically, it is worth mentioning that in April a list of persons suffering from the Corona virus was released to the public. These lists¹⁰⁸ were made public by the misuse of the Public Health Institute's Information System by the person who had access. The list was not leaked from the security services or by hacking into the communications system. Although this act has been condemned, it has shown that in these conditions fear or other psychological factors play a significant role among individuals. These acts certainly violate basic human rights. Also, just before and during the initial days of the spread of the virus, a variety of fake news - popularly known as "infodemic" - spread in Montenegro. And these are some of the few dark spots in Montenegro in the "age" of the Corona.

In addition, when it seemed that religious issues would not be on the agenda, the Serbian Orthodox Church in Montenegro again provoked a public appearance because this institution obeyed on pronounced measures at the state level (such as ban on gathering, etc.). It seems really unnecessary at this point. However, such a gesture seems to be merely a deliberate reaction with the intention of keeping a public presence interrupted by a virus pandemic.

¹⁰⁸ The list contained data on 62 infected persons from Podgorica with their names and ID number.

Corona and the living standard of the Montenegrin population

What is certain is that the Corona virus pandemic will have significant consequences after its completion. First of all, these consequences will be reflected in the living standards of citizens of all countries, including Montenegrins. For, the burden of citizens is multiplied when a person, in addition to caring for health, has to think about how to feed the family, and when the employer has to think how to provide wages for employees. With this in mind, but also with the aim to be accountable, the government has adopted a series of measures aimed at maintaining a standard of living that will be shaken by the effects of the pandemic. In order to ensure transparency and a participatory approach, the measures were discussed with social partners, representatives of parliamentary clubs in Parliament, and with a number of economic experts and analysts. In addition to helping the economy, which should indirectly affect employment conservation, some of these measures are directly related to living standards, with various wage subsidies in April and May. Most of the subsidies are in the amount of 100% of the minimum wage and 100% of taxes and contributions to the minimum wage for each registered employee in various sectors (for closed industries and tourism sector). In addition, subsidies of 70% of the minimum gross wage will be directed to employees on paid leave and to employees in quarantine or isolation, while subsidies of 50% of the minimum wage are foreseen for vulnerable industries. In addition, six-month subsidies are also foreseen for new employment for entrepreneurs, micro, small and medium-sized companies. In addition, the main Energetic state company doubled the amount for subsidies for electricity bills to socially disadvantaged households during the duration of the measures. Measures to preserve the standard of living also include numerous one-off benefits to various social categories and vulnerable groups of Montenegrin society. Therefore, the Support Program covers six types of subsidies and it covers over 100,000 employees in Montenegro and several thousand entrepreneurs, micro, small and medium-sized enterprises. The issue of scope is not questionable. But,

whether the targeting of users is good and the measures themselves are well formulated remains to be seen. It should be borne in mind that there are a large number of social protection beneficiaries in Montenegro, including pensioners, but also that a large number of employees are prevented from working through initial measures. In any case, the standard of living must be tailored to the needs of the people most in need. The coming period will answer the question of whether this program is truly a stabilization program, which serves to preserve those jobs that existed in February 2020 (before the outbreak of the epidemic).

However, the situation caused by Corona has also shown that the politicization of the situation is occurring, as some of the political parties tries to gain political points in the election year through a sensitive issue of living standards. This is primarily attempted through proposals to further increase the salaries of healthcare workers (although an increase for this year has already been agreed at the end of last year and the pay for employees in the health sector will be 15% higher during April). There were also proposals that the government should bear the full burden of all wages for all those who are incapacitated by adopted measures. Of course, these proposals go without a significant cost calculation, and without considering the real possibilities of the state. This points to the politicization of a difficult social situation.

The social effects caused by the Corona virus are undoubtedly huge, and their true face and scope will be clearer over the coming months. The current situation is difficult, but Montenegro seems to have the strength to respond to the challenge.

Remote education in the time of pandemics: a challenge and an opportunity for Poland

Joanna Ciesielska-Klikowska

During the coronavirus pandemic, remote education has become a public challenge. This is a first such experiment in Poland in terms of speed of introduction and its scale. On-line education for children and adolescents took place partly in previous years, however, switching to classes conducted exclusively on the e-learning platforms proved to be a huge challenge. Children, teachers and parents cope with this task differently, and the lack of clear guidelines from the Ministry of National Education does not help to calm things down. If we manage to get out of this situation victoriously, it will be a great chance for Polish education to be on a completely modern track.

Suspension of schools during the pandemic

Classes in all types of schools in Poland have been suspended since March 16, 2020. Initially Prime Minister Mateusz Morawiecki and Minister of Education Dariusz Piontkowski planned to remain schools closed until March 25, but due to the spread of the coronavirus in Poland and Europe, both politicians announced that schools of all types will remain closed until at least first week of May. However, it is speculated that schools will remain closed even until the end of the summer semester (June 26).

Although educational establishments of all types were closed on March 16, for the next two weeks the students did not have almost any online classes or meetings with their teachers. The Minister of Education, though, encouraged teachers to support their students at the time of pandemic. As Piontkowski pointed out: “We decided to suspend the work of schools in a traditional way, but this does not mean that we would like

students to just relax at home. Yet, we also do not want that suddenly students will be overwhelmed with an enormous number of tasks to do alone”.

Indeed, some teachers - especially the younger ones, from larger urban centers - tried to stay in touch, even by email, with their students. However, a large group of teachers have given up contact with young people for a number of reasons, especially lack of familiarity with the latest technology, limited access to computer / internet connection at home, or unwillingness to adapt their teaching methodology to the requirements of new technologies.

Guidelines of the Ministry of National Education

Yet, given the protracted state associated with the spread of COVID-19, the government has decided to introduce the compulsory distance learning from March 25. From that point in time on, teachers are obliged to conduct online classes and give grades to students, and students are required to participate in the classes and do their homework on a regular basis.

According to the regulation of the Ministry of National Education from March 20, the headmaster of school is responsible for organizing distance education. It is the principal who is obliged to inform parents about the way in which education will be organized. Teachers have the opportunity to verify the curriculum used so far to adapt it to the chosen distance learning method, still, the implementation of the core educational curriculum is obligatory.

In accordance with the guidelines of the Ministry, the director must also agree with the teachers the weekly scope of material for individual classes, taking into account, among others, the learning load on a given day, differentiation of the classes or psychophysical abilities of the students. The principal is also required to specify the form of contact or consultation of the teacher with parents and students.

When organizing distance education for students, the headmaster must moreover remember about the principle of safe use of electronic equipment by students – i.e. time restrictions on the use of a computer, TV or telephone and their availability at home. It is also necessary to take into account the age and stage of development of the students and their family situation, i.e. whether they have a computer at home or whether they do not need to use one computer together with their siblings or parents working remotely.

Taking all that into account, distance learning is implemented using materials made available by the teacher, as well as broadcast in educational bands of public television programs. The program offer for students of all classes of primary and secondary school (from 7 to 19 years of age) has been prepared by the Polish television channel TVP, which offers numerous lessons on various topics related to arts, social sciences or exact science on a daily basis. For kindergartens and pupils in grades I-III of primary school, the teachers are obliged to inform parents about the available materials, as well as the possible ways and forms of their implementation by the child at home.

The Ministry also provided for solutions to the issue of teaching vocational subjects in vocational and technical schools. Vocational education classes should be primarily conducted in the field of theoretical vocational subjects and, to a limited extent, also in practical classes only when the possibility exists in the curriculum of a given profession. Provisions have been introduced that allow the vocational curriculum to be modified in such a way that the part that cannot be implemented during distance learning, can be implemented in subsequent years of education. As for today, the technical and vocational school students will have the opportunity to complete their apprenticeships until the end of the school year 2019/2020.

New forms of education as a challenge

So much for theory, but few weeks of the obligation of distance teaching/learning allows to draw conclusions about its quality. First of all, teachers, children and their parents indicate that this is a huge challenge for all involved parties. Teachers emphasize that the Ministry and school headmasters have removed the obligation to organize online teaching directly on them - although they often do not have the substantive preparation and technical equipment. No compulsory e-learning training has been conducted so far, thus for many teachers it is a completely new form of work with students, which they have to learn themselves. Parents of, in particular, younger children, who should be helped to use the computer, read and understand commands, complain that teachers - in turn - put everything on their shoulders and force them to engage many hours of school work with their children. Parents indicate in this way, that they have their professional duties as well - some do them remotely, while others still work outside home. On the other hand, children, especially older ones learning without the help of parents, indicate that such education is sometimes a fiction - they are not able to understand the material discussed during the online classes, ask questions or develop all the tasks in the textbooks themselves.

Secondly, technical issues are a big challenge – indicating the access of teachers and students to computers, to the Internet, as well as the ability to use the newest technological possibilities of e-learning platforms. Prime Minister Morawiecki himself specifies that 90% of schools in Poland provide remote teaching. However, this means that as many as 10% do not, and students attending these schools have not had any classes since mid-March. For this group of pupils the mentioned TV programs “School with TVP” were launched. This is a good solution for some time, but teaching by a TV teacher, even if he/she has a great passion and didactic skills, is purely illusory. In many regions of Poland there is still high unemployment, and hence poverty and technological backwardness. Although the NGO’s have distributed over 2,000 tablets to the poorest students over the past few

weeks, and a few thousand more are to be hand over by the government and local authorities, it is still a drop in the ocean of needs.

Thirdly, there is a great challenge of conducting exams. In the Polish system, students pass the exam at the end of primary school - a good result enables them to choose a good high school; and at the end of high school - its result qualifies for admission to universities. In the current situation, mock exams have been carried out via Internet, but the government has not yet decided on the date of the actual exams. Most likely they will be postponed from May to August, but uncertainty in this matter is frustrating and stressful for the students, their parents and teachers.

New forms of education as an opportunity

Despite all these adversities, it must be admitted that in most cases it was possible to establish a completely new level and quality of education - often more interesting for students, corresponding to their expectations. In fact, the operation of transition from a 20th century model school, to the model from the 21st century, is difficult and demanding. At the same time, it is a great opportunity because it forced everyone to quickly adapt to new realities. Without asking, but also without unnecessary extension of time.

Certainly, the government must develop a support plan for schools, including providing teachers with access to good computers and high-speed internet access (now they usually work at home on private equipment), but when this happens, very good results of Polish students in PISA tests in recent years, source of pride of the Ministry, may be sustained or even improved. Pandemic may change the world, and the education system will be the best proof of that.

Driving COVID restrictions and pressure during Easter celebration in Romania

Oana-Cristina Popovici

Romania enters the second month of the state of emergency, while the peak of the of the pandemic is expected at the end of April, following the celebration of the Orthodox Easter. There are concerns related to the fact that Romania has one of the highest percentage of infections among healthcare professionals in Europe, and fears of a Covid-19 outbreak after Easter, which could overwhelm the medical systems. This is why the Minister of Interior agreed a protocol with the Romanian Orthodox Church regarding Easter celebration. The pressure of the poverty risk remains high. Despite restrictions related to COVID-19, over 2,000 seasonal workers left Romania in the last week heading for jobs in agriculture in Germany.

Romania has recorded over 7,200 of COVID-19 infection cases since the start of the outbreak, out of which almost 1,000 among the medical staff. More than 1,200 patients have recovered, but there were 400 fatalities. During this period, there were 9 military ordinances for regulating the situation.

The fear of the authorities is that the number of infected persons might surpass 20,000 if social distancing measures are not respected. At present, in Romania, the number of cases is increasing, there are still new outbreaks, even if they are small, but the most concerning are the outbreaks in the medical support teams. Medical staff from different counties or clinics were relocated to the counties or to the hospitals that have acute lack of medical staff. However, the evolution shows that the situation is not yet under full control, and an outbreak could grow exponentially anytime.

The most affected city is Suceava, situated in north-eastern Romania, where the outbreak was initially out of control. The hospital in the city became the biggest Covid-19 hotspot in Romania after several patients brought the virus to the hospital. The situation degenerated in a large number of infected patients, doctors and nurses. It was the first hospital in Romania where military management was imposed after the resignation of the initial leaders.

Military management was the solution for other hospitals as a result of expanding the number of coronavirus cases, especially among the medical personnel, such as those in the cities of Deva and Focsani. The main reasons for these infections were generated by the lack of equipment and of the implementation of the universal protection measures. It seems that about 70% of health care workers did not get sick by treating patients with COVID, but they were working in other hospitals, where, theoretically, they did not interact with patients infected with COVID. Romania has one of the highest percentage in Europe of infections among healthcare professionals, which not treated critical patients. According to specialists, this situation shows a lack of procedures and prevention in hospitals. At present, the figure of 16% of the total number of cases of infection with Covid-19 among the medical personnel is quite high. However, if Suceava and other two, three places were removed from this equation, the situation would not be worrying, according to specialists. It is expected that Romania will send to Italy 11 doctors and six nurses to help treat the COVID-19 patients in the Milan area. In addition, Romania was included in the World Health Organization Solidarity Trial, with the aim of testing the safety and effectiveness of four different drugs or drug combinations against Covid-19.

While the Romanian health care system can deal with the number of Covid-19 cases that are currently diagnosed, the following two weeks are going to be difficult due to the Easter celebration which takes place in the third week of April, on the Orthodox rite. The authorities estimate that the peak of the pandemic in Romania is expected between April 22 and April

26, or the beginning of May, depending on responsibility in respecting social distancing measures, especially that most of Romania's population, respectively 86.5%, is Orthodox, therefore celebrating Easter in this period. Although the increase in the number of people affected by the epidemic has not been as fast as in other countries, the danger is not overcome yet. President Iohannis said that “without these isolation measures, we would have been confronted with an explosion in the number of cases, impossible to manage by our healthcare system”, and this risk is still a reality for Romania at present. Similar to other East European countries in which the Orthodox church is still influential, and trust in most civil servants is low, there are fears that a considerable number of people might ignore the instructions provided by the governments. In Romania and throughout the region, the highest Orthodox clergy say that Easter will be held behind closed doors, but postings on social media and articles in the local press show that some churches are increasingly inviting the world to celebrate Easter in churches, according to journalists.

In order to allow people to enjoy the holiday and avoid crowds, the Minister of Interior agreed a protocol with the Romanian Orthodox Church, which included some exceptions from the restrictions for combatting the COVID-19 outbreak, allowing believers to come to church to take the blessed bread and Holy Fire. Initially, the agreement was seen as a relaxation of the severe measures against the epidemic, therefore it was followed by harsh criticism. As a result, some terms of the agreement were changed. Thus, the church services will be conducted without parishioners, while Holy Passover and Holy Light will be distributed to the population upon request. People are not allowed to go to the Easter service, either in churches or outside them. President Iohannis also advised population to stay at home, for avoiding a surge in the number of diseases and deaths.

Therefore, while some of the European countries are preparing for gradually relaxing anti-COVID restrictions, Romania's President announced the extension of the state of emergency for another month, in which population movement is limited only to shopping and going to work,

while all public events are banned. The isolation continues to be a viable option for Romania as an estimation of UK scientists shows that only between 8.9% and 17% of people with Covid-19 infection symptoms are confirmed and reported, due to the low number of tests that are carried out. A possible relaxation of restrictions could be considered in May, if the number of illnesses and deaths will decrease. Romanians could resume their activities without restrictions towards the middle of July, according to some Romanian specialists, if the activities and contacts will be reduced during the 4-5 days around Easter.

However, some countries in Europe need the seasonal workers in agriculture coming from Romania and Bulgaria. At the beginning of April, Germany announced that it was easing the conditions for entry into the country of seasonal workers in agriculture. The decision was made under pressure from German farmers who warned that if they do not allow foreign workers to come to the country, there will be a smaller amount of fruit and vegetables on the market and, consequently, prices will explode. Almost 2,000 Romanian left the country having Germany as a destination last week, despite the restriction related to COVID-19. Until now, about 300,000 foreign workers, mainly Romanians and Poles, work in the German agriculture every year. Now, due to the restrictions imposed by the COVID-19 pandemic, their number will be up to 80,000 in April and May, according to the BBC. Spain is in a similar situation, needing workforce for their crops. The country was also supplied by the cheap labour force coming from Eastern Europe. While Germany reached an agreement for foreign seasonal workers under strict conditions, the Spanish government is working to find solutions that allow the coming of work force from outside the country. No discussions on this topic were signalled so far in Romania's media.

However, poverty is expected to increase, as 15% of adult employees are at risk of poverty and will be financially vulnerable when they move away from economic activity, according to a World Bank report. The incomes of the poorest will continue to be supported by social assistance

programs. Under the circumstances in which Romania's main trade partners – Germany and Italy – will face a long slowdown in the economy, 18% of Romanian citizens aged 20-64 living in the EU and their families in Romania will be negatively impacted. Romania has made progress in reducing the risk of poverty for the people who have a job, but it remained the EU country with the highest poverty risk for the employed persons (15.3%) in 2018, while the EU average is 9.5%, according to the Eurostat data released at the beginning of 2020. The measures for avoiding such a situation are, at the moment, for the short term and rest mainly in the hands of non-governmental organisations, such as World Vision Romania, which provided food vouchers for children in rural areas, the organisation Save Children, while other companies are donating for supporting the socially vulnerable groups, among which the elderly in several communities.

Serbian society's response to COVID-19 pandemic

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Introduction

The outbreak of COVID-19 has impacted virtually all societies in the world, with regards to their daily life and routines. Serbian society, not unlike the better part of Europeans, was impacted in the same manor, and had to adjust to these novel circumstances. But unlike the case of China, society in Serbia and other states had the “luxury” of being somewhat informed in advance of what's coming and gradually being introduced to the life in the age of a pandemic.

Yet, the difference on knowing what's coming and actually living in such circumstances proved to be entirely different. As the reports of infection began to come from places geographically much closer to Serbia than China, a gradual shift in attitudes and the response to the pandemic by the Serbian society began to appear. In fact, from the initial reports on the appearance of a novel Coronavirus in Wuhan to the first registered case in Serbia on March 6th, Serbian society had already underwent at least two specific behavior patterns regarding COVID-19. During the period following the first reported case in Serbia, there were additional behavior patterns in Serbian society's response.

As the changes in daily routines due to the virus outbreak became more severe, so did ways in which Serbian society responded and behaved. The initial two behavior patterns, under the introduction of the State of Emergency on March 15th, rapidly transformed somewhat into frenzy witnessed in many other countries. As such a State became the part of the new “normal” societal response transformed yet again. All in all, with regards to the Serbian Society's response to the COVID-19 Pandemic, one

can discern at least four specific behavioral patterns from the initial reports, with strong indications of a fifth on the rising.

Phase I: “Virus somewhere afar”

The initial phase can be temporally located as beginning with the first information on the novel corona virus coming from China, to the first signs that the epidemic is on the horizon in nearby European countries. During this period the predominant mode of behavior was one of lethargy and minimal expectations that this disease will cause such a massive change in societal life in the matter of just couple of months. Although recognition of the impact COVID-19 has on China and its citizens was present, majority of the population mostly saw it as being almost nothing more than a “hot topic” in the media at that time.

While heavily covered by all major media outlets, there existed a gap between the amount of media coverage and the recognition of the threat COVID-19 can pose to Serbia and its society. Perhaps, one can look at the fact that similar past events like SARS, MERS, Swine flu and Ebola epidemics had relatively marginal impacts on Serbian society. While Swine flu did cause more than 80 deaths, it still didn't cause significant alteration to everyday life, therefore being quickly forgotten.

Therefore, during this period of time, no significant efforts or changes in how Serbian society responded to COVID-19. Everyday life remained relatively normal, and people generally did no action in preparation for the eventual arrival of the virus to Serbia.

Phase II: “Not so far anymore”

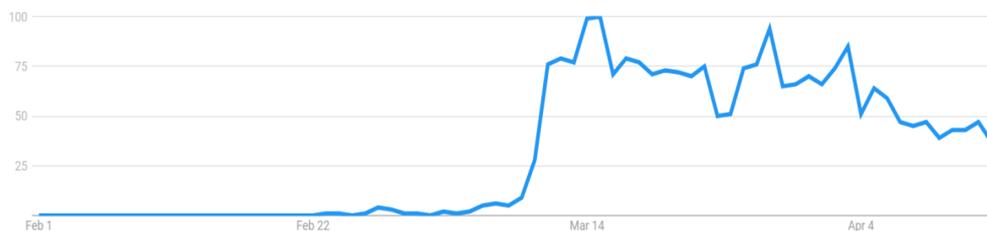
Behavior patterns slightly altered with the arrival of the virus to Europe. As more European states (namely Italy being the closest to Serbia) reported outbreaks on their territory. COVID-19 began to be not a “hot topic” but THE topic among the population of Serbia. Leaving aside media coverage, COVID-19 became the main topic of discussion within Serbian society itself. In the streets, cafés, restaurants, COVID-19 was the most dominant topic of discussion one could overhear.

Although patterns of behavior in response to COVID-19 epidemic have slightly altered in becoming less lethargic than in the previous phase, this didn't account for a significant alteration. Even though the level of awareness of the threat COVID-19 poses rose, taking preventive measures of social distancing and wearing masks and gloves were still minimal. But as Graph 1 shows, people started more to inform themselves about the current epidemic and how to protect themselves. First reported case on March 6th (see Graph 2) further enlarged the presence of the COVID-19 in public discourse but societal response in concrete measures remained low.

Phase III: “COVID-19 among us”

The turning point in society's response was the proclamation of the State of Emergency on March 15th. With the introduction of the State of Emergency and subsequent curfew Serbian society became much more aware of the threat COVID-19 poses. In the initial days there existed a general confusion on what's to come with mass shopping of basic goods and quests to acquire medical supplies and protection which were scarce. Although supermarkets remained relatively well supplied throughout all phases, it was only in this phase, due to mass shopping, that some products were a somewhat harder to come by. These were namely flour and yeast. On the other hand, pharmacies were not so well supplied in medical protection commodities leaving many without basic protection in terms of masks and gloves.

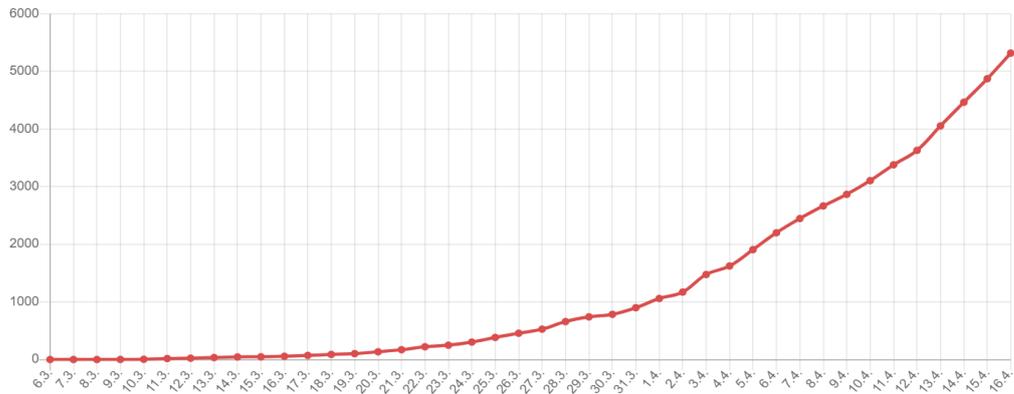
Interestingly enough, it seems that the behavior in this phase was largely influenced by past troubles Serbian society had faced. Unlike the rest of Europe, Serbian society reacted more like economic sanctions had been imposed than a state of natural disaster. There was a significant rise in those commodities that were scarce during the 1990s alongside basic commodities. As first fake rumor that there might be fuel shortages, people were buying fuel en mass.



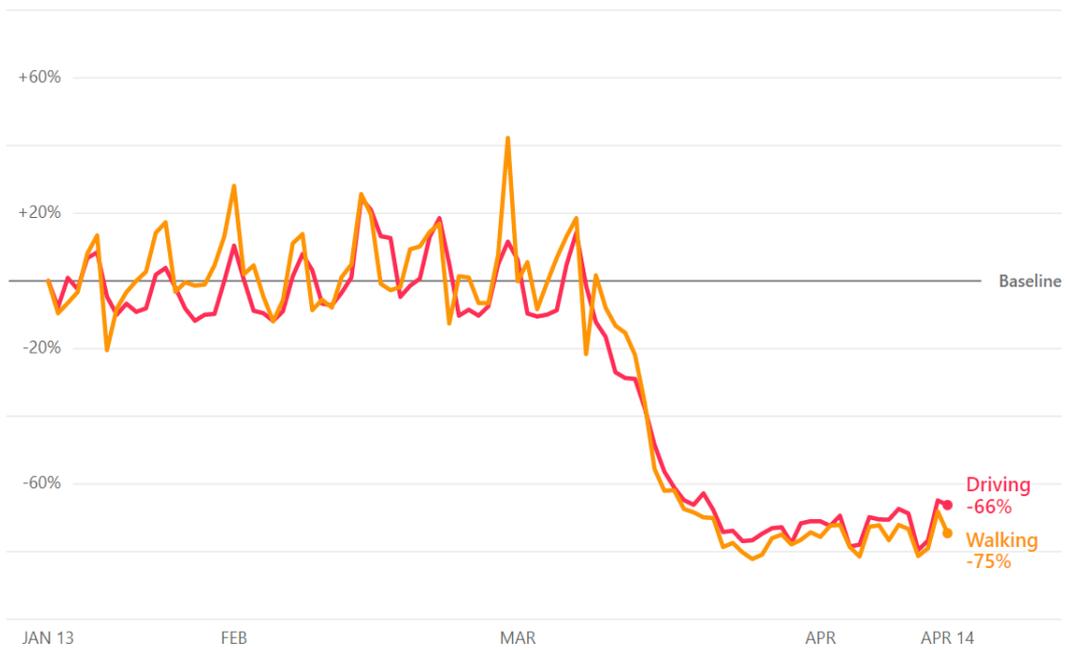
Graph 1: Rise in Google searches for COVID-19 in Serbia (Source: Google Trends)

Although seemingly negative, Serbian society's response was in actuality relatively positive. Long lines in supermarkets were managed with relative ease; people quickly stopped with their stockpiling efforts, and began wearing protective masks and gloves and socially distance themselves. As seen in Graph 3, circulation of people was quickly reduced, especially with the introduction of a mandatory 24 hour curfew for people over 65, curfew for all citizens during the night, and by implementing work-from-home measures by many companies and homeschooling.

The third phase in actuality saw a relatively quick transition in people's daily routines towards larger social distancing. The momentum of confusion which characterized this phase was overcome in a matter of a week. Although difficult at first, namely due to shortages in medical supplies, and by mass work-from-home and homeschooling policy, Serbian society responded by accepting the recommended measures and striving to adjust their daily life in light of new circumstances.



Graph 2: Daily rise in the number cases positive for COVID-19 (Source: Institute for Infectious Diseases Batut)



Graph 3: Fall in circulation of people in Serbia (Source: Apple)

Phase IV: “The new ‘normal’”

With people accepting the introduction of government measures to combat the spread of COVID-19, this situation became the new “normality” for everyday life. Masks and gloves became a part of people’s attire, long lines in front of supermarkets became acceptable and work-from-home and homeschooling became the standard. While there were difficulties primarily in efforts to discourage people from visiting parks and coffee shops, according to estimates by Serbian high officials, 90-95% of the population acted in line with the governmental measures. With economic efforts being directed towards kick-starting the production of those products (both basic and medical) that were scarce in the previous phase, but also large donations from other states (namely China, EU and Russia) pharmacies received the necessary supplies which allowed for all citizens to acquire the necessary protection.

Another characteristic of this phase is the increase in solidarity among the citizens, with many companies donating large sums of money to medical system and those in need, as well as small business owners. The elderly, who have 24 hour curfew, were assisted not only by their family members, but also their neighbors. Many municipalities organized volunteer services which received, packed and distributed packages of basic goods to those in need. Even when the curfew was extended to cover entire weekends, there was relatively little violation, and procuring food for 60 to 84 hour long curfews passed with minimal turbulence. People adjusted to the new “normality” and generally did their part in the effort to counter the pandemic (see Graph 3).

Entering Phase V: “When will this end”

Taken together, the phases of Serbian society’s response to COVID-19 pandemic show signs of a slow and lethargic start but rapid adjustment once the virus hit the country. This adjustment was followed by a general acceptance of government introduced measures, with many people abiding. Yet, with more than a month of living under the State of Emergency measures, the new “normality” is becoming more and more the source of

frustration for many. With seemingly patience running thin, calls for reduction of measures are becoming more and more present in the societal discourse.

Although there is no frequent, mass, or organized defiance of introduced measures, with society still responding in line with introduced measures to mitigate COVID-19 spread, the behavior pattern is beginning to alter towards striving for a return to everyday life. Seemingly recognized by the government, as the President of Serbia stated that reduction of measures will gradually start on April 21st, the negative aspects that this phase might be completely mitigated. The dangers of such a behavior pattern in the height of the epidemic could annul everything done so far. With the gradual return to the situation prior to COVID-19 pandemic, phase V behavior pattern may turn to be more favorable as it could bolster government measures through self-restraint in light of foreseeable end, rather than undermine them.

The coronavirus crisis and the end of the social life in Slovakia?

Kristína Baculáková

Coronavirus expands its claws around the world. With an enormous increase in the number of confirmed cases, national governments are taking more or less significant measures to keep the virus spreading to a minimum. Today, it is absolutely unquestionable that the crisis will plunge deep into the pockets of country budgets, and an economy that is subdued by strict rules will experience its worse times. As in other countries, these measures also apply to Slovakia. Quarantine measures, which mainly limit the gathering and contact of several people in one place, have also caused an absolute cessation of social life. The pandemic and the follow-up have given rise to several phenomena.

The first is social separation. Primarily, this problem is most pervasive in the group of elderly who belong to the most vulnerable people and it is therefore natural that they are the ones who stay at home the most. The government encourages seniors as well as their children and grandchildren to separate from each other, because only in this way their full protection can be ensured. The anxiety stemming from such separation is exacerbated by fear of contagion and uncertainty in the future, which has a negative impact on mental health.

The opposite pole is the so-called cabin fever. Rather, this is reflected in households where parents and children stay at home. However, parents must work while children usually have to fulfil their school responsibilities. One of the parents, usually (but not necessarily) the mother, thus plays the role of a teacher, a worker and, moreover, has to manage the household. The social separation of children, teenagers and the couple themselves from their usual social contacts such as colleagues at work, schoolmates or friends causes nervousness, disappointment, sadness, anxiety. Family time spent together can then bring feelings of nervousness, quarrel and disagreement after spending a few days at home.

However, this ridiculous phenomenon can give rise to quite serious consequences - domestic violence. At a time of quarantine, many people at risk of domestic violence find themselves isolated in a household with a violent family member. The coronavirus epidemic deepens social inequalities and significantly worsens the situation of many vulnerable and excluded groups, especially women and children. Conflicts also arise in normal families, but in the case of a family with an aggressor, the situations escalate (e.g. due to the rise of alcohol consumption and time spent together at home). In addition, in this period of home office and online schooling, a potential victim cannot escape to work or school. Therefore, special telephone lines are also set up in Slovakia to solve psychological problems arising from quarantine as well as the issue of possible domestic violence.

Pandemics changes our perception of life. Social networks and online communication have become the main tools of mutual communication and meeting. The world has also faced pandemics in the past, but without the conveniences of today. In general, communication through social networks clearly reduces the feeling of anxiety associated with separation, and thus to some extent can be said to replace real contact with people. On the other hand, it can create the misleading sense that social media are sufficient means of communication. And so, the reality of these days is the children sitting behind the computers, the parents fully immersed in the home office, and somehow lost day by day in their own house.

However, social media provide a vital space for culture these days. Unfortunately, it was culture that the coronavirus touched as one of the most. Theatres, cinemas, museums and galleries have remained closed. Music concerts are cancelled. There are no exhibitions, and especially markets and fairs, which are traditionally part of the May spring celebrations. The artists remained jobless, so to speak. That is why the artists themselves, as well as the art institutions, have decided to bring culture closer to the people through the Internet. The form is diverse and depends only on individual creativity. You can listen to live online concert of your favourite band or even to an opera. Galleries and museums run online exhibitions.

In addition to the artists themselves, the organizers of cultural events or cultural centres also have a problem. Their income is dependent on live performances and cinema projections. There are already a number of initiatives in the world to help the cultural and creative industries. Throughout the world it is possible to follow initiatives like I lost my Gig where individuals can sign up with the option of asking the public for subscription services. These pre-paid services can then be imagined as an upcoming concert or theatre performance. Similar initiatives have been launched in Slovak sport - fans of the well-known football club can buy a ticket for the next game in advance in order to contribute financially to the functioning of the club.

The government in Slovakia has already taken several measures to alleviate the coronavirus crisis. Some also relate to culture. Among other things, the government is also helping out thousands of self-employed people working in the cultural sector. These are self-employed who do not have a parallel employment relationship. The state will provide a financial contribution based on a decrease in sales compared to the average in 2019. For 20 % decrease it will be 180 EUR, for 40 % decrease 300 EUR, for 60 % decrease 420 EUR and for 80 % and more 540 EUR (in April). Perhaps the biggest problem in terms of specifically supporting culture during this crisis is its absolute under-dimensioning in terms of statistical data. We assume that further measures will follow, as the crisis crew meets every day to gradually resolve the situation.

In addition to the cultural sector, there are other sectors directly linked to social contact, such as bars, restaurants, clubs, travel agencies, tourist accommodation that suffer a lot. Of course, the measures also apply to them. In addition, many restaurants have taken full advantage of the possibility of food distribution and delivery without direct contact. What is a positive is the fact that the use of online business opportunities has increased significantly in relation to the current situation.

It is said that the current pandemic will change people's behavior. We already know that environmental pollution has declined significantly with the decline in economic activity and human mobility. Increasingly, human

relations, and especially their quality, come to the forefront. We reconsider the role of the family, regrouping our own values. We're reviewing our consumption. Do we need new clothes? Make-up? Everything is retreating into the background. Everyone wants health and quarantine returns respect and even desire for quite ordinary things. For example, the desire to go to school, go to work, go out for a walk.

Coronavirus reveals two faces in Slovak society. The better one and the worse one. The better one is represented by stronger feelings of belonging. This is reflected in everyday life. A lot of people in the household started to sew face masks, because they are highly scarce goods not only in Slovakia but currently in Europe. There are thousands in terms of numbers, because disposable masks or respirators are primarily intended for healthcare professionals or people directly at risk from contact with a large number of people. Face mask are then distributed amongst the older or lonely people, even face masks machines were created. Shopping for elderly or quarantined people is provided by students and volunteers. Suddenly we do care how our neighbor is. The initiative, which has its origin in Italy, has also gained its place in Slovakia. Friday is a big round of applause to the medical staff and doctors of our hospitals.

However, many psychologists also point out that the pandemic will show the worst out of us. Feeling threatened trigger in the body automatic response of "self-rescue". In such a situation, we cease to think rationally and we no longer care about other people. Such a manifestation, albeit in its finest form, is offensive posts and comments on social networks. No doubt, because on social networks we remain in a certain anonymity, which gives us an impression of strength, indifference and the possibility of expressing ourselves on everything, even on qualified or scientific information. The Internet gives us the courage to tell others what we might never have been able to tell him or her personally, because empathy, morality, or simply respect and education would prevent us from doing so.

Only the future will show which pole Slovakia will be inclined to. Economic harm, fear and insecurity feelings affect our everyday lives. We do not see friends, grandparents, colleagues, pupils. In this period,

everyone must learn how to live with themselves. But it can be a period of change that will make us better people for us and our planet. Let's believe we can do it together.

Purchases of medical equipment, related corruption suspicions and the public response in Slovenia

Helena Motoh

Summary

When the epidemic of Covid-19 started spreading into Slovenia, one of the first problems turned out to be a severe lack of medical equipment, especially ventilators, and personal protective gear. When epidemic was declared in mid-March, the new government set on the task to purchase the needed equipment as soon as possible. This process, led by the Ministry of Economic Development and conducted through the Agency of the Republic of Slovenia for Commodity Reserves later turned out to be intransparent in some cases. Several cases of likely irregularities were exposed in media in April, which then provoked a social movement against the government-level corruption.

Background: Lack of medical equipment at the onset of the epidemic

When the epidemic got worse in China and first cases started appearing in Europe, many institutions in Slovenia started expressing worries about the lack of basic personal protective equipment, especially FFP masks, but also standard surgical masks, gloves, gowns, goggles and visors. After nine days since the first patient was tested positive, epidemic was officially declared on March 12th. At that time, 57 cases tested positive, and the daily growth rate of cases was over 60%. The worrying scenario for all parties involved in dealing with the epidemic was what happened in Italy in previous weeks. In Lombardy especially, there were reports of such rapid rise of cases that hospitals were running out of protective gear, and even more dreadful, of ventilators to help patient with severe breathing difficulties due to the Covid-19 pneumonia. Medical professionals especially, started warning that Slovenia does not have enough of both

equipment and protective gear. When the new government took over on March 13th, one of the first public statements of the new Minister of Health, Tomaž Gantar, was related to the number of available ventilators. He stated on March 13th, that the total number of working ventilators in hospitals is 168, while only 20 or 30 of these could be used for treating patients with Covid-19, while others are occupied for other intensive care patients. When all non-urgent medical procedures and check-ups were stopped in the next, this number could be higher, but still not enough in case the epidemic got significantly worse. The task of purchasing the necessary equipment was given to the Agency of the Republic of Slovenia for Commodity Reserves, which also provided the first supply of masks and other equipment from its reserves at the very beginning of the epidemic. The same time, the government was photographed wearing FFP3 masks on its first meeting only to remove them few minutes later, which was severely criticized in public especially by the medical professionals, who were struggling with a lack of protective equipment when working with the first coronavirus patients.

First attempts to buy equipment

On March 18th the Minister of Defence, Matej Tonin, said that the supplies of the personal protective equipment were emptied and that two large orders are on the way to Slovenia, a 1.5 million masks that were ordered from Germany and another 3 million masks that were supposed to arrive with a transport across the Italian border. The latter then turned out to be a scam and the masks never arrived, while Tonin asserted that no prepayment was made from the Slovenian side. Several individual actions were also made, most notably a donation of 300,000 masks by Jack Ma, the founder of Alibaba, organized by Slovenian president of the UEFA, Aleksander Čeferin.

A decision by the government for all orders to be done through Slovenian intermediary companies and not directly from the suppliers, then contributed to shape the specific situation with these emergency orders. When the Minister of Economic Development announced that the state will

be buying supplies, many companies sent their offers, while in a haste and not very transparent way, only a handful of them were then chosen to supply the equipment. For the ventilators, an expert group of intensive care specialists was asked to assess the offers and selection made at the government level was then communicated to the Agency for Commodity Reserves, which processed the orders and signed the contracts. The person responsible for the coordination of these purchases was Jelka Godec, vice-president of Janez Janša's Slovenian Democrats, who then became State Secretary for Healthcare in Prime Minister's cabinet.

Media scandals related to the purchase of medical equipment

Following the first lapse, the scam that government representatives fell into when ordering 3 million masks from a dubious supplier from Bosnia and Herzegovina, media and the general public started to pay closer attention to the way equipment was purchased. In the beginning of April, press reported that the mother of the Minister of Defence, Matej Tonin, is among the directors in Acron, one of the companies selected to provide medical equipment. Minister Tonin denied any involvement, claiming that his mother was absent from work in recent period. Around April 10, media reported that a well-known Slovenian businessman Joc Pečečnik organized another transport of approximately 20 tons of equipment, including 1.2 million masks and 30,000 gowns. In interviews, Pečečnik openly bragged that the equipment was "stolen", meaning that it was taken from shipments reserved for other buyers, a statement which earned him lots of criticism in public. Ten days later it was discovered that the masks supplied were not of the listed quality, namely that instead of FFP2 the masks were only standard surgical masks. Another masks-related scandal broke out in media when some institutions in Slovenia received a supply of masks, made of Airlaid towels, fixed with rubber bands. 500,000 of these very basic masks were bought by the government at a surprisingly high price of 76 cents per piece, while the cost of the material was estimated in media reports to be less than 10 cents per piece.

The biggest purchases-related scandal and the one to put other previous cases in perspective broke out when the national TV station broadcast “Tarča” (“Target”) presented the story about dubious purchasing practices. Based on the testimony of an employee of the Agency for Commodity Reserves and a number of documents, they described the pressure of several high ranked politicians on the Agency to ensure the large-scale purchase deals were made with the companies they lobbied for. The politicians allegedly involved in this scandal, included also the Minister of Economic Development, Zdravko Počivalšek, and several right-wing politicians, e. g. former Member of European Parliament Lojze Peterle and the president of Slovenian People’s Party Marjan Podobnik. The employee that provided the information to the media was put under police protection due to threats he was receiving, while on the other hand he started becoming an icon of protest against the government on social media. Several other media broadcasts followed in the next days, one of them also discovering that one company which supplied a large order of ventilators, was selected by the Ministry despite the fact the ventilators they provided were deemed by the expert group to be potentially dangerous and not suitable for treating patients with Covid-19. Even more, as decided by the Minister Počivalšek this company was the only exception in receiving a prepayment from the government, otherwise decidedly not a practice in these purchases.

Public response

Combined with a pre-existing growing level of dissatisfaction and doubt about the expert justification for some restrictions imposed by the government to stop the spread of the virus (especially the limitation of movement to the municipality of residence), these media broadcasts resulted in a wave of public criticism. In the lock-down situation, the criticism first started growing in the social media, but soon it took the shape of organized protests, modified to follow the current restriction of gathering and movement. First organized on balconies, then it took on a new form of “cycling protests”, in which a number of people on bicycles rides

through town, making circles in front of the parliament and other government institutions. The first protest of this type happened on April 24th. On May 1st, two protests were organized in front of the Slovenian parliament, the first at noon, where around 100 people came to protest, standing in a dispersed group according to the social distancing limitations. In the evening of May 1st, another of the cycling protests happened, gathering a large group of 3500 people.

Conclusion

Haste and at times intransparent practices in the purchase of medical equipment and personal protective gear in dealing with the Covid-19 epidemic in Slovenia has resulted in several cases, where potential corruption is now being investigated. With the population already doubtful, whether the government bases its lockdown measures on expert evidence or not, the discovery in media of these scandals only added to the existing public dissatisfaction, causing a number of public protests. The development of these is still very unpredictable and will greatly depend on the response from the government and on whether more transparent policies and science-based decisions can be expected in their coming actions.

Part IV Perspective of External Relations

Albania's Foreign Relations (in Isolation)

Marsela Musabelliu

In April 2020, Nobel Laureate Joseph Stiglitz would state that COVID-19 crisis is rich in lessons. One takeaway is that viruses do not carry passports; in fact, they do not observe national borders – or nationalist rhetoric – at all. In our closely integrated world, a contagious disease can and will go global. Whenever such cross-border crises emerge, they demand a global, cooperative response.

In the case of Albania, given the limited resources and low potential capacities of combating the spread of the virus, it was implemented an immediate/total lockdown as soon as the first positive cases were confirmed. The closure of borders by land, sea and air, was a swift response to the outburst of the virus in the neighboring Italy as well as all Balkan states.

As the focus is placed inwards, foreign relations are limited at the only sphere of international cooperation in fighting and containing COVID-19.

Isolation and territorial lockdown

The first confirmed cases of COVID-19 were made public by the authorities on March 9th; on the next day, restriction on travels from and to Italy (being it at the time the most hit of all European countries) were sporadically implemented. On March 12th all flights and ferries from northern Italy and all the Italian “red zones” were suspended. Two days later, all land borders with Albania have been closed until further notice as a result of the outbreak, unless the reason of travel was for transportation of goods. By the end of March, all commercial flights to and from Tirana Airport, Albania's only airport, were suspended as well.

On April 2nd the Albanian Government extends lockdown measures indefinitely because a further spread of the virus was expected on the near term and the State of Emergency was postponed until June 23rd.

The unfortunate ones from these total lockdown were hundreds of Albanians who remained stranded between countries, especially the border checkpoints with Greece. Some of them for days were held in the land-strip between countries where their homeland authorities would not accept them in. Stirring images from the southern border of Albania would portray these people into days and nights of their sufferings while imploring for help. The solution was a China-like-approach, where the Government decided to take them in and place them in mandatory quarantine in hotels nearby for 14 days (with their own expenses).

Some good news in gloomy times

Albania has been struggling for over two decades to achieve the status of European Union (EU) membership. All governments of Albania since the opening up to the rest of the world have prioritized in their foreign relations agendas the reaching of milestones to EU conditionality, which comes with the path to accession. In an extremely pro-EU country, it is estimated according to the latest surveys that 97% of Albanians are eager to be part of the EU.

On March 24th the Council of Europe, adopted conclusions on the EU's enlargement policy and the EU-Western Balkans Stabilization and Association process for Albania (and the Republic of North Macedonia).

The Council welcomed that Albania has demonstrated its determination to advance the EU reform agenda and has delivered tangible and sustained results. *“In light of the progress achieved on reforms and the fulfilment of the conditions set unanimously by the Council in June 2018, the Council, subject to endorsement by the European Council members, decides to open accession negotiations with the Republic of Albania.”*^①

^① European Council. Council conclusions on enlargement and stabilization and association process - Albania and the Republic of North Macedonia. Available at: <https://data.consilium.europa.eu/doc/document/ST-7002-2020-INIT/en/pdf>

The formal date for commencement of formal talks have not been revealed, as yet; however, it can take several years before a candidate nation receives the right to join. Amid coronavirus pandemic, some of the diplomats announced that the talks would not start until autumn 2020 at the earliest. Member States have given the Commission the mandate to begin drafting the rules, the so-called negotiation framework. It is now essential for the Albanian Government to take action and immediately prepare a structured action plan for the coming months.

The long-awaited opening of accession talks received little attention in Albania because the priorities were shifted and all concerns for citizens and politicians are focused on the spread of COVID-19.

International cooperation and assistance

On April 10th, the International Monetary Fund (IMF) for the purpose of urgent needs of the balance of payments resulting from the Covid-19 pandemic outbreak, pledged an amount of 190.5 million dollars \$ (or 174 million euros €) in emergency support for Albania under the Rapid Financing Instrument (RFI). RFI provides prompt financial assistance to member states facing an urgent need to cover the balance of payments without the need for an economic program or review. This financial assistance under the RFI instrument is provided in the form of immediate disbursement.^① Last year's earthquake and the current pandemic of COVID-19 have caused significant difficulties and disruption of economic activity in Albania. These two consecutive shocks are expected to create major fiscal pressures and an urgent need for balance of payments versus tightening global financial conditions.

The United States Department of State, via the United State Agency for International Development (USAID) in coordinating with the World Health Organization (WHO), assisted Albania in supplying laboratories

^① Monitor. IMF approves \$ 190.5 million in emergency aid for Albania to fight COVID-19 pandemic, economy risks downturn. Translated from: <https://www.monitor.al/fmn-miraton-190-5-mln-dollare-ndihme-emergjente-per-shqiperine-per-te-luftuar-pandemine-covid-19-ekonomia-rrezikon-renien/>

with testing equipment, in the fight against COVID-19 pandemic. By increasing the chances of detecting positive cases and tracking case contacts, and other measures, this fund stands at 1.2 million dollars \$.^①

Switzerland, Norway and United Nations Development Program (UNDP) help Albania with 30 respirators for Covid-19. In total, it is a contribution of about 700 thousand dollars (330,000 Swiss Government, 300,000 Norwegian Government and 100,000 UNDP).^②

In mid-March, the Turkish Government donated six ambulances to the Albanian Armed Forces Support Command, as part of the Civil Emergency Fleet of the Civil Emergency Agency as well as two weeks later a total amount of 26 tons of medical supplies mainly personal protective equipment for doctors and nurses.^③

On the most highlighted shortcoming in the Albanian healthcare system and response to the virus spread was the lack of test kits, consequently there were limited numbers of testing. On March 31st, with the coordination of the Chinese Embassy in Albania, test kits for the COVID-19, donated by the Mammoth Foundation, a Chinese charity foundation, arrived in Tirana.^④

This was not the only support from China; on April 25th, the second batch of medical equipment arrived in Albania as a donation and support from the Chinese Government. In a total of 5 tons of medical supplies of which 5,000 test kits (as well as protective clothing, gloves, masks etc.) will help increase the Albanian capacity of on-the-ground testing, as well as boost hospital's capacities.

^① US Embassy in Albania. Retrieved from:

<https://twitter.com/USAmbAlbania/status/1251074758680219648?s=20>

^② Exit. Help on COVID-19. Translated from: <https://exit.al/zvicra-norvegjia-dhe-undp-ndihmojne-shqiperine-me-30-respiratore-per-covid-19/>

^③ RTSH. COVID-19, Turkey helps Albania with medical equipment. Translated from: <https://www.rtsh.al/lajme/covid-19-turqia-ndihmon-shqiperine-me-pajisje-mjekesore/>

^④ Embassy of People's Republic of China in Albania. Retrieved from: <http://al.china-embassy.org/eng/zagx/zajw/t1770803.htm>

Albanian doctors and nurses in Italy

Italy has been the most hit European country from the outburst of COVID-19. Giving the intense partnership of Albania and Italy in the past three decades and an estimated of 400,000 Albanians living in Italy, in a symbolic gesture of generosity, the Albanian Government decided to deploy 30 doctors and nurses to the neighboring country with a focus on the hardest hit areas of Lombardy.

On March 28th, these medical professionals left Tirana with the aim of helping their Italian colleagues. Even though Albania is facing a penury of doctors (with only 1.2 doctors for 1,000 citizens, compared to Italy's 4.1 for 1,000 people) the gesture was welcomed from both Italians and Albanians. As Italians are aware of the limited resources of one of the poorest countries in the Balkans, this effort was highly acclaimed and all circles, not only in Italy, but also from Members of the European Parliament in Brussels. The latter would send a congratulatory letter to Edi Rama by stating: *“The presence of Albanian doctors and nurses in the most affected areas is a valuable gesture of friendship and brotherhood that always connects our countries.”*^①

While this gesture raised the profile of Albania in the neighboring country, it also helped considerably in acclaiming Edi Rama's *political persona* in the Italian mass media. Indeed, for days after the Albanian doctors landed in Italy the praises for Rama in particular were omnipresent in the Italian press.

To add consistency to his actions, on April 20th, other 60 nurses were sent to Italy, always in support of the Italian medical staff. The gesture is outstanding; it is only wished that the motifs are confined to the realm of solidarity and not into a query for international attention.

^① BalkanEU. Albania: Thank you letter from Italian MEPs for sending medical staff. Retrieved from: <https://balkan.eu.com/albania-thank-you-letter-from-italian-meps-for-sending-medical-staff/>

Conclusions

International cooperation in times of pandemic becomes a necessity, especially for developing countries with numerous structural problematics in their territories. As Albania has discovered in these dire times, friends and allies from far and near, become crucial in overcoming challenges in the midst of COVID-19.

Furthermore, the progressing of cross-border solidarity, not only at governmental level, could demonstrate that societies may become more cohesive as an effect of this crisis - the same as well as, reminds us all that we are vulnerable equally, independently of or nationality. When confronted with an existential threat, mutual efforts must highlight unity and solidarity, because global emergencies demand global solutions.

Coronavirus epidemic in BiH: closing of the borders, repatriation, and the international aid

Zvonimir Stopić

The appearance of the SARS-CoV-2 coronavirus in Bosnia and Herzegovina, as it did in the rest of the world, drastically affected the country's external relations. Although it would be false to claim that no such initiatives were made on any side, the focus of Bosnia and Herzegovina leaders in April was somewhat shifted from the accustomed balancing in the sphere of international affairs regarding the different interests of Federation of Bosnia and Herzegovina and Republika Srpska. As in other disciplines, political and otherwise, external relations of Bosnia and Herzegovina were dominated by the effects of the coronavirus epidemics. The main issues of external relations revolved around the repatriation of Bosnia and Herzegovina citizens, various questions of quarantine, the international medical aid and negotiations over the direct economic aid.

Throughout the April, Bosnia and Herzegovina was in a state of a lockdown. Neighboring Croatia temporarily closed its border crossings with Bosnia and Herzegovina on April 1. Serbia, on the other hand did not close its borders completely, allowing the flow goods and workers to continue. Border with Serbia was only closed during weekend due to the weekend curfew introduced previously in Serbia. When it came to the individuals entering Bosnia and Herzegovina, a quarantine solution was opted for. However, although the quarantine was announced in March, final agreement between Republika Srpska and Federation of Bosnia and Herzegovina on the full two-week quarantine for all individuals entering Bosnia and Herzegovina was reached on April 7.

Closing of the borders in Europe and canceling of the flights and other forms of public transportation left many Bosnia and Herzegovina's citizens stranded in countries around the world. The Bosnia and Herzegovina Council of Ministers worked on this problem throughout April and as a solution managed to organize several flights from London, Gothenburg, Amsterdam, Kuwait and Istanbul. Solutions were also created for citizens stranded in Germany and Austria. All returning citizens were placed into a mandatory quarantine upon arrival.

By far the largest focus of the Bosnia and Herzegovina diplomats was the managing of the international aid, aimed to the containing of the coronavirus epidemics and mitigating the negative effects the epidemics will surely leave to the always fragile economy of the country. April began with the economic aid from Serbia. On April 1, Serbia transferred 5 clinic and 5 transport respirators, 30,000 epidemiological masks N95, 2,000 protection suits, 200 protection glasses, 50,000 gloves and various medicine to Republika Srpska, which were subsequently transferred to hospitals in Banja Luka, Prijedor, Doboј, Bijeljina, Brčko District, Zvornik and Foča. Part of the equipment Serbia transferred to Republika Srpska was previously procured by the Serbian Government from the People's Republic of China. Only one day after the Serbian donation, at the height of the epidemics crisis, the Ministry of Security of Bosnia and Herzegovina sent a request for the international assistance to both the European Union Civil Protection Mechanism and the Euro-Atlantic Disaster Response Coordination Center of the North Atlantic Treaty Organization (NATO). The first reaction to Bosnia and Herzegovina's plea came from the Government of Malaysia, which on the same day announced sending 2 million protective masks. The masks arrived on April 15. NATO answered Bosnia and Herzegovina's plea for aid on April 14. At that day, the NATO representatives in Bosnia and Herzegovina delivered medical and disinfectant equipment to the Ministry of Security of Bosnia and Herzegovina in Sarajevo. Another NATO donation was delivered to the Ministries of Internal Affairs of Federation of Bosnia and Herzegovina and Republika Srpska. The People's Republic of China acted shortly after the

NATO's donation. On the same day, the Chinese Ambassador to Bosnia and Herzegovina Ji Ping announced that China will soon donate 10,000 protection masks to the Ministry of Security of Bosnia and Herzegovina. As agreed, these masks were later distributed to the border police of Bosnia and Herzegovina, the State Investigation and Protection Agency, the Directorate for Coordination of Police Bodies of Bosnia and Herzegovina and the Service for Foreigner's Affairs.

The Russian Federation's aid went straight to Republika Srpska. On April 9, Russian military transport plane Ilyushin Il-76 filled with protection masks, respirators, vehicles for disinfection and other various medical equipment landed in Banja Luka. When compared to the assistance of other countries, the aid coming from Russia's stood out in an important detail. Together with the medical equipment, Russia also sent a team of medical experts. On the same day as Russia, Turkey, Norway and Croatia also aided Bosnia and Herzegovina, each of them doing this in a different way. Turkey sent a joint package of medical and protective equipment to Serbia, Bosnia and Herzegovina, Montenegro, North Macedonia and Kosovo. Bosnia and Herzegovina got several hundred of thousands of gloves, masks and special masks, as well as around 2,000 tests. Part of the Turkey's aid to Republika Srpska was given to the border police of entire Bosnia and Herzegovina. This was the second time Turkey sent humanitarian aid to Bosnia and Herzegovina, the first time being on March 24, when Bosnia and Herzegovina's Red Cross was designated for the distribution. The Government of Croatia donated 43 million HRK (€ 5.68 million) to the Mostar hospital, while Norway transferred a total of 7.5 million NOK (€ 665,000) to the United Nations Development Program (UNDP), which was designated to be a distributor of the funds.

Hungary and Azerbaijan were another two countries which aided Bosnia and Herzegovina during April. Hungary sent aid to Bosnia and Herzegovina on April 16. The 200,000 protection masks and 10,000 protection suits donated by Hungary was personally handed over by the Hungarian Foreign Minister Péter Szijjártó. Azerbaijan joined in on April

23. Its plane delivered 10 tons of medical and protection equipment. The shipment included 2 million protection masks.

The United States continued its help to Bosnia and Herzegovina through various means, which did not go unnoticed by the Bosnia and Herzegovina officials. On April 13, Sarajevo City Hall was decorated with the colors of the United States flag as gesture of gratitude for all the aid which came from the United States during the coronavirus epidemics crisis. The United States was one of the first countries which aided Bosnia and Herzegovina since the very beginnings of the crisis. On March 23, the United States donated various medical supplies to the Armed Forces of Bosnia and Herzegovina, while on March 30 the USAID donated \$ 1.2 million for improvement of laboratory systems, active case-finding and monitoring, support to professionals, as well as to raise awareness and engage the community in prevention during the coronavirus pandemic. On April 10, USAID also announced their plan to actively aid the recovery of the Bosnia and Herzegovina tourism sector.

Compared to the rest of the countries, the European Union was by far the largest donor to Bosnia and Herzegovina. Starting with April 2, the European Union, together with the coordination partner UNDP, donated 7,500 tests to Sarajevo, Banja Luka, Tuzla and Mostar and 15,000 protective visors to all of the Bosnia and Herzegovina cantons. These visors and tests were only a smaller part of the initial aid program, valued at € 2 million. The second part of aid, valued at € 7 million for the purchase of much needed respirators, was donated on April 9. The whole € 7 million aid package, designated for emergency medical needs, was only a smaller part of a significantly larger package of the European Union's aid to the Western Balkan countries, originally set to € 38 million for Bosnia and Herzegovina, but soon adjusted to € 80.5 million. The whole European Union aid package to the Western Balkans countries is valued at € 410 million. Besides the € 80.5 million aid designated to contain the epidemics, the European Commission during April began also working on a plan for an additional aid to the countries of the Western Balkans. On April 23, Oliver Varhelyi, the European Commissioner for Neighboring and

Enlargement, announced that Bosnia and Herzegovina is designated to receive € 250 million of assistance. The very next day, the European Union also donated 40,000 units of high quality coronavirus test control material to the Clinical Center of the University of Sarajevo and the Republika Srpska Institute for Public Health in Banja Luka.

When it came to purchases of medical equipment outside Europe, South Korea and China stand out. On April 6, 150,000 tests, purchased by the Government of Federation of Bosnia and Herzegovina, arrived to Bosnia and Herzegovina from South Korea. On April 15, 55 tones of medical equipment the Government of Republika Srpska purchased from China came to Banja Luka. Second airplane with 200 respirators purchased from China arrived to Banja Luka on April 30. The equipment bought from China secured the medical needs for Republika Srpska for the next several months. Another separate shipment of 80 respirators, purchased by the Government of Federation of Bosnia and Herzegovina, arrived from China to Sarajevo on April 25. Additional 20 respirators arrived to the Federation of Bosnia and Herzegovina within a week.

Conclusion

The external relations of Bosnia and Herzegovina in March 2020 were significantly narrowed after the SARS-CoV-2 coronavirus epidemics overwhelmed the county. International aid, received by Bosnia and Herzegovina during April was substantial and will greatly help the overall recovery of the country.

International solidarity in a global pandemic: a key issue for Bulgaria

Evgeniy Kandilarov

In the situation of a global pandemic, in which each country experiences many difficulties and serious challenges related to its health, social and economic systems, the issue of so-called international solidarity is becoming extremely important, especially for such countries as Bulgaria with small and highly dependent economies and very limited sources.

International solidarity within EU

A few weeks ago, Bulgarian political scientist Ivan Krastev noted that actually we are experiencing a kind of paradox. The virus knows no borders, and at the same time closing borders has proved to be the first and only common solution in all countries, regardless of their different traditions and political systems. At present, neither governments nor societies have a clear idea of what's going on and what's going to happen. And the most important thing for any government is to create a sense that the situation is under control. It is precisely the closure of borders in some almost mystical way that convinces people that, first, the government is taking care of something and, second, that this is the way to solve the problem.

For this reason, we are in a situation where the EU has been suspended in recent weeks. Borders are closed to people and goods, as well as rules and regulations. This has led many analysts to question the solidarity between EU Member States, which is one of the most important foundations of European unity. Every government in Europe is focusing on its own people. Many media publications raised the question whether the proliferation of COVID-19 has called into question the power of European unity. In this situation, one of the most important questions for Bulgaria in terms of international relations is whether it can expect any kind of international support from the European Union or elsewhere?

In this regard it was quite symptomatic that after the last EU summit on March 26, Prime Minister Boyko Borisov said that *"to date, each country decides its own issues"* and that *"the first countries that will be rescued are those from the Eurozone"* while Bulgaria, which cannot print money because of the currency board is in a particularly difficult situation.

The EU's financial contribution for the measures to mitigate the negative effects of coronavirus is limited to *'allowing us to use the EU funds that we have not yet contracted'*, the prime minister told a press conference in Sofia on 22 March. On a similar note, the Minister of Finance Vladislav Goranov said that these funds are actually *"our money"*.

The European Commission reacted very quickly after the outbreak of the coronavirus. It did mobilize all the available funds and untied the hands of the national governments lifting the restrictions on state aid and excessive deficit. In fact, these were the only available instruments to ease the disbursement of public funds. The fiscal measures were concentrated in a coherent Corona Response Investment Initiative (CRII). This initiative mobilizes all EU funds that are available at this stage of the Multiannual Financial Framework, the EU's long-term budget which is in its last year. The MFF suggests priorities that are common for the member states, still giving them the freedom to design their own measures.

This meant that the European Commission approved the release of € 8 billion in budgetary reserves and € 29 billion of unused structural and cohesion funds to be used by Member States for economic assistance for business and health systems. The program allows € 37 billion, paid in advance and unspent from member states, to be invested in three areas - salaries for medical staff and hiring, hospital equipment, help for small and medium-sized businesses, as well as workers on the job market. This money was to be returned to the European budget by June 2020, but the EU decided to release them to countries in order to help them deal with the crisis and its consequences. For Bulgaria, the amount released is EUR 812 million (EUR 122 million in emergency liquidity and EUR 690 million in unused funds). To this, another € 546 million (together with national co-financing) should be added to the unspent funding of European programs,

which can be diverted to activities that have not been covered so far. Thus, the total amount that the government can dispose of to provide the health system and business is EUR 1.358 billion (BGN 2.7 billion). An additional EUR 40 billion can be added as loans, which can be applied for on a general basis by the European Investment Bank.

In practice, this is the main form of EU solidarity shared by the member states of the organization, including Bulgaria.

Cases of International Solidarity outside the EU

At the same time, however, there is a complete encapsulation of individual nation-states within the EU, which is related to the state of emergency declared by the member states and the related restrictions and prohibitions that most concern the possibility of any form humanitarian aid through the export of any medical devices, substances and other equipment.

In this regard the Prime Minister Boyko Borisov was asked by the President of the European Commission Ursula von der Leyen on March 17th, as an expression of European solidarity with the most deprived countries, Bulgaria to lift the ban on the export of masks and protective clothing to the EU, which was introduced on 23 February. So far, this has not been done, and Deputy Prime Minister Ekaterina Zaharieva, speaking with Italian Foreign Minister Luigi di Mayo said the ban would not be lifted until Bulgaria met its own needs.

Against this background, two significant examples of international solidarity have been striking in the last month at this difficult time for Bulgaria.

The first one relates to the decision of the Bulgarian Government to violate the ban on the export of medical equipment and to make a donation to the Government of Northern Macedonia as a sign of warm and brotherly friendship.

During a briefing on April 8, the Bulgarian Prime Minister Bojko Borisov announced that he gave an order for hundreds of medical bodysuits to be produced that will be donated in North Macedonia. *“...This is a nice gesture and is remembered ten years after. That is why I ordered a*

bodysuits to be produced for our brothers in North Macedonia, to send them for their doctors working in the first battle lines. It is easy to say that we are brothers, but that is done when it is difficult and the people are dying” – said Borisov. So the Bulgarian government has ordered the first 100 personal protective equipment (PPE) kits to be sent to the Republic of North Macedonia. The PPE kits are for doctors working on the front line against coronavirus in North Macedonia. They have been donated by Bulgarian Ministry of Defense to Macedonia’s Ministry of Defense as a sign of solidarity in the fight against the coronavirus spread. Borisov said that this was being brothers meant: *“Helping each other in difficult times”*. The gratuitous assistance was agreed between the defense ministers of the two countries Krasimir Karakachanov and Radmila Shekerinska. The first 100 sets have already been handed over at Gyueshevo-Deve Bair border crossing and another 200 are yet to be donated.

The other case, which is an expression of international solidarity for Bulgaria, is the demonstrated willingness of China to assist the Bulgarian government on the one hand with the purchase of medical equipment, on the other the provision of donation again in medical protective equipment to combat the coronavirus

On March 18 Prime Minister Boyko Borisov had a telephone conversation with Chinese Premier Li Keqiang in regards to the coronavirus pandemic. The two discussed the efforts each of the two countries is making to limit the spread of COVID-19. Prime Minister Borisov congratulated China for the effective measures to put the coronavirus epidemic under control. For his part, the Chinese Premier Li Keqiang thanked the Bulgarian Prime Minister for his support and involvement during the most difficult time of the coronavirus crisis in China. Li Keqiang noted that the measures taken in China are already working, but he said that the victory over the coronavirus has not yet been achieved and that the fight should continue, with countries helping one another. In this regard Li Keqiang said he understands that the coronavirus is a big challenge for Bulgaria and expressed China's willingness to provide assistance to our country in the form of donation of masks, glasses, gloves

and other protective equipment. China also intended to grant this kind of assistance to the European Commission, from which Bulgaria will also benefit as a EU member state. The Chinese Premier also expressed readiness to assist Bulgaria in establishing contacts with Chinese manufacturers of protective equipment and respirators, so that through the Ministries of Economy and Trade of both countries Bulgaria can buy the necessary quantities. Prime Minister Boyko Borissov thanked Premier Li Keqiang and the Government of the People's Republic of China for their state donation initiative, as well as for the donation of 12,000 disposable masks and 2,000 special masks to Bulgaria from the Government of the Jiangxi Province and the China-Europe Association for Economic and Technical Cooperation.

Subsequently Bulgarian Government approved three contracts with China National Pharmaceutical Foreign Trade Corporation for the supply of medical equipment and medicines to be used in the fight against Covid-19.

On April 17, Bulgaria's Health Minister Kiril Ananiyev received the first shipment of medical supplies from China, which the Bulgarian government had purchased. The humanitarian mission was successfully accomplished thanks to the assistance of both countries' governments and NATO. The aircraft used by Bulgaria as part of NATO's Strategic Airlift Capability programme carried 568,000 KN95 masks. This is the first time Bulgaria has used this NATO's programme since the beginning of the COVID-19 pandemic. In addition, next flights are expected to bring the remaining quantities agreed in three contracts concluded between the Bulgarian state and the Chinese National Pharmaceutical Corporation for Foreign Trade – 50 respirators, 1,000,000 medical KN95 masks, 608,770 KN95 disposable masks, 171,429 packages of Hydroxychloroquine Sulfate Tablets 100 mg and 30,000 packages of Azithromycin Dispersible Tablet 250 mg.

The shipment also included Chinese government donation of 50.19 cubic metres of medical and protective equipment which includes: PCR tests, medical masks, protective suits, isolation glasses, sterilized rubber

surgical gloves, overshoes and more. The boxes were marked with the national flags of China and Bulgaria and the words *"love without borders"*. *"With this act of solidarity China proves once again its high level of friendly and diplomatic relations with Bulgaria"*, noted Bulgarian Prime Minister underlying that he appreciates China's high level of readiness to support the international community in the fight against the epidemic.

In conclusion we may say that the global pandemic raises a number of issues related to the topic of international solidarity and support, at a time when manifestations of such an attitude seem to be the exception rather than the rule. At the same time, this is a crucial issue for Bulgaria, both in dealing with the crisis and in the subsequent recovery of the damages caused, since the state has limited resources and its economy is directly linked to the external international economic processes.

At the same time the EU has always insisted that it is not just an economic or political union, but a community that brings together ideas and values. But COVID-19 history up to that moment shows that these values are not based on mutual assistance at all or at least not sufficiently for all that really need to feel this common sense of solidarity. Having overcome the coronavirus crisis, Europe will need to seriously re-evaluate its coordination policy. Otherwise, new challenges will continue to threaten the unity of the Union.

The effect of COVID-19 pandemic on foreign relations of Croatia

Benjamin Petrović

Summary

When predicting the main points of focus regarding the foreign policy of Croatia in 2020, the emphasis revolved around Croatia's presiding over the Council of the European Union in the first half of the year. With the task of serving as a representative of the Council before other EU institutions, non-member states, international actors and civil society organizations, Croatia is currently facing an important responsibility when it comes to its international presentation. Yet, as the world deals with the growing expansion of a global pandemic in the shape of the COVID-19 virus, international organizations, national governments and other key actors are shifting their view towards providing the right measures in preserving public health, but also economic flows.

Croatia's position in European Union's institutional framework

At the time of writing, Croatia has entered its fourth month of presiding over the Council of the European Union, and taking into account the fact that the global pandemic COVID-19 has disrupted the global state of play, Croatia has been doing quite a solid job. With the high level arrangement of various meetings of ministers from member states and other institution representatives and delegates, Croatian Government, led by the Prime Minister Andrej Plenković, has positioned itself as a solid mediator in addressing key designated issues for the incoming period: the adoption of Multiannual Financial Framework, full implementation of European Pillar of Social Rights, the fight against climate change and negative demographic trends and the EU enlargement on Western Balkans, which

would be discussed at the Zagreb EU-Western Balkans Summit scheduled for May 2020.

But as the COVID-19 virus kept on spreading across the country, with a growing toll of infected and deceased population, a shattering earthquake in the capital city of Zagreb, and urgent economic reforms needed to maintain stability of national economy, Croatian presiding found itself in front of the challenge which would require measures that would affect its foreign relations. At the moment of writing there are 1222 infection cases in Croatia, with 16 fatalities and 130 cured patients. As the world reaches a number of 1 286 294 infected and 70 446 losses of lives, strict safety and contagion measures are implemented on a global level. In various degrees, according to the specific situations, countries are organizing quarantines, banning travel between municipalities, gatherings of larger groups, and urging their citizens to stay at home, all in order to achieve containment of the Novel coronavirus. International organizations, such as the European Union, found themselves paralyzed, facing the impossibility of arranging meetings and implementing policy strategies in the times when states are focused on unilateral decision making according to their specific needs and assessments. Nevertheless, international actors should not be written out as significant factors in terms of providing guidelines and a unified approach to various issues, with necessary adaptability. They could position themselves as not only voices of solidarity, but pilots steering the course of decision making processes towards the right choices.

Challenges and initiatives

One of the essential challenges in facing various security measures while presiding over the Council of the European Union, was organization of different meeting on the levels of ministers representing various departments. Even though the EU procedures require personal presence of certain ministers in Luxembourg or in Brussels, the undertaken safety precautions make that unviable, therefore, Croatia suggested a temporary solution which implies establishment of online meetings for ministers,

while the Committee of Permanent Representatives (COREPER) will proceed with meetings in designated locations.

Moreover, still in January, as a primary measure of precaution, Croatian presidency activated EU's framework mechanism for coordination of crises at the highest political level and between its institutions. The IPCR or Integrated political crisis response mechanism is being used in an information sharing mode, to enable the members states, their leaders and EU institutions to work in an orderly manner, without significant delays and ensure that all the valuable information is shared on time. With addition to that, in line with the solution of arranging video conferences as a way of communication, Croatian presidency organised a number of online meetings between the ministers of health, in order to successfully coordinate the medical aspects of the pandemic implications on the level of EU.

Another important issue to tackle on the EU level is protection of member states economies, investment procedures, workers and other aspects of establishing economic stability. In line with that, Coronavirus Response Investment Initiative (CRII) was formed. It implies a package of specific measures and 37 billion euros of investment, aiming at making sure that national economies under the EU are protected by using the reserves of the European Structural and Investments Funds. The mentioned initiative was immediately followed by a video conference of EU ministers and representatives of the Member States responsible for the Cohesion Policy, organized by the Croatian Minister of Regional Development and EU Funds Marko Pavić, in order to discuss the measures foreseen under the initiative. It was agreed that use of the majority of the remaining European Structural and Investment Funds in areas like health care, entrepreneurship, labour markets and liquidity is needed to overcome the negative effects of COVID-19.

Furthermore, on the 26th of May, the European Council members participated in a video conference discussing the COVID-19 outbreak and EU's role as a lighthouse in the time of crisis. Agreeing on the necessity of urgent and effective measures in containing the outbreak of the virus, the

leaders of EU member states made several points of reference to their common goals in dealing with the pandemic. The control of EU's external borders proved to be a significant issue before, but now additional measures such as temporary restriction of non-essential travel have been implemented. Joint procurement of medical equipment and increase in testing capacities has been highlighted along with investment into research with funds stemming from the European Innovation Council and the European Investment Bank. The already mentioned challenge of socio-economic consequences will require further mobilization of resources and investments in the coming period, while the enlargement talks with North Macedonia and Albania have resisted the pandemic and proceeded in the desired direction.

Addressing repatriation and international aspects

Another important international aspect of the COVID-19 pandemic was discussed by the EU ministers of foreign affairs in early days of April. Issues such as the coordination of repatriation efforts and consular assistance to EU citizens who find themselves in non-EU countries were analysed, the discussion headed by Gordan Grlić Radman, the Minister of Foreign and European Affairs of Croatia. "We need to continue with consular coordination to help bring stranded EU citizens back home. The Croatian Presidency has been very much engaged on this together with the European External Action Service and the Commission", highlighted the Minister. According to the EU data, as a result of such actions, and coordinated approach of EU institutions, national governments and consulates, more than 350 000 Europeans have been repatriated, with another 250 000 in need of assistance.

Furthermore, ministers of foreign affairs consulted on and stressed areas of global response to the pandemic and the need of being wary of the disinformation. A global crisis such as the current pandemic requires a unified approach of all the actors, with solidarity and collaboration in finding the best possible solutions, especially in the areas of the world which are in need of additional humanitarian, social and economic aid. The

discussion touched upon the use of social media in a way that undermines the value and role of both international organizations and national governments. The false information about the Novel coronavirus and the measures which are being undertaken, are causing fear and panic among citizens who spend a great deal of their time at home browsing social media, looking for information. Also, doubt and a hostile approach towards the upheld measures are presenting the national and international stakeholders as ineffective in their approach.

Success in the enlargement process

Concerning enlargement and association processes of North Macedonia and Albania, the decision to open accession negotiations with the two countries is a good representation on how the Croatian presiding over the Council of the European Union remains operational in spite the time of crisis. On the 24th of March, the ministers of European affairs agreed on the decision to open the accession talks with the two Western Balkan countries. Such a decision is significant from several perspectives, primarily further establishing EU, its values and political direction as a main reference point in the troubled region.

The two developing countries, both faced with a history of regional and internal conflict, have presented themselves as ambitious in their goals of identifying with Europe, therefore adopting the necessary political, economic and social measures in line with their national interest. “The Government of the Republic of Croatia is pleased that one of the priorities of the Croatian presidency has been fulfilled; the decision to open negotiations with North Macedonia and Albania. This decision is also the result of months-long intense political and diplomatic efforts by the Croatian Government, which has remained steadfast in order to achieve this objective”, stated the Prime Minister Plenković. The adoption of the negotiating framework by the European Commission is the next step before formally opening the negotiations with the two countries.

Croatian presence in NATO mission Resolute Support

Moving away from the European Union aspects of Croatian involvement in the sphere of international relations, it is of value to note another area in which Croatia actively participates with both implicit and explicit effect on its international positioning. The security and military branch is also facing the repercussions of the COVID-19 virus. In late March, as decided by Damir Krstičević, the Minister of Defence and Vice President of the Government, 105 members of 11th contingent of Croatian military, taking part in NATO-led train, advise and assist mission in Afghanistan called Resolute Support, were to be returned to Croatia immediately. The 11th contingent is also comprised of military personnel from the armed forces of allied partner countries of Montenegro, North Macedonia and Albania.

It must be noted that the mandate of the 11th contingent has ended much before and the handover of duties to the 12th contingent had been established. The delay of the return of military personnel stems from two interlinked reasons. First, the pandemic caused a global delay in mechanisms to conduct international transport, including of armed forces deployed in various parts of the world. Second, the transport of the Armed Forces of Croatia usually depends on the transport capabilities of allied partners such as Germany and the USA. Unfortunately, Croatian military transport airplane AN-32B has not been used for years which presents itself as a significant blow to the national air force in cases of emergency and unavailability of partners' capacities. At the moment, members of the 12th contingent are present in their deployment stations in Afghanistan with all the necessary precaution measures adopted to prevent the infection and spread of COVID-19.

The delay of acquisition of fighter jets

After the multi-year saga of Croatian process of acquiring fighter jets has reached a steady state of gathering tenders from potential partners, the Croatian Minister of Defence, Damir Krstičević announced that the already controversial process, followed by media, experts and general public, will

be halted, in line with the potential economic restructuring caused by the implications of COVID-19. Emphasizing the responsibility of the security system in sharing the burden caused by the potential economic disruption, Krstičević urged that the process is not cancelled, but delayed in order to deal with more pressing matters.

Additionally, he announced further measures of savings when it comes to the defence department and the military, which could imply lowering the standard of the Croatian military personnel, exclusion from participation in international missions and training exercises, and other delays in acquiring the necessary equipment such as Black Hawk helicopters. Any reduction of capacities in regards to the security sector, especially the Armed Forces, must be dealt with care, because the military has proven its worth in several crisis areas in recent times, from dealing with floods and massive fires, to helping with the repercussions of the earthquake which shook the Croatian capital Zagreb and establishing expedition camps where the infected population can be situated if required.

Further delay of acquiring fighter jets means a great loss for Croatia on several levels. The primary loss can be seen from the inability to successfully and independently protect and defend its air space, meaning its territorial integrity and therefore sovereignty. The secondary drawback is the lacking ability to present itself as a regional leader when it comes to security and defence capabilities, which are an indicator of nations' strength and development. The third shortcoming will stem from the decrease of interest, emerging from the lack of capacities, of future pilots, therefore potentially making pilot schools ineffective and unnecessary.

Conclusion

When it comes to various implications of the global pandemic in the shape of the COVID-19 virus to Croatia's position in the international sphere, it is obvious that the effect will be different concerning the aspects. Croatian presidency over the Council of the European Union has been going quite well regardless of the crisis state. Moreover, it provided an opportunity for Croatia to establish itself as an able driver behind the EU's

steering wheel against very challenging odds. It is on Croatia to preserve its positive stature for the further benefit of its economy in the troubling times. Concerning the future saving and economic measures which will affect various areas of significance, such as defence and security, it is vital that every such decision is made with a firm stance of national interests and long-term outcomes.

Estonia reflecting on the COVID-19 and getting ready for the UN SC rotating presidency

E-MAP Foundation MTÜ

Even during this current crisis when each and every country is seemingly acting on its own, a wrong assumption on the non-existence of international relations can easily pop up to dominate the global debate. The assumption, however, does not reflect the actuality because countries keep communicating, and ‘external relations’ as a segment of governing activity is very much ‘alive’. Historically, a major conflict/crisis has always been proceeding in parallel with a more enhanced level of international cooperation. In such a context, speculatively, the post-COVID-19 world will be featured by a significantly re-developed global supply chain, a range of newly re-designed international organisations (the first in line for the total re-shuffling is, arguably, the World Health Organisation/WHO, which has dramatically failed to deliver), and, most probably, a more sounding attempt to re-configure the ‘rumblings’ of the UN-based international system. But until then and in the meantime, there is a list of more ‘down to earth’ questions to be addressed in the field, and, perhaps, the main issue is related to opening the borders.

For the economy of the Republic of Estonia as well as the region-bound cross-societal interactions, it is essential that the crisis-related current restrictions on the borders can be lifted as soon as possible. Therefore, Urmas Reinsalu (*Pro Patria*), Estonian Minister of Foreign Affairs, was in constant communication with his colleagues in Latvia and Lithuania on the issue. Right from the commencement of the state of emergency in Estonia, it was understood that a decision on lifting the imposed restrictions will be very difficult, because it will have to be based on a commonly accepted solution. Thus far, the Prime Ministers of the Baltics have a view “to make coordinated efforts towards the goal of

opening borders between the countries on 15 May”^①. Characteristically for the moment, Minister Reinsalu, while reassuring the society about “a coordinated approach” that the Estonian Government is taking, noted that:

We [...] need to introduce specific measures, which would be stipulated in a relevant trilateral memorandum of understanding. We will discuss which measures should be applied to passengers from outside the Baltic States. It is also important to inform individuals arriving from other destinations about the restrictions in force in Lithuania, Latvia and Estonia. [...] The cooperation of the Baltic States has been close and efficient throughout the crisis. [...] After the discussion of health ministers [...], we will meet again with the Baltic foreign ministers as well as with the Nordic and Baltic foreign ministers to discuss current restrictions in the region and the possibility of easing them.^②

The above-described development is taking place on the background of the decision made by the Estonian Government on 25 April “that the emergency situation declared in the country will be extended until the midnight between May 17 and 18”^③. Does it mean that the crisis is nearly over, and the ‘business as usual mode’ will be gradually reappearing in the field of internationality relations? Most definitely, it is not quite the case as yet. At the same time, it is a perfect moment for collecting a number of serious reflections on what has happened and how to move on without adopting some unnatural features for your country’s image as well as its international agenda. On 21 April, Keit Pentus-Rosimannus (*Reform Party*), former Estonian Minister of Foreign Affairs (2014-2015), wrote almost a programming article, reflecting on the current *status quo*. In general, it could be argued with only a small degree of speculation, her commentaries

^① ‘Baltic foreign ministers continued talks on opening borders’ in *Välisministeerium*, 8 May 2020. Available from [<https://vm.ee/en/news/baltic-foreign-ministers-continued-talks-opening-borders>].

^② Urmas Reinsalu as cited in ‘Baltic foreign ministers continued talks on opening borders’.

^③ ‘Estonian government extends emergency situation until midnight of May 17’ in *The Baltic Times*, 1 May 2020. Available from [https://www.baltictimes.com/estonian_government_extends_emergency_situation_until_midnight_of_may_17/]

are very much in line with what the majority of the Estonia-wide society could make in the context of the COVID-19-associated decisions, developments, and mistakes made. Therefore, it is worthwhile citing the former Minister’s reflections extensively, since she is making the following five distinct points. **Firstly**, Pentus-Rosimannus notes that “[t]he trends of the spread of coronavirus have not tended to favo[u]r democracies”, and “[t]he flagships of western democracy – the U.S., the U.K., Switzerland (not to mention Italy or Spain) have had to give their consideration to accustomed freedoms, delicate feelings of their citizens, and election cycles”^①. At the same time, the influential politician argues that “we need to be careful and cautious that governments will not use the emergency situation constraints to introduce permanent limitations on freedoms”, because “[d]emocracy cannot or should not be a synonym for incapacity”^②.

Secondly, the country’s former Minister of Foreign Affairs underscores that “[t]he EU was slow at the beginning of the crisis, so instead a ‘one for all and all for one’, an ‘everyone for themselves’ philosophy prevailed”^③. At the same time, there were situations when a number of countries acted in “the true spirit of Europe” – for example, “Germany [was] making their own intensive care capabilities available for critically ill patients from Italy and France; France [was] donating masks and protective suits to Italy; Romania and Poland sending their doctors and nurses to Bergamo and Brescia; Austria treating intensive care patients from Italy and France in their hospitals”^④. The main take away on the EU-associated issue, as argued, has the following two sides: “the EU needs to upgrade its capabilities to produce critical supplies” and “there is no such thing as an abstract, anonymous ‘EU’ [...] [because] [t]here are member

^① Keit Pentus-Rosimannus in ‘Keit Pentus-Rosimannus: Five thoughts about the crisis’, *ERR*, 21 April 2020. Available from [<https://news.err.ee/1080437/keit-pentus-rosimannus-five-thoughts-about-the-crisis>].

^② Pentus-Rosimannus.

^③ Pentus-Rosimannus.

^④ Pentus-Rosimannus.

states that make up this union [...] [and] [n]obody else is to blame if we are not happy with what we see in the mirror”^①.

Thirdly, on the economic side, Pentus-Rosimannus detect more questions than answers: “[i]f and how much money is given directly to people, or are middlemen again at the centre of the government responses?” or, for example, “[h]ow are these middlemen going to act?”; however, she argues that “at least few states have listened the experts’ suggestions to give money directly to people, not to the banks, or to the middlemen”^②. **Fourthly**, keeping in mind that the former Minister represents the largest oppositional party in the *Riigikogu*, a political call is made for the Estonian Government to be “using this crisis for necessary structural reforms which would help to make the country more resilient to future crises”^③.

Fifthly and finally, Pentus-Rosimannus underlines the fact that the pandemic-generated crisis “reminded us how interconnected the world is”, while giving a chance to witness “how the air has become more breathable, the water cleaner, in many of the most polluted places in world”^④. The argument that is made out of this observation is on boosting innovative practices, since we have now an opportunity to adjust behavioural patterns “for good, permanently using cleaner tech and science”^⑤. Most probably, Estonia would prefer offering its leadership in the process converting a range of innovative practices into an every-day reality. From May 2020, the country is to be holding the UN Security Council’s rotating presidency, and this is, perhaps, the highest international framework where Estonia can highlight a number of important issues for the world. Apart from many other problematic matters, the crisis has prioritised the issue of cyber security, since many practices have entirely gone to be ‘residing’ on cyber platforms, solidifying a new normal’s existence within cyber domains. For many interactions, there will be no way back to the previous ‘life’.

① Pentus-Rosimannus.

② Pentus-Rosimannus.

③ Pentus-Rosimannus.

④ Pentus-Rosimannus.

⑤ Pentus-Rosimannus.

Contextualising this discussion with Estonia's current status within the UN, President Kersti Kaljulaid noted that the country, holding the UN Security Council presidency, can highlight "the issue of cyber threats, [...] in which Estonia set a precedent"^①. In one of her latest TV interviews, for *Välisilm*, the President extensively enlightened the audience about what is planned:

We do n[o]t even have to look only at May, as our presidency. We promised our constituents that we would surely bring cyber threats and cyber attacks to the UNSC. [...] It may sound unbelievable, but there had been no such discussion [on cyber security]. Then the opportunity offered itself. In the first months of [Estonia's] membership, a cyber attack took place against Georgia, so Estonia, together with the U.S. and the U.K., took it to the UNSC, and for the first time in world history, this was taken on by the security council. [...] And it is possible to move on from here. Now, even in the course of our presidency, cyber threats are one of the topics. There is to be a discussion on them on May 22. As we know, international law is becoming a precedent, and it is a precedent set by Estonia, as it promised. A lot of people smiled and said that maybe you can set an agenda, and look what came out.^②

In the course of challenging the COVID-19, a crucial month has not been wasted. At the same moment, it is even more crucial for the international community of nations to learn plenty from this devastating crisis and reflect on what the world has been thought in the most comprehensive way.

^① Kersti Kaljulaid in 'President: Estonia set cyber threat precedent on UNSC', *ERR*, 5 May 2020. Available from [<https://news.err.ee/1085703/president-estonia-set-cyber-threat-precedent-on-unsc>].

^② Kaljulaid.

Greece and China during the COVID-19 pandemic

George N. Tzogopoulos

China and Greece have come closer in February, March and April. Following the outbreak of COVID-19 in Wuhan, the Greek government immediately expressed its sympathy. And when Greece started to suffer by the virus, China offered medical assistance. In comparison to other Western countries the public discourse in Greece has largely reflected domestic considerations on how the virus could be defeated. Within this context, Sino-Greek cooperation has been illustrated positively whereas criticism on China has rather appeared in the section of international news. Chinese Ambassador to Greece Zhang Qiyue tends to occasionally talk in local media contributing to a better understanding of China in Greece and sharing some practices about the coronavirus on the grounds of Chinese experience.

The ongoing pandemic has outlined Sino-Greek bonds. To start with the first phase of the problem after the outbreak of COVID-19 in Wuhan, Greece showed its support to China. At the beginning of February 2020, former Greek President Prokopis Pavlopoulos sent a letter to Chinese President Xi Jinping expressing the sympathy of Greek to Chinese people for the tragic deaths due to the novel coronavirus. Also, in an article published in *Fileleftheros* Newspaper a few days later, Minister of Development and Investments Adonis Georgiadis underlined that Greece would stand by China. The juncture was important. Mid-February was a period during which social stigma cases in several Western countries were increasing. Subsequently, national Development and Reform Commission Vice Chairman Ning Jizhe sent a letter thanking the Greek Minister for the stance of the Greek government.

Furthermore, the Chinese Embassy in Greece started to closely work with the Ministry of Health and the Ministry of Foreign Affairs to facilitate prevention and control efforts and to provide assistance to Chinese citizens. The Embassy's wechat public account and website do constantly provide information about the situation, access to local hospitals as well as extension of visas or residence permits. For its part, Air China decided to cancel its flights to Greece due to public safety concerns and noting the limited interest of citizens to travel. Temporarily, the entry of foreign nationals (including Greek citizens) holding valid Chinese visas or residence permits is suspended. According to the Greek Embassy in Beijing international flights still operating and bound for Beijing were diverted to the following designated first points of entry: Tianjin, Shijiazhuang, Taiyuan, Hohhot, Shanghai Pudong, Jinan, Qingdao, Nanjing, Shenyang, Dalian, Zhengzhou and Xi'an.

When the pandemic arrived to Greece in March, China provided medical aid. On 18 March, Minister of Health Vassilis Kikilias visited the Embassy of China and received 50,000 masks and other hygiene material. The Chinese company COSCO also donated relevant material to the Hellenic Coastguard. More importantly, on 21 November, a Chinese plane with 18 tons of medical supplies arrived in Athens. 8 tons were provided by the Chinese government including 550,000 face and surgical masks, as well as goggles, gloves and shoe covers. The remaining 10 tons were contributions made by Chinese companies and organizations. Kikilias, Alternate Minister of Foreign Affairs Miltiadis Varvitsiotis and Ambassador Zhang Qiyue, went to Athens International Airport on that day. Kikilias thanked the Chinese government and State Grid. For his part, Varvitsiotis considered it important that Greece was enjoying excellent relations with China and could thus benefit by receiving medical assistance in times of need. Ambassador Zhang wrote an op-ed in *Kathimerini* newspaper titled: 'The single soul of empathy dwelling in our bodies' in which she praised Sino-Greek friendship.

Additionally, the Onassis Foundation – in cooperation with the Greek Prime Minister's Office and the Ministry of Health sourced and secured

13.5 million protective masks. On 30 March, one airplane flying from China landed in Athens. Premier Mitsotakis who went to the airport said that the masks and this equipment would be used exclusively to shield those who were finding themselves on the front line facing down this major crisis. The majority of the 27,000 boxes containing 13.5 million surgical masks amount at €7,750,000 were transported to Greece one day later. Aegean Airlines and Hellenic Petroleum offered the free use of aircraft and fuel to bring medical supplies from China. Other cargo flights also contributed to the transportation of boxes with military equipment from the country.

As it has been already mentioned, Greek politicians publicly appreciated medical assistance provided by China. Other figures have joined them. An example is that of ship-owner Panos Laskaridis. Laskaridis, also the President of the Aikaterini Laskaridi Foundation that on 11 November 2019 announced the establishment of the Centre for China Studies in collaboration with the Chinese Academy of Social Sciences, commended China for its quick response to the epidemic and expressed his hope that mankind would become more resilient due to the pandemic. But National Security Advisor Alexandros Diakopoulos appeared initially more skeptical during a virtual conference that was organized on 23 April. He said that while it was good for Greece to take medical equipment from China, this was not a gift because Greek donors had paid for it. The website armyvoice.gr contacted Diakopoulos and asked for clarifications for this comment. The National Security Advisor explained that he only referred (during the online conference) to the medical equipment that was delivered to Greece on 30 and 31 March. With his clarification he appeased some concerns that he could have contradicted Kikilias and Varvitsiotis for thanking China for its support to Greece.

China continued to offer medical assistance to Greece in April. On 23 April Ambassador Zhang Qiyue delivered to Alternate Migration and Asylum Minister Giorgos Koumoutsakos 20,000 surgical masks. The masks would be distributed to reception centers for asylum seekers on the Aegean Sea islands. Ambassador Zhang and Minister Koumoutsakos wore both masks and did an elbow bump during the handover. 5,000 masks were

immediately sent to Kranidi after 150 people were tested positive in COVID-19 in a refugee facility. Koumoutsakos thanked China for this donation which he placed in the context of excellent bilateral relations between the two countries. Ambassador Zhang spoke about Sino-Greek collaboration on sharing practices from Chinese doctors and healthcare workers in dealing with the disease. In mid-March, for instance, governmental officials and medical experts from China, Greece and other Central and Eastern European countries had participated in a video-conference on Covid-19 prevention and control and had been engaged in an in-depth exchange of views.

Ambassador Zhang has been also active in local media by giving interviews and publishing articles. In parallel with her commentary for *Kathimerini* newspaper, she appeared on *SKAI TV* on 1 April and positively commented and measures taken by the Greek government in containing the virus. As she said, social distancing measures and isolation were the best practices in dealing with the problem. One week later she was interviewed by *Mega TV* hailing Sino-Greek cooperation during the pandemic and underlining three main points during the fight: the early detection, the effectiveness of measures and the mobilization of politicians, medical teams, other experts and the citizens. And on 17 April she wrote a piece for *TA NEA* weekend edition discussing the experience accumulated by the Chinese government for prevention and control of the disease in the world.

Although the fight against COVID-19 is ongoing, China and Greece can look towards the future with reserved optimism. The Piraeus port, for example, has maintained its competitiveness because COSCO had kept all terminals operational. While tourism will certainly suffer a serious blow due to pandemic, the momentum created after the visit of President Xi Jinping to Athens in November 2019 will hardly be reversed. Ambassador of Greece to Beijing George Iliopoulos has also praised Sino-Greek collaboration efforts – including on the repatriation of citizens – and anticipates new win-win synergies. In contrast to other Western countries the image of China in Greece remains positive. Greek journalists have avoided social stigma and name-calling, even if criticism on the country in

the section of international news has increased following the outbreak of the problem in Wuhan.

Conclusion

Relations between China and Greece have been strengthened during the COVID-19 pandemic. Although business activities and tourism are affected by the ongoing situation, coordination efforts to respond to the problem have been boosted. China has already provided Greece with medical aid and is prepared to continue with this assistance if required. Greece also values Chinese practices in its management of the coronavirus. The current period – until a safe return to normality is achieved – constitutes a good opportunity for the two countries to ponder on new, original steps of their collaboration including on the digital economy, smart education and joint research.

The international framing of the Hungarian state of emergency Bill

Csaba Moldicz

As we pointed out in our April briefings, the Hungarian Parliament adopted a state of emergency bill in the early weeks of March. According to the basic law of the country, the bill must be renewed every 15 days, which clause is reasonable when it comes to natural catastrophes, however, this regulation is not compatible with the fact the coronavirus epidemic is to last longer, moreover how long we are going to fight against the virus is unpredictable. Thus, the Hungarian government pushed for a bill (adopted March 23, 2020), which gives the government special powers without time limitation. The international interpretation of the bill was extremely negative. This briefing focuses on several international interpretations and the arguments used by the Hungarian foreign policy. We will clearly see that the criticism mainly comes from superficial knowledge of the facts, and biased opinions leading to double standards in the Hungarian case. At the end of the briefing, some conclusions will be drawn as for the long-term implications for the Hungarian foreign policy.

1. International criticism

One of the most fervent critics of the Hungarian move to boost government powers has been the former Commission President, Jean-Claude Juncker. In an interview to the news portal, Politico, he mainly discusses the possibility of the break-up of the eurozone along the North and South dividing lines, and at the same time, he also hinted to another deep divide in the EU: *“We have not been able to straighten out the East-West conflict, because the Hungarians act outside of any reasonable zone”*

^①he said. At the same time, he admitted that he was disappointed by the reactions of the present European Commission President, who issued a statement warning that said “*Any emergency measures must be limited to what is necessary and strictly proportionate. They must not last indefinitely.*”^② The statement became public a day after the Hungarian government adopted the law to strengthen government powers, though it did not name Hungary explicitly. Juncker found not naming Hungary in the statement a mistake. A similar approach was used by thirteen EU governments who issued a joined statement with similar content condemning attempts to exploit the emergency to extend political power and distort the rule of law. At the same time, the statement did not name Hungary again. In contrast to these statements, the statement issued by the Civil Liberties Committee of the European Parliament did not avoid naming Hungary when it highlighted the concerns of the Committees about the “*extraordinary measure adopted by the Hungarian government in response to the pandemic*”^③. Moreover, the Chair of the Committee call on the Commission to evaluate if the bill complies with the values specified in Article 2 of the Treaty on the European Union.^④

However, we cannot say that the opinion of the Chair of the Committee would reflect the opinion of the whole European Parliament. Vera Jourová, the Vice President of the European Commission for Values and Transparency told in a Euronews interview that she finds the Hungarian law comparable with other European laws adopted in response to the Covid-19 virus. She said: “*So we will have to wait and see, and we will have to look at how the increased emergency powers of the government*

^① <https://www.politico.eu/newsletter/brussels-playbook/politico-brussels-playbook-juncker-speaks-old-vices-returning-the-c-word/>

^② https://ec.europa.eu/commission/presscorner/detail/en/statement_20_567

^③ www.europarl.europa.eu/news/en/press-room/20200324IPR75702/ep-stands-up-for-democracy-in-hungary-during-covid-19

^④ Article 2: “The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. These values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail.”

in this period are applied in practice. And when you read the (Hungarian) law, it is quite comparable with other laws providing for the emergency regimes in the (other) states”^① At the same time, she admitted that there is low confidence against the Hungarian government.

2. Counterarguments

John O’Sullivan reacted in an article to the criticism against the newly adopted bill to strengthen and widen the maneuvering room of the Hungarian government in its responses to fight against the spread of the coronavirus.^② First, he underlines that the adoption of the law is not against the constitution (basic law) since it was passed with super-majority. He adds the emergency law could at any time be rejected by the constitutional court and the Parliament – again anytime – could revoke the law with the same two-thirds majority. Criticism was voiced when it came to fines and prison sentences of those spreading fake news, rumors, or breaking quarantine. Sullivan admits that the fines and sentences might too high, but those sentences will not be imposed by the government, but courts will decide them. The major point of his criticism is that in his opinion the emergency law should have a sunset clause (time limitation).

He responds to some flaws in the criticism as a matter of fact. No, the Parliament has not been suspended, nor are elections canceled. One strand of criticism is that the Orbán-government will rule with decrees. He points out this statement is true, but so does the French government. Another element of international criticism is that the powers enabled by the law would be too far-reaching and thus not necessary. Sullivan maintains that the Hungarian government’s tools are not different from those of other European governments such as “*social distancing, lockdown, quarantine, extreme hygienic care when meeting people*”. He also investigates the details of these government measures in several countries and concludes that adopted measures in some countries go deeper and impose more severe

^① <https://www.euronews.com/2020/04/09/coronavirus-an-unprecedented-challenge-to-democracy>

^② <https://www.nationalreview.com/2020/04/yes-hungarys-emergency-law-is-flawed/>

restrictions on citizens. For example, he puts: “*Regulations under it [the French emergency law] are tougher and more intrusive than under earlier emergencies: People have to stay in their homes except for essential visits outside such as medical appointments or physical exercise.*”

Several Hungarian politicians have already responded to international criticism, which basically was expressed by left-wing, neoliberal political forces in the world. The latest response was delivered by Mr. Zoltán Kovács, the Minister of State for International Communication and Relations. The Minister gave a longer BBC interview (Hard Talk). In the interview, he repeated the same argument, which we can see above in the O’Sullivan article. He said that the Hungarian Parliament can anytime revoke the special powers given to the government to fight against the spread of the coronavirus. Moreover, he added that there are four other European countries where the special powers are adopted without a sunset clause. He also emphasized the opinion of the Vice President of the European Commission for Values and Transparency who thinks that the Hungarian emergency law is compatible with EU rules.

The case of the Hungarian emergency law vividly revealed that the Hungarian foreign policymakers permanently must face double standards when making foreign policy decisions. In our opinion, this situation forces the policymakers to take every cautionary measure to avoid havoc and they apparently do it, however the fact that the Hungarian government protects the close interests of the Hungarian nation, and it places the preservation and strengthening national sovereignty in the center of the foreign policy actions, repeatedly puts the Hungarian government on a collision course with ‘post-political’ Western elites. The term ‘post-political’ is being increasingly used in the political sciences to describe a situation in which the bureaucratic elites trying to shape political and economic institutions, shape the political discourse and coin ideas, formulate goals without the necessary social empowerment. In this case, the term can be used, since the Hungarian government has been empowered by Hungarian voters, while the elite of the consensus was designed and refined in unelected judicial-administrative bureaucracies.

Péter Szijjártó, the Hungarian Minister for Foreign Affairs and Trade responded to the criticism speaking to the Euronews: *"They said there is an unlimited authorization for the prime minister, which is not true – it is fake. This is a lie. ... The Hungarian prime minister and the Hungarian government can only make decrees in accordance with the protection of the people against the pandemic situation."* The remarks of the minister show that it is not only the impression of the observer but the experience of the decisionmakers is that the Hungarian foreign policy is under attack. The minister put it this way in the same Euronews interview: *"The European Parliament keeps Hungary under a continuous attack by political motivation in recent years, basically since 2010 since we have been in office, and since 2015, when the migration crisis has hit"*

We can conclude that though the Hungarian foreign policy decisions are under constant attack, it won't change the course of the policy, as the Hungarian Prime Minister put it in his traditional Friday morning radio interview: *"What they think of Hungary in Berlin, does not interest me too much."* At the same time, he delineated the new battle ground for the Hungarian foreign policy, when he pointed out that the European Union did not provide extra financial funds for Hungary to combat the coronavirus, it just reorganized the existing funds and gave an earlier access to the earmarked funds for Hungary.

Latvia's foreign policy priorities in April 2020 aimed at overcoming the COVID-19 crisis

Nina Linde

The Foreign Ministers of the Baltic and Nordic countries emphasize the importance of regional co-operation in overcoming the Covid-19 crisis

In April 2020 minister of Foreign Affairs of Latvia took part in video conference with other foreign ministers of Baltic and Nordic countries (N8)^① to discuss Covid-19 limiting precaution activities and discussed regional cooperation opportunities to exit the ongoing crisis. During March 2020 and April 2020 Latvia has been actively working with Nordic and Baltic countries' representatives to ensure the repatriation flights to Latvia. All foreign ministers of N8 have assessed the co-operation of the existing consular services of NB8 countries in organizing repatriation trips, as well as in providing transit opportunities for citizens to the country of residence. However, it was noted that there is a need of more integrated and coherent solutions to ensure for the countries of the region to gradually emerge from the Covid-19 crisis. To ensure the emerge from the ongoing crisis it is important to regularly exchange with up to date information regarding on the reduction of restrictive measures so that the exit from the national and regional countries' crisis would take place gradually and in a coordinated manner. The current priority for Latvia and N8 countries is to solve the questions regarding economic cooperation for the reduction of Covid-19 crisis. Meaning maintaining open borders for the movement of goods and services, as well as cooperating in the procurement of common medical goods. Recently the Baltic Foreign Ministers have discussed the option to re-open the Baltic borders and it is foreseen that in the upcoming weeks the Baltic borders could be opened.

^① N8 consists of Denmark, Estonia, Iceland, Latvia, Lithuania, Norway, Finland, and Sweden.

The Cabinet of Ministers approves Latvia's solidarity contribution to the budget of the UN Office for Covid-19

On April 2020, the Cabinet of Ministers approved the order “On Contribution to the Budget of the United Nations Office for the Coordination of Humanitarian Affairs and the World Health Organization Global Humanitarian Aid Plan for Combating Covid-19” developed by the Ministry of Foreign Affairs. Funds for the contribution will be provided from this year's budget of the Ministry of Foreign Affairs.^①

According to the order, EUR 100,000 is to be paid for the operation of the United Nations and the World Health Organization’s Global Humanitarian Plan to combat Covid-19. With this input, Latvia shows solidarity with other countries affected by Covid-19, especially those whose capacity to respond to this crisis is limited. Latvia has responded to the United Nations Secretary-General's call to invest in resolving the global consequences of the Covid-19 crisis and at the same time demonstrates Latvia's solidarity in joint European Union action to contain the humanitarian crisis. By acting in solidarity and investing in reducing the spread of Covid-19, the far-reaching risk of the pandemic's impact on Latvia will be reduced.

In response to the rapid spread of the Covid-19 virus worldwide, in March this year the United Nations, in cooperation with the World Health Organization, called on all countries around the world to show solidarity in supporting the fight against the spread of Covid-19 in poor countries and territories affected by various humanitarian crises. The plan specifically provides support to vulnerable groups in addressing health and non-health needs.

^① <https://www.mfa.gov.lv/aktualitates/zinas/65885-ministru-kabinets-apstiprina-latvijas-solidaritates-iemaksu-ano-humanas-palidzibas-koordinacijas-biroja-un-pasaules-veselibas-organizacijas-globala-humanas-palidzibas-plana-cinai-ar-covid-19-budzeta>

Under the leadership of Latvia, the UN agrees on a common approach to financing for development in the Covid-19 crisis

On 27 April 2020, the United Nations Intergovernmental Conclusions and Recommendations on Financing Development were adopted unanimously in New York. The discussion was led by the United Nations representative of Latvia in New York. Latvia is elected to the United Nations Economic and Social Council for the period from 2020 to 2022. Under the leadership of Latvian representative, the first online discussion in the history of the Economic and Social Council of the United Nations was held since with the outbreak of pandemic transportation services are limited. The outcome of the discussion provided first universal agreement of United Nations member states for joint action to fund Covid-19's immediate consequences, as well as a long-term recovery.^①

During the discussion, United Nations member states underlined their commitment to jointly fight the Covid-19 pandemic and its consequences, to restore sustainable economic growth, to promote sustainable and inclusive recovery, and to strengthen resilience to similar crises in the future. Additionally, the importance of multilateral cooperation and concerted global action in tackling the crisis was confirmed by the representatives of member countries, emphasizing the role of the United Nations Secretary-General and the United Nations agencies, including the World Health Organization. In the conclusions the commitment to the implementation of the Addis Ababa Action Program on Development Financing was underlined. United Nations member states recognize the many challenges facing the least developed and vulnerable countries in this crisis, including countries with poorly developed health systems and limited fiscal space. Under the leadership of the representatives of Latvia United Nation member countries came to joint

^① <https://www.mfa.gov.lv/aktualitates/zinas/65936-latvijas-vadiba-ano-vienojas-par-kopigu-pieejju-attistibas-finansesanai-covid-19-krize>

agreement to continue to support the poorest countries of the world and to continue to implement United Nation sustainable development goals.

Minister for Foreign Affairs expresses his support for closer European Union cooperation with the Eastern Partnership countries

On 22 April 2020, Foreign Minister Edgars Rinkevics participated in the informal videoconference of the Council on Foreign Affairs of the European Union on European Union cooperation with Ukraine and the European Union Eastern Partnership countries. The meeting discussed issues related to European Union support for the Eastern Partnership countries to prevent the Coronavirus Covid-19 pandemic and preparations for the forthcoming Eastern Partnership summit, as well as the progress of reforms in Ukraine and the state of play regarding the Russian-Ukrainian conflict.^①

Additionally, minister of Foreign Affairs expressed the support of Latvia the European Union's solidarity with the Eastern European countries, including Ukraine, to fight against the spread of the Covid-19 virus, as well as its consequences. The minister of Foreign Affairs of Latvia noted that the European Union must continue to provide strong support to Georgia, particularly as regards the continued “bordering” process of Russian-backed separatists in the Georgian territories of South Ossetia and Abkhazia, as well as work on cooperation with Moldova and balanced access to relations with Belarus.

Minister of Foreign Affairs of Latvia confirmed Latvia's support for Ukraine's sovereignty and territorial integrity. The Minister positively evaluated Ukraine's progress in the reform process by adopting the Law on the Privatization of Agricultural Land for the Supreme Court and supporting the draft Law on amendments to improve the mechanisms for regulating banking activities at first reading. The Minister of Latvia

^① <https://www.mfa.gov.lv/aktualitates/zinas/65915-arlietu-ministrs-pauz-atbalstu-ciesakai-es-sadarbibai-ar-austrumu-partneribas-valstim>

stressed that Ukraine must continue the ongoing reform process, particularly in areas such as strengthening the rule of law and fighting corruption. The Minister emphasized that the implementation of the Minsk Agreement is essential for the resolution of the conflict in Eastern Ukraine and that the European Union's sanctions policy must be maintained until Russia puts an end to violations of international law and implements the Minsk Agreement. The Foreign Minister also informed his European Union colleagues that Latvia would provide bilateral support to the European Union Eastern Partnership and Central Asian countries in resolving urgent issues related to the Covid-19 crisis. Work will also continue previously planned cooperation projects for the Eastern Partnership countries in priority areas.

Conclusion

During April 2020 most of the foreign policy events and activities have been made in context of the outbreak of Coronavirus. In April 2020 Minister of Foreign Affairs of Latvia together with the Foreign Ministers of other Baltic and Nordic countries discussed the need to cooperate on a regional scale to combat the consequences of the Covid-19 crisis. During March 2020 and April 2020 Latvia has been actively working with Nordic and Baltic countries' representatives to ensure the repatriation flights to Latvia. To ensure the safety of Nordic and Baltic countries' citizens the Foreign Ministers of the countries have assessed co-operation to provide repatriation flights or other transit opportunities. In all, the overall priority for Nordic and Baltic countries is the regional cooperation and the reduction activities of Covid-19 crisis. To overcome the ongoing pandemic crisis the Cabinet of Ministers approved the solidarity of Latvia by contributing to the budget of the United Nations Office for Covid-19 by that expressing unity with other countries who have been deeply affected socially and economically and whose capacity and resources to combat the crisis are limited. Additional development in April 2020 regarding foreign policy was that under the leadership of Latvia, the United Nations came to a common approach to finance the prevention activities of Covid-19. Under

the guidance and leadership of the representatives of Latvia the member countries of United Nations came to an agreement for additional support to the poorest countries. During April 2020 Minister of Foreign Affairs expressed his support to ensure closer European Union cooperation with the Eastern Partnership Countries. Additionally, from the behalf of Latvia the solidarity with the Eastern European countries, including Ukraine, to fight against the spread of the Covid-19 virus, as well as its consequences was expressed.

The coronavirus crisis provides new opportunities for Lithuania's foreign policy

Linas Eriksonas

The outbreak of the coronavirus has impacted global diplomacy to an unprecedented level. The regular meetings of the international organizations and the EU institutions have turned into video conferences, the face-to-face meetings have ceased, and the political agendas have been left to the issues related mostly to addressing the immediate challenges posed by COVID-19. For Lithuania, which over the years has proactively built its diplomacy on very close engagement through multilateral cooperation and association with state-actors and institutions of world politics, this has presented a significant challenge. As a result of that, two issues came urgently to the fore. First, the balancing of the existing multilateral relations with the major powers in order to ensure the continuity of status quo, and, second, leveraging upon the successful combat of the coronavirus at home to move on with the implementation of the main national foreign policy objectives.

Below is an overview of the main challenges as related to the above issues posed by the coronavirus to Europe's diplomacy and Lithuania's actions in response. It explains the main national foreign policy objectives and tries to exemplify how they have been pursued during this tumultuous period with new vigour.

The main strategic directions which have been pursued by Lithuania for the last four years in the foreign affairs are outlined in the Government's Programme adopted by the Parliament on 16 December 2016. The main objective of the Lithuanian national foreign policy, as stated in Article 296 of the Programme, is the protection of independence and democracy by adequately responding to the threats arising in the region and the world. This objective requires a regular screening of the external environment and taking preventive actions alerted by the detection of the indications which might jeopardize the achievement of this goal.

The foreign policy strategy consists of several directions, namely the multilateral ones in relation to the EU and international organizations and the bilateral ones in relation to the major competing economic powers - the United States and China. Article 298 states that Lithuania shall seek an even more representation of Lithuania's positions and national interests within the EU and calls for a more substantial role of nation-states in EU Institutions. It is also acknowledged that by participating in the activities of international organizations, Lithuania is gaining authority. Hence, multilateral relations provide the sources for soft power.

As concerning the relations with the United States, Lithuania's objective (Article 306) is to endeavour by all means possible to strengthen the transatlantic ties and strive for an increasingly close relationship between Europe and the US and make sure that NATO's attention to the eastern members of the Euro-Atlantic community does not diminish. In this respect, Lithuania aims to further actively encourage the Euro-Atlantic integration aspirations of the Eastern Partnership countries: Ukraine, Georgia and Moldova. Hence, the bilateral relations with the US provide a source for hard power.

As concerning the relations with China, the objective of the Government (as stated in Article 320 included in the section related to economic diplomacy) is "to continue the development of political and economic ties with the booming world economy China and its separate regions". The main objects of the bilateral relations, as formulated in the document, "include the development of economic relations and the use of Lithuania's potential in facilitating access to the European markets for Chinese businesses". Hence, the bilateral relations with China are conceived as strengthening the economy.

The international policy environment within which Lithuania has been realigning as a result of the pre-COVID developments has changed the modus operandi. The decreasing role of multilateralism and increased rivalry of the major economic powers to mention few have been accelerating during the coronavirus crisis, and this has made corrections to the implementation of the national foreign policy objectives. The

coronavirus crisis has opened up new possibilities for more direct involvement in global politics through the online diplomacy, where the participants are presented through digital means which decreases the perceived asymmetries between nation-states and provides a more immediate engagement.

Josep Borell, the High Representative of the European Union for Foreign Affairs and Security Policy and Vice-President of the European Commission for a Stronger Europe in the World, has noted in a policy brief of 30 April the following new conditions for Europe's diplomacy in the world. First, the pandemic will likely magnify existing geopolitical dynamics and test the strength of Europe's democratic systems. Second, he argued, that Europe needs a new kind of globalisation capable of striking a balance between the advantages of open markets and interdependence and between the sovereignty and security of countries. Furthermore, the EU High Representative mentioned that Europe should work to prevent the US-China rivalry from having negative repercussions in the world.

Lithuania has readily adapted and promptly reacted to the challenges as outlined by Borell. First, diplomatic efforts have been made to raise the issue of EU solidarity during the crisis. Both the President and the Minister of Foreign Affairs advocated for it vociferously and put the issue on the table with their EU counterparts. Second, the consultations have been carried out with the United States in focusing NATO's attention to its eastern flank, making further arrangements for the improvement of the security architecture in the region. Importantly, the Baltic Air Surveillance Network and Control System (BALTNET), which has been approved by Estonia's parliament on 22 April. Third, the economic cooperation with China has been further continued by organizing the supplies needed to combat COVID-19, including the provision of those supplies to other EU countries by using the delivered shipments over land.

However, in comparison to the pre-COVID situation, one notable development has taken place in addition to the above – the ever-closer cooperation between the three Baltic countries. The result of that is the planned relaxation of the quarantine regime in a coordinated manner and

the gradual facilitation of travel conditions for citizens across three countries. During the coronavirus crisis, Lithuania's diplomacy has made a significant achievement regarding the continuing pressure on Belarus concerning the diminishing the access of the planned nuclear power plant to the power markets in the EU.

Lithuania's diplomacy has been concentrating on achieving a joint agreement with Latvia and Estonia to boycott the purchasing of electricity of Belarus' Astravyets nuclear power plant. On 24 April, following the talks of Lithuania's Minister of Energy Žygimantas Vaičiūnas and the EU Commissioner for Energy Kadri Simson (a former Estonia's Minister of Economic Affairs and Infrastructure), it was announced that the agreement had been made and the signing procedures are due. According to the Minister, this agreement was necessitate by the need to de-risk any negative consequences on the planned synchronization of power grids of all three Baltic countries.

International relations scholars are distinguishing between states with revisionists goals and states with status-quo goals. Whereas revisionists seek to change the way things are in international politics, status-quo seekers strive to preserve things as they are. Jason W. Davidson, for example, argues that rising states are likely to adopt revisionist goals when they face domestic and international pressures to do so and when they have the opportunity to achieve those goals. During the coronavirus crisis, Lithuania showed that it is a state with very well-defined status-quo goals which drive its diplomacy.

Thus, while the coronavirus virus has closed the traditional lines of diplomacy, the cooperation in defence and security (including cybersecurity and energy security) has flourished. The main aim has been to sustain the status quo of the existing arrangements concerning three processes: the strengthening of the defence capabilities in the Baltic countries, the continuous pressure on Belarus concerning the nuclear power plant by organizing the boycott on purchasing the electricity to be produced from the power plant later this year while at the same time advocating for the energy independence of Belarus.

On 28 April, Lithuania's Minister of Foreign Affairs Linas Linkevičius in his online meeting with the US Deputy Secretary of State Stephen Biegun asked for an endorsement from the US in boycotting the electricity from the Belarusian nuclear power plant, emphasized the need to support the energy independence of Belarus while keeping the economic sanctions on Russia in place and challenging the attempts to destabilize the situation in Eastern Ukraine. "We must work together, striving to maintain the freedom and independence of Belarus. The construction of the Ostrovets NPP is contrary to economic logic. It imposes a huge economic burden on the country and increases its dependence on Russia," – Linkevičius was quoted on the record.

During the coronavirus crisis, Lithuania has been successful in pursuing its foreign policy goals (adjusted and adapted according to the rapidly changing external environment) and has used the coronavirus diplomacy to upkeep status quo by proactively leveraging new opportunities to have a bigger say in a post-COVID Europe.

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The role of EU support in N. Macedonia's fight against the coronavirus pandemic

Adela Gjorgjioska

The EU is N. Macedonia's biggest trading partner. Volume of trade with the EU was €10 billion in 2019. 75% of exports in 2019 were to the EU, whilst 61.6% of its imports were from the EU. Moreover, the EU's contribution to total Foreign Direct Investment in the country was €495.2 million in 2018.^① Since the Macedonian economy is highly correlated to that of the EU, all large economic turbulences on an EU level inevitably cause major ripple effects inside the country. On the other hand, as a candidate for EU membership (in the process of starting accession negotiations) N. Macedonia will have access to various support mechanisms provided by the EU aimed at ameliorating the consequences of the coronavirus pandemic. As the socio-economic consequences of the coronavirus become more pronounced, the effectiveness of the different EU support measures will also be revealed.

At the end of march 2020 the EU announced up to €38 million in immediate support for the Western Balkans to tackle the health emergency caused by the coronavirus and reallocation of €374 million to help the socio-economic recovery of the region.^② As part of this initial package, the EU has provided bilateral assistance of €4 million for N. Macedonia to cover immediate needs for its health needs, as well as €62 million redirected funds from the Instrument for Pre-Accession Assistance (IPA) to help mitigate the socio-economic impact of the coronavirus. The announcement of the first assistance package coincided with the EU decision to open accession talks with the country. The decision to open accession talks also served as an opportunity for the EU to emphasize the

^① https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/near_factograph_north_macedonia.pdf

^② https://ec.europa.eu/commission/presscorner/detail/en/IP_20_561

role it has played in the region: “The EU is the main donor, investor and trade partner of the Western Balkans. Since 2014, the EU has granted over €1 billion in support to the people of the Western Balkans. These are important facts that demonstrate the EU’s involvement in the region and its efforts to combat the virus inside the EU and abroad, including in the Western Balkans.”^①

On the 24th of April, Minister of Foreign Affairs Nikola Dimitrov informed about the status of delivery of the initial emergency package from the EU: “4 mil EUR for immediate medical supplies - first delivery, including much needed respirators, will be delivered on the 24th of April; 3 mil EUR direct budget support, will be delivered in the coming weeks; 9 mil EUR of direct support for small and medium enterprises will start in the autumn; 40 mil EUR - distribution of funds is at the moment being finalised with the government as support for small and micro enterprises and active employment measures. The first tranche of funds will be delivered to the budget after the summer.”^② In addition, MFA Dimitrov informed that the European Commission had proposed to the EU Council and European Parliament 160 mil EUR of macro financial assistance for the budget of the country in the form of loans to manage the fiscal consequences of the crisis caused by Covid-19. What is more, Dimitrov stated: “We are being treated almost like a full-fledged member of the Union. We are being included in the mechanisms and funds for handling the Covid 19 pandemic. This is visible in the assistance that we have already received as well as the assistance that is planned to come.”^③

On the 15th April it was announced that the Western Balkan region will be exempted from the EU's export authorisation scheme for personal protective equipment, ensuring the fast flow of essential goods across land borders through “green lanes”.^④ When the EU agreed to grant the

^① https://eeas.europa.eu/headquarters/headquarters-homepage/76696/accession-talks-albania-and-north-macedonia-and-eu%E2%80%99s-commitment-western-balkans_en

^② <https://mfa.gov.mk/page/13/post/2273/izjava-na-mnr-dimitrov-za-donacijata-od-eu>

^③ <https://mfa.gov.mk/page/13/post/2273/izjava-na-mnr-dimitrov-za-donacijata-od-eu>

^④ https://ec.europa.eu/commission/presscorner/detail/en/ip_20_777

exemption on the 15th of April, it emphasized the important political message of the step: “Given their European perspective, the EU is treating the Western Balkans as privileged partners by granting them access to many initiatives and instruments reserved for EU Member States.”^① The new Regulation is set out to apply from 26 April, and it covers one single product category, protective masks, which will require a special export permit for other countries not exempt from its geographical scope. The decision came following a request sent by the ministers of foreign affairs of Western Balkan countries (at the initiative of FM Nikola Dimitrov) to the European Commissioner for Trade Hogan, the Commissioner for European Neighbourhood Policy and Enlargement Negotiations Várhelyi, and the EU High Representative and Vice President of the EC Borrell. They requested an exemption for the Western Balkan countries from the obligation of requiring export permits for procurement of medical equipment. The letter stated that: “We, the partners from the region, have come together and we urgently propose to the European Commission to provide an exemption from the need for special export permits for our region, in the proposal for revision of the regulation which is under consideration.” Moreover, it noted the symbolic role such a decision will play: “The exemption will send a strong signal that we are all working together as Europeans to successfully face and overcome this great challenge.”^②

On the 29th of April 2020, the EU announced a financial package of over €3.3 billion for the Western Balkans. The package has been mobilized in order to address the immediate health and resulting humanitarian needs of the COVID-19 pandemic as well as help with the social and economic recovery of the region.^③ The package comes 20 days after EU finance ministers agreed to a plan calling for more than half a trillion euros worth

^① https://ec.europa.eu/commission/presscorner/detail/en/ip_20_777

^② <https://mfa.gov.mk/page/13/post/2263/fm-dimitrov-and-his-wb-counterparts-send-request-to-the-european-commission->

^③ https://ec.europa.eu/commission/presscorner/detail/en/ip_20_777

of new measures to buttress their economies against the onslaught of the coronavirus.^① Upon announcing the package President of the EC, Ursula von der Leyen, said: “We have a special responsibility to assist in this pandemic with our partners in the Western Balkans, as their future clearly lies in European Union. We will continue to support the region, including with the reforms needed on their EU path, as the recovery will only work effectively if the countries keep delivering on their commitments.”^② Moreover, Commissioner for Neighbourhood and Enlargement, Olivér Várhelyi, commented: “The European Union acted quickly and comprehensively to support the Western Balkans in addressing the COVID-19 pandemic, with unparalleled financial assistance as well as access to many of the EU's initiatives. And our work will continue as we prepare an Economic and Investment Plan for the region, to tackle the hard socio-economic impact of the crisis, to modernise the economies in the region, support the reforms and start closing the development gap, thus bringing concrete benefits to the people faster.”^③

The EU financial support package of more than €3.3 billion includes reallocations from the Instrument for Pre-Accession Assistance of €38 million of immediate support for the health sector, in particular through delivering essential supplies to save lives, such as personal protective equipment, masks and ventilators; €389 million to address social and economic recovery needs and a €455 million economic reactivation package, in close cooperation with the International Financial Institutions. It also includes a proposal for €750 million of Macro-Financial Assistance and a €1.7 billion package of assistance from the European Investment Bank. As part of the news, the European Commission announced that it is working on developing an Economic and Investment Plan for the region, to spur the long-term recovery, boost economic growth and support reforms

^① <https://www.nytimes.com/2020/04/09/world/europe/coronavirus-european-union-bailout.html>

^② https://ec.europa.eu/commission/presscorner/detail/en/IP_20_561

^③ https://ec.europa.eu/commission/presscorner/detail/en/IP_20_561

required to move forward on the EU path. Moreover, it stated that ‘the Commission has proposed a total envelope for the Pre-Accession Instrument III of €14.5 billion, of which the lion's share is destined for the Western Balkans’.

Jacques Delors, former President of the European Commission warned that the lack of European solidarity in the face of the coronavirus crisis puts the EU in “mortal danger”.^① The perception of a diminishing European solidarity was particularly notable in March in light of the EU's initial failure to send medical aid to Italy, followed by a refusal to endorse joint bonds to mitigate the cost of recovery.^② The rise of euro-scepticism in light of such developments seemed to have served as a wake up call for the European Commission. In early April the head of the European Commission apologised to Italy for a lack of solidarity from Europe in tackling its coronavirus crisis. The apology seemed to have announced a shift towards a more proactive engagement by the EU in assisting not only its member-states but also aspiring member-states from the Western Balkans in their handling of the coronavirus and its consequences. The multitude of announced support packages and mechanisms aims to demonstrate the commitment by the EU to the region. These measures are likely to significantly contribute to the ways in which the W.Balkans countries manage the coronavirus and its consequences. In turn, their efficiency and effectiveness is likely to also play a symbolic role, one which will certainly also influence the public perception of the capacity and the leadership of the EU in the region.

^①<https://www.delorscentre.eu/en/publications/detail/publication/the-eu-facing-the-coronavirus-a-political-urgency-to-embody-european-solidarity/>

^②<https://www.reuters.com/article/us-health-coronavirus-italy/eu-commission-apologises-to-italy-over-coronavirus-response-deaths-push-higher-idUSKBN21K2AF>

Montenegro's cooperation with the international community during corona period

Milika Mirkovic

In recent period, external relations between Montenegro and the rest of the world have been based on cooperation with other countries in order to respond adequately to the crisis caused by pandemic of the corona virus. The Corona period can be characterized as a period in which Montenegro has affirmed and strengthened friendly relations with many countries, such as the EU, countries in the region, China, Turkey, United States and others. This crisis has shown that solidarity and cooperation in the donations, assistance and support, which were expressed in each field, are very important elements in international relations.

Stabilization in import of medical supplies

In order to preserve and maintain sufficient stocks of medical supplies, the European Commission, in mid-March, adopted a measure according to which Member States may restrict and prohibit exports of medical supplies. These restrictive measures also included export to Western Balkans (WB) region. As a consequence of such measures, the procurement of equipment was limited and there was a shortage of these things and items in the Montenegrin market. Export restrictions on medical supplies and food products also existed in countries in the region, such as Serbia and Croatia. However, in late April, by initiative of WB countries the EC issued a new regulation exempting WB countries from restrictions on exports of medical supplies from the EU, so that free trade cooperation with these products was restored.

In the field of improvement of international transport of goods, a new concept has been established among the members of CEFTA^① Agreement.

^① Central European Free Trade Agreement

Namely, in order to provide conditions for the smooth functioning of international trade during the pandemic among CEFTA members, a list of products that will have priority in international trade has been defined. In this way, food products and medical supplies and equipment will take precedence on the "green corridors", which imply a system of more efficient import and export of goods under accelerated customs procedures. The end result of this concept, which has been operational since mid-April, will be a faster and stable supply of essential products to the CEFTA Member States' markets.

Montenegro - you are not alone

The assistance received by Montenegro from the international community, in particular the EU, China, Turkey, the USA and others, represents a significant support to the health system in the fight to preserve the health of the population. It certainly shows the good relations between Montenegro and the international community.

Although the EU introduced restrictions on exports of medical supplies in mid-March, affecting the scarcity of many medical supplies, in the later period Montenegro was included in the EU assistance packages, as a candidate country. First of all, the EU has donated Montenegro assistance in the amount of 53 million EUR. The assistance consisted of two segments, EUR 3 million for emergency purposes, which includes medical equipment and supplies. Medical assistance includes respirators, protection masks and gloves, digital x-rays and other medical supplies necessary for an adequate response to pandemic of corona virus. In that case, at the beginning of April, the Delegation of the European Union and UNDP in Montenegro signed a contract for the purchase of medical equipment and personal protective equipment for healthcare professionals.

In addition, the EU provided additional support of EUR 50 million to remedy the effects of a pandemic. This financial assistance will be targeted at the most vulnerable segments of society and the economy. Primarily to strengthen the health sector, support enterprises and entrepreneurs and vulnerable categories of the population, but also other sectors that have

suffered damage from the effects of the corona virus. Furthermore, Montenegro can also expect an EU loan of EUR 60 million, which would represent a significant impulse to counteract the effects of the pandemic. It also indicates that the focus of EU policy is on WB countries, not just EU member states, and confirms the community's solidarity and commitment to the region, i.e. Montenegro.

In addition to the EU, other countries, such as PR China and Turkey, have also assisted Montenegro. Montenegro has always had friendly relations with both countries, and this relationship has also been expressed through the help they provided in the fight against the pandemic. China was among the first countries to send aid, consisting of medical equipment and medical supplies (protective masks, suits, tests, respirators etc.), which confirmed the friendly relations between the two nations. Good relations between the countries were also evident in individual donations and sent support. For example, medical supplies donated by the Chinese people received by the Embassy of Montenegro in Beijing amounted to more than 9 tonnes. Assistance was also reflected in the dissemination of valuable experiences in the fight against the virus. Given that the virus is a great unknown, the exchange of experience, shared knowledge and research results by China are of great value and importance in combating a pandemic. Evidence of solidarity and good relations with Montenegro was also demonstrated by Turkey, which in the previous period donated a significant amount of medical supplies, which consisted of tests, protective masks and protective suits. In addition, significant amount of medical supplies were donated, both individually and by businessmen from abroad, such as Petros Stathis from Greece and Jack Ma, founder of Alibaba Group from China.

During the "Corona Age" important messages of support were exchanged by both the Montenegrin President and the United States Secretary of State. The United States has donated USD 300 thousands through the United States Agency for International Development (USAID) and USD 15 thousands worth of medical supplies to help respond to the virus epidemic as adequately as possible. According to the data of Government of Montenegro, the United States has donated USD 1 million

to support the health system, which is covered by a USD 332 million investment by the United States in Montenegro. This also represents an important signal of deepening friendship between Montenegro and the United States

Solidarity at the forefront

Joint action in the fight against the pandemic virus is one of the imperatives and best option. Mutual support and solidarity can lead to synergetic positive results. Recognizing this as a strength, Montenegro, as the country holding the presidency of the Central European Initiative (CEI), initiated a joint meeting at the regional level with the aim of defining steps and strategies to counteract the spread of the virus, but also to remedy the consequences for the economy and find a strategy to respond to the challenges that the pandemic carries. This was the reason for the online meeting between the Montenegrin Prime Minister and the Director of the World Health Organization (WHO). In this regard, the WHO supported the initiative and where offered expert and technical assistance to WHO in organizing this important regional event.

Solidarity and mutual cooperation has been demonstrated in the field of transportation of citizens from other countries, as well as assistance in the transportation of foreigners to their countries of origin. In this case, Montenegro, in cooperation with the embassies of other countries, helped to return many foreigners to their countries. According to Government, Montenegro has helped in the return of more than one thousands of EU citizens, who were in Montenegro during a pandemic, to return to their countries. In this regard, more than 20 flights were organized, but additional support was provided for road transport. The flights organized by Montenegro to facilitate the return of Montenegrin citizens, at the same time, provided for the return of citizens to the EU. In addition, Montenegro has cooperated in providing the return of citizens to countries in the region (such as Serbia), to other non-EU countries, as well as to more than one hundred citizens in the United States. This cooperation shows the solidarity of all parties, which can contribute to strengthening and improving

relations between Montenegro and WB and EU countries, as well as countries outside the European continent.

The importance of solidarity and cooperation was also recognized at the NATO Alliance's online conference, which was organized in early April this year. The conference was attended by NATO foreign ministers, including Montenegro's representative. The main topic of the meeting was the security implications of the crisis caused by pandemic to NATO Alliance and its member states. The result of this meeting is a Declaration that highlights solidarity and cooperation that should contribute to combating the coronavirus pandemic. The advantage of the Alliance lies in the large capacities that can be used to transport medical equipment among Member States, but also providing support by medical staff, knowledge sharing and practice. In that case, Montenegro has already received assistance from NATO, which is reflected in logistical assistance and transportation of medical supplies and donations from other countries. In this regard, the Netherlands, as a NATO member, financed the transport of medical equipment from China. Similar assistance and help Montenegro can expect in following period. In addition to the Netherlands, other NATO members participated in (such as United States and Turkey).

Poland's foreign policy and its fight against coronavirus

Joanna Ciesielska-Klikowska

In the face of the SARS-CoV-2 epidemic that is ongoing in the world, the Polish government is trying to maintain solidarity and support international cooperation. Its effect is material and human assistance for the regions most affected by pandemics. At the same time, however, Warsaw indicates that the European Union is not doing enough to combat the deadly disease, and the president of the ruling Law and Justice Party openly criticizes the EU, arguing that the only solution is the return of strong nation states.

Given the scale and speed of spreading of the virus in Europe, Poland reacted extremely quickly by introducing severe restrictions on people-to-people contacts (March 14, 2020). The goal was to flatten the sick curve as soon as possible and strangle the virus. Currently, it is difficult to predict whether such drastic restrictions on movement, work and education will actually have long-term desirable effects, however, according to official data, Poland has statistically few cases of illness and death caused by the epidemic (as on April 24: number of patients 10511, number of deaths 454). Meanwhile, the virus is raging in many regions of Europe and the United States, where it takes a tragic toll.

Support for European countries in the face of pandemic

The Polish side decided to involve in helping Italy, the country sharp affected by the virus. Group of Polish doctors and rescuers went to Brescia on March 30 to support the Italian health service at the epicenter of the coronavirus epidemic in Lombardy. It was an initiative of the Military

Medical Institute in cooperation with the Polish Center for International Aid. Together 15 people were involved in the mission - including 7 intensive care physicians and other medical professionals. Assistance to doctors on the spot in Italy was also an opportunity to exchange experiences regarding the forms and ways of organizing the national health system in terms of the effectiveness of managing the fight against the COVID-19 epidemic.

In addition, on April 7, transport with medical supplies intended for the Italian health service, left Warsaw. 20,000 liters of disinfectants, produced and transferred by the state-owned company Polfa Tarchomin, were transported to medical facilities in Veneto in northern Italy, and to the hospital in San Marino.

Similar assistance has also been organized for Spain, since Spain has also been experiencing the tragic effects of the COVID-19. The Polish government has therefore taken steps to support the efforts of the authorities and the determination and involvement of the Spanish medical services in saving the lives and health of citizens. On April 16, transport set off with a gift of 20,000 liters of Trisept Complex disinfectant liquid, manufactured also by Polfa Tarchomin. This material help for Spain was consulted within the framework of the NATO mechanism of the Euro-Atlantic Disaster Response Coordination Center (EADRCC).

In addition, Poland remains in solidarity in the fight against the coronavirus with its closest neighbours, especially Belarus. Convoy carrying disinfectants (50,000 liters) and antiseptics (30,000 liters), as well as surgical masks (100,000) and a 1,000 packages of Arechin drug (used as adjunct therapy in beta coronavirus infections such as SARS-CoV, MERS-CoV and SARS-CoV-2), set off from Warsaw to the capital city of Belarus on April 23. Assistance will be provided through the Solidarity Foundation, and the recipient of the gifts is the Republican Medical Response Center in Minsk, most involved in the fight against pandemic in this country.

Polish support for the United States

Poland is also involved in helping the USA. On April 18, President Andrzej Duda spoke by phone with Donald Trump about Polish-American cooperation in the age of epidemics, NATO's involvement in the fight against coronavirus and medical cooperation. The conversation took place on the initiative of the US leader. Presidents agreed firstly on cooperation between research institutes in vaccine and coronavirus research. A declaration of openness of the American side to cooperation with Polish experts and joint research on vaccine and medicine for this disease was expressed. They discussed moreover the issue of modern, rapid coronavirus tests, which Poland wants to obtain from the USA.

Secondly, the talk concerned NATO's involvement in the fight against coronavirus. Presidents emphasized that NATO needs a strong and clear role in this situation. Their conclusion was that the possibilities of a greater involvement of NATO forces in military capabilities and medicine, as well as other resources that are at NATO's disposal, should be implemented.

Thirdly, the leaders agreed to send a Polish medical mission to one of the largest pandemic outbreaks in the US - Chicago, Illinois (a city with the largest group of migrants of Polish origin, about 1 million). Polish medics are to support the local health service and also undergo a practice in the treatment of patients infected with coronavirus. The mission of Polish doctors in Chicago is to be of a military nature. It will be attended by medics who were in Italy at the beginning of April 2020, and aims to use their experience.

Cooperation within the EU

European Union remains the area of the most important cooperation during the pandemic. Yet, the Polish government has repeatedly demanded support from Brussels, indicating that the EU is doing little to help the Member States. From the beginning of March, Prime Minister Mateusz Morawiecki and Minister of Health Łukasz Szumowski, as well as other high-ranking politicians of the ruling Law and Justice Party (Prawo i

Sprawiedliwość, PiS), have constantly publicly indicated that Poland does not receive any material and financial support from the EU. These were surprising statements, given that the EU in fact offers broad resources to fight the effects of the epidemic and help those affected.

It is worth emphasizing that in many situations Poland, at its own request, has resigned from participation in European support mechanisms. An example of this is the fact that Poland was not a member of the EU Permanent Working Group of the Health Security Committee on Preparedness and Response Planning, which deals with the preparation of responses to health threats. This group has already been developing an action strategy since January 2020. Planned were inter alia joint purchases of medical equipment. Eventually, Poland joined the joint procurement mechanism only at the beginning of March, when the tender for masks and coveralls was already decided. Therefore, Poland had to purchase this equipment independently, without discounts negotiated by the Community.

Only from the end of March the Polish government began to actively cooperate with Brussels, counting on quick support from EU funds. One of the elements of this support is the Recovery Fund, which is to help boost European economies after the coronavirus crisis. Its appointment was decided by the leaders of the 27 EU Member States. There are not many arrangements as to shape and funding of the new support mechanism, although its amount is estimated at a total of EUR 2 trillion in 7 years time. According to the Polish side, the fund should have non-returnable instruments that would complement the loan funds. In addition, the Polish side also wants to enable the implementation of projects within the EU to rebuild the local economy. The premise is that governments and regions should have an opportunity to use EU funds and support health care and reconstruction of the economy, without having to co-finance projects from national budgets.

Moreover, the need to create a special solidarity fund, amounting to EUR 50 billion, to support health care in all Member States during the crisis and in the post-crisis period is also pointed out. Additionally Warsaw proposes involvement in the SURE short-term work support program.

Based on guarantees from the Member States, it is to provide them with EUR 100 billion for salaries for employees who would normally be dismissed or worked on a smaller scale.

These ideas, although valuable and important, are nevertheless presented in an atmosphere of doubting EU solidarity and mutual assistance. As a result, the impression of Brussels abandoning Poland is growing. The government side together with President Duda indicate that there is support, but still not sufficient. Additionally, the unity of the Community is doubted by the PiS leader, Jarosław Kaczyński, one of the most important politicians in the country and crucial political strategist. In a recent interview, Kaczyński pointed out: “For several years the opposition parties have been trying to convince that we are a member of a European family - whatever that means - and therefore we should be loyal to the EU, to its rights, and not to the rights created in Poland”. Meanwhile, according to PiS leader, the EU does not work in crises, and requires very serious reforms and changes. Answer to a weak Union should be a return to strong nation states.

This is a very risky claim, created by Kaczyński solely for the need to consolidate his own hard electorate and often against the opinion of a large group of Poles. The latest IPSOS research shows that more than half of Poles (54%) demand a stronger, more united Union; and 34% demand the construction of a “Europe of Nations”. The policy pursued by PiS is therefore designed for the needs of this group, and foreign policy is to serve the implementation of internal policy. In case of Poland, this is not the first time politicians are playing the European card to win votes in the country.

External help for Romania in times of coronavirus

Oana-Cristina Popovici

Romania is both a receiver and a provider of assistance for countries confronted with the effects of the coronavirus pandemic. European Union's (EU) help is essential in restarting economy and the funds received so far are targeted towards the small and medium sized enterprises (SMEs) and agricultural sector. At the same time, it benefited of exchange of experience with other countries on the topic of coronavirus and donations which targeted the heavily pressured medical system. As a donor of assistance, Romania is part of the initiative Team Europe, providing assistance to countries affected by the health crisis. In the context of EU negotiations for a roadmap and economic plan, Romania supports the creation of an Economic Recovery Fund, while granting high importance to the traditional EU policies, cohesion and agriculture.

Besides the direct impact of coronavirus in the economy and its strong impact on the medical system, the pandemic also generated a humanitarian crisis which tested the solidarity of countries in the EU for combatting the effects of coronavirus. External help was seen as essential given the pressure in the medical area and the lack of equipment and apparatus for dealing with a large number of infected persons, at least on the short term, while some of the national companies converted their activities in order to supply the needed goods in the health sector. However, on the long term, financial support is a request for the recovery of the economy, and EU countries are dependent on the decisions taken at the EU level. Confronted with keeping budget deficit in reasonable limits, Romania has a keen interest in accessing funding sources for supporting affected companies and sectors.

Romania's interests in the EU economic recovery plan

Since the end of March, the EU leadership announced the preparation of roadmap and an action plan for the socio-economic recovery after the coronavirus crisis. The European economies are strongly interconnected; therefore, recovery will come at a faster pace if acting together. In its essence, the post-coronavirus economic recovery is meant to be supported by the revitalization of the single market, to support a strategic autonomy of the industry to reduce dependence on foreign supply chains and to design a Marshall Plan-type investment effort. However, there are still divergent views of Member States (MS) on post-crisis financing of the European economy.

In this context, Romania supports the idea of a roadmap, emphasizing the need for substantial funding at European level for efforts to combat the effects of this crisis. In a recent speech, President Iohannis stated that he endorses the creation of an Economic Recovery Fund in the benefit of all the MS, as an additional tool to the support measures already taken at European level. This instrument must be complementary to the funding from the future budget of the EU for the period 2021-2027 and be used for the real sectoral needs of the MS. In addition, Romania will back traditional policies, cohesion and agriculture, which keep their relevance in the actual context and are meant to decrease the development gap between the regions and countries. One of the objectives of the European Economic Recovery Plan should be that of ensuring a massive investment program, focusing on the significant consolidation of key industries and the relaunch of the severely affected industries and services. Another sector under careful consideration for an extended support is the health one. President Iohannis considers that the EU capacity in this area should be consolidated and MS should be assisted for significantly improve their national health systems.

External help for Romania

In the context of the temporary framework adopted by the EC to allow MS to use all the flexibility provided by State aid rules to support the economy in the context of the COVID-19 pandemic, Romania benefits of

an aid scheme of EUR 3.3 billion for supporting SMEs. Under this scheme, funding will be provided in the form of direct grants and state guarantees for investment loans and working capital financing. In the case of direct grants, the support per enterprise will not exceed EUR 800 000, while state guarantees are limited to maximum six years. In this case, the EU help is provided through an increased flexibility of legislation, which allows MS to reallocate budgets internally for recovering the economy and reorienting some European funds that they had at their disposal in accordance with the actual needs.

Romania also obtained the EC's approval for recalculating the amounts of money received by the farmers growing vegetables in protected areas, such as greenhouses and solariums, given the decrease in vegetable consumption, the weak association of such farmers and therefore the low degree to which they can capitalize on their production. As a consequence, some of the farmers might receive this year a double amount, about EUR 5,000 per hectare, the increase of the ceiling for coupled support being allowed by the EC.

Another EU instrument for helping the Member States could be provided under the Support to mitigate Unemployment Risks in an Emergency(SURE) Mechanism. EU countries could benefit of loans on favourable terms for tackling sudden cost increases. They could be directed towards covering the costs of short-term job creation schemes and other similar measures for self-employed persons, who do not work during this period. Through this mechanism, EU states will also be able to provide funding to farmers. Companies in difficulty are also helped to support a temporarily reduced working time, while the government is paying to the employees the value of the not worked hours.

In addition, EU countries have access to the European Investment Bank (EIB) financing initiative in the fields of agriculture and bio economy. The initiative provides loans totalling almost EUR 1.6 billion for European private companies operating along the entire production and processing chain of food, bio-based materials and bioenergy. The program targets the maintenance and creation of jobs in rural areas, thus helping their

development. It is expected that the long-term financing program will continue with emphasis on innovation, climate action, environmental sustainability and rural development.

US State Department also pledged USD 800,000 to Romania to fight with new coronavirus. In fact, there is a bilateral Strategic Partnership between the two countries. With US support, Romania has used transport aircraft under the auspices of NATO's Strategic Airlift Capability to bring essential medical supplies to the country. In a NATO meeting at the beginning of the month, the Minister of External Affairs stressed the important role of emergency air missions in ensuring the transport of medical equipment and pointed out that Romania was the first allied state to use the strategic air transport capabilities available to NATO for the transport of such equipment and necessary materials from the Republic of Korea.

With the help of the Chinese ambassador in Romania, an online meeting between doctors and Government representatives from China and the Secretary of State of the Ministry of Health in Romania was organized, with the aim sharing good practices. Talks involved topics such as the detection methods and diagnostic standards for coronavirus, drug selection, treatment methods for special patients, prevention among medical staff.

A medical donation consisting in several pulmonary ventilators and medical supplies necessary for the treatment of patients infected with the coronavirus was directed towards the County Hospital of Suceava, situated in the most affected area, by the Pope Francisc. Romania is celebrating, this year, 100 years since the establishment of diplomatic relations with the Vatican.

Romania's involvement in providing assistance to countries affected by the health crisis

In the context of the pandemics, each country could contribute with its resources, either human capital, know-how or material goods for helping the most affected ones, and, at the same time, is a recipient of assistance. Romania is in both positions, as it is struggling with keeping expenses

under control given the large public deficit and it is confronted with the precarity of the medical system. At the same time, it is involved in the assistance efforts EU will provide to developing and least developed countries in the world for managing the COVID-19 pandemic.

EU Member States are supporting the initiative Team Europe, which is the EU's contribution to the United Nations' coordinated Global Humanitarian Response Plan. In response to the EU's call, Romania has reconfigured 55% of its 2020 assistance and humanitarian projects, managed by the Ministry of External Affairs and the Development Cooperation Agency (RoAid). In this context, Romania give priority to the following dimensions: strengthening the institutional capacity of health systems in recipient states, ensuring food security and sustainable water management, combating false news in the context of the pandemic. Against the background of the limited resources that Romania currently has for development assistance, the efforts of the Ministry and RoAid are aimed at attracting the private sector and non-governmental organizations in projects dedicated to combating the pandemic in the neighbouring states of the EU, with priority given to vulnerable partner countries where health systems are outdated. Regarding the beneficiary states, Romania considers that it is important to concentrate European assistance efforts in areas in the vicinity of the EU. In this context, Romania's support is targeting the countries in the Eastern Partnership, the Western Balkans and the southern neighbourhood, especially in Africa.

The pandemic confirms steel friendship between Serbia and China

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Abstract

Republic of Serbia is among countries that have been faced to various challenges posed by the changed world order. Although the list of those challenges already has been diversified, the outbreak of the COVID-19 pandemic made it even more variegated. Despite the fact that government reacted promptly with comprehensive measures, external help was needed. As many times before, this bleak times confirmed firm relation between Serbia and China known as steel friendship.

Since 6th of March, when first COVID-19 infection was confirmed in Serbia, until the last day of April, totally 8724 of 78942 tested persons confirmed to be infected while 2470 of them have been hospitalized. Unfortunately, 173 persons passed away which makes a Corona virus death percentage of 1.98%.

At this point, another comparison between 6th of March and 30th of April should be made. As probably in the most of countries, on that very first day, when first patient was detected, people were not aware of the scope of threat that novel corona virus has brought. There was only narrow circle of those knowing what China went through and why particularly that approach that China has chosen was the winning one.

Luckily or both luckily and wisely, Serbian government, looking after Chinese, proclaimed state of emergency on March 15th, advising, wherever is possible, working at home; introduced online education for all levels; proclaimed strict prohibition of moving from 5 P.M. to 7 A.M., while older than 65 are not allowed to leave their apartments except at

certain cases (medical needs, basic supply on Sundays from 3 A.M.- 8 A.M.). Although photos that constantly were coming from Spain and Italy were frightened and heartbreaking, Serbian people, significant number of them, kept its stubbornness and self-willingness. Like that stories that they were hearing about urgency to make painful choices in Italy and Spain, to decide who should be given the chance to survive, were not meant to cast long shadows, Serbian people wasn't eager to give up socializing. As time passed by and Orthodox Easter was approaching, there were even more and more pressures posed not only by ordinary people, but from the Orthodox Church itself to loose a ban. Despite all that, government remained firmed and didn't change its decision considering it as the substantive part of the first line of defense.

The other, equally important part was empowering the state health system. Serbian government put all efforts to make it to work as efficient as possible, to be capable to take care of every patient. Notwithstanding those efforts neither the government's intention, there were objective obstacles that Serbia couldn't pass by its own. Medical supplies were limited; there weren't enough protective masks nor clothes, but also the lack of ventilators that were only guarantee for the most difficult patients that they might survive.

Serbia asked the EU for help, but was turned down or, at least, put on ice. Despite decades of proclaiming solidarity, with the outbreak of COVID-19, situation dramatically changed. Suddenly, narrow, egoistic interest bursted out and not only that EU decided not to export medical supplies to other countries, they decided not even to provide help among them. First Italy, than Spain was left alone.

Serbia was not surprised by this type of the EU's reaction. If any country has ever experienced the EU double standard policy, Serbia has. The EU or its member states are excellent proof that interests are the core values of the EU.

But reality has both white and black side. As many times before, Chinese saying that friend in need is a friend indeed, proved to be true. Friendship and cooperation between two countries has been carefully built

for decades have gleamed even brighter. (One of the recent examples of Serbian devotion to nourish bilateral relations with China was Serbian Ministry of Foreign Affairs, Mr. Ivica Dačić, visit to China on February 25th, at the time when China still led its fight against corona virus. That visit made him the only European country high official that visited China after the pandemic has been proclaimed.)

China reacted extremely promptly. First plane from China landed on Belgrade airport on March 15th, the same day when state of the emergency proclaimed. Cargo that was carried by this plane was consisted solely of test for COVID-19 detection. The next plane came on March 21st, doctors that were saving lives of Chinese citizens in Wuhan, came to Serbia to help in saving lives of our citizens. Seven experts were in this medical team and apart from their experience and knowledge they brought medical supplies such as tests, ventilators, protective clothes and masks.

Chinese experts immediately were involved in functioning of Serbian medical system; they visited many hospitals, valuing the way of organization and protocols that were implemented in treatment of the patients. Their practical knowledge was so wide, that they even advised about the disinfection and ventilations systems of the hospitals. Listening to those doctors helped Serbian people finally to realize how dangerous and demanding this virus is.

In following days, until the end of March, seven additional planes came from China. Medical supplies kept flowing into Serbia. To largest extent they were donated to Serbia by Chinese government, but some were donated by private companies and Chinese citizens.

For all that time communication channels between our two governments were very active. As real friend of Serbian people, President Xi Jinping, sent the telegram of support and sympathy in this the most challenging moment of the XXI century. As always, China will support Serbia both politically and economically. Those words were supported by three new planes that landed in Belgrade during the first half of April. Apart from, let's say, regular medical supply, two of planes brought very interesting cargo. On one of the planes were four million masks and 14

experts that will help Serbia to install two, just purchased, machines capable to produce 190 000 masks on daily level. The other plane, the one that came punctually a month after the emergency state has been introduced, on April 15th brought the most sophisticated equipment for two modern laboratories. Both laboratories Chinese Government donated to Serbia.

One of the laboratories is situated in Clinical Center of Serbia, in Belgrade, and is known as “the fire eye”. As explained, the origin of the name is from one of Chinese myth of an eye that is capable to see evil spirits and demons. Capacity of this laboratory is 2000 tests per day. The other is installed in Nis and its capacity is 1000 tests per day.

As Chinese Ambassador in Serbia, Ms. Chen Bo said, this is the only one of many examples of steel friendship that bonds two countries. Madam Ambassador repeated that two countries are standing shoulder to shoulder in this demanding fight.

Such attitude and Chinese experience will be crucial in a battle that Serbia still has to lead in this fight against the plague of XXI century. Foreign policy course that Serbia has set is very favorable, but this type of cooperation will bear the fruits only if citizens kept there awareness how partial limitation of their freedoms is the only way to secure the future.

Slovakia's diplomacy and the COVID-19 pandemic

Juraj Ondriaš

The COVID-19 pandemic continued to be the dominant issue for Slovak diplomacy in April – whether through monitoring the situation abroad, repatriating Slovak citizens, acquiring medical material, sending medical aid abroad, or negotiation crisis responses within the EU. Although the first case of the disease in Slovakia was confirmed on March 6th, the main growth of the infection curve came in early and mid-April. Slovakia entered April with 400 cases, which increased to 1 403 by April 30th. The first two deaths were reported on April 6th, while at the end of the month the death toll was 23 people. The new government, which took power on March 21st following parliamentary elections on February 29th, generally continued the policies of the previous government to contain the virus. For example, on April 8th, the government renewed controls at the borders with its EU neighbours. These controls will continue till at least May 7th.

One of the initiatives reconsidered by the new government was repatriation of Slovaks stranded abroad due to travel restrictions and lockdowns. From April 2nd, registration of Slovaks abroad for repatriation was halted, due to concerns that many were abusing the system by returning to the country from which they arrived, expecting they would be repatriated again. However, previously registered repatriations continued – on April 2nd, these numbered 6 190 from over 100 countries, of which 70% were from Europe. By then, around 3 500 Slovaks had been repatriated, which increased to 3 723 by April 20th. But if the number of registered Slovaks was too low, as was the case in Mexico, the repatriation was cancelled due to limited capacity of the Slovak plane fleet. For the same reason, the Ministry of Foreign Affairs (MoFA) urged candidates for repatriation to travel as close as possible to Slovakia on their own. Repatriation took place either by bus, which was free (i.e. financed by Slovakia) or by plane, which was paid for by the repatriated citizens. On the other hand, Slovakia entered

into agreements with other EU members, both to repatriate their citizens, or to have Slovak citizens repatriated by their efforts. Over 550 Slovaks were repatriated by other EU states by April 20th. It is clear, however, that the MoFA was not prepared to handle the transportation of the required number of people on short notice. Another limitation was the insufficient capacity of quarantine sites for repatriated citizens. This unpreparedness is a problem to be addressed by the current and subsequent governments to avoid it in case of future crises.

Slovak diplomacy was also involved in the EU response to the pandemic. For instance, the EU helped coordinate and finance repatriation. Slovakia also benefitted greatly from the EU decision that previously unused European funds (which would originally have had to be returned) would be made available for combating the virus. On April 3rd, after an informal videoconference of the Council of the EU, Slovakia was promised an additional 5 billion Euros to aid in the fight against the coronavirus. Countries had more latitude on how they could use the money compared to previous funds, provided that the relevant ministries draw up plans on where the funds are most needed. Slovakia was represented by State Secretary of the MoFA (i.e. deputy minister) Martin Klus. This was because the actual minister, Ivan Korčok, was in mandatory two-week quarantine. As he had previously been Slovakia's ambassador to the USA, he had arrived from there to take up his new position after the elections. During his quarantine, he was represented by Martin Klus in professional matters. In representative matters Korčok's duties were taken on by Vice-Premier Richard Sulík, chairman of the classical-liberal SaS (Sloboda a solidarita, Freedom and Solidarity) party, which nominated Korčok and Klus to their new positions after the election. Korčok finally took up his position on April 8th.

Apart from focusing on the EU itself, Slovak diplomacy did not neglect regional matters relating to the pandemic. Also on April 8th, the Foreign Ministers of the Visegrád Four countries held a videoconference on which they agreed on the creation of a V4 fund for the six countries in the Eastern Partnership of the EU (i.e. Armenia, Azerbaijan, Belarus,

Georgia, Moldova, and Ukraine) to help mitigate the effects of the coronavirus pandemic in these countries, under the name of V4EastSolidarity. This was added to the aid allocated to the region by the European Commission, which was supported by Slovakia and the other EU members at another Council of the EU videoconference on April 22nd.

One controversial topic of the EU response to the coronavirus is aiding the EU-wide economy by issuing common Eurobonds. This would mean the transfer of wealth from EU members countries weathering the economic aspects of the coronavirus crisis relatively better, to those members which have larger economic problems. Slovakia was and remains skeptical towards the Eurobonds, since it was not hit as hard as the countries supporting the Eurobonds. This stance is made all the more relevant because one of the parties of the new governing coalition is SaS, which is possibly the most hostile of the relevant parties towards subsidizing member states seen as irresponsible and generally wealthier than Slovakia. SaS, with its emphasis on fiscal responsibility, has quite a reputation in this respect, as the last time it was in government in 2012 it refused to back a vote of confidence in that government over the Slovak contribution to a bailout to Greece during the Greek debt crisis, which led to the fall of that government. Many Slovaks would also probably be skeptical of the need for aid toward the wealthier EU countries such as Italy, Spain or Belgium, even though the government emphasizes that they are not responsible for the COVID-19 outbreak and are as much victims as Slovakia, and therefore deserve to be helped. The counter-argument of their opponents is that the severely hit countries have a major responsibility for their situation, due to their delayed and ineffective reactions to the threat.

However, Slovakia does not deny the need for solidarity within the EU, if only to prove that it is a constructive EU member. Being one of the EU members least hit by the virus, Slovakia also offered to aid the more severely affected countries. For example, on April 20th, Slovakia sent 316 000 &Euros worth of aid to Italy in the form of 300 000 face masks and 500 liters of concentrated disinfectant. Slovakia also offered to send

medical personnel, lend medical equipment, or accept patients from Italy into Slovak hospitals. Slovakia also gave aid to three hospitals in Moldova.

After the EU summit on April 23rd, discussion turned from Eurobonds to a reconstruction fund, which Slovakia supported. In the debate whether the fund should consist of loans (advocated by the wealthier contributor Northern members of the EU) or grants (supported by poorer Southern members hit hard by the virus) Slovakia preferred loans, due to its emphasis on fiscal responsibility and better results in the pandemic, meaning it would not need the fund as much. New Slovak Prime Minister Igor Matovič claimed it would help Slovakia twice as much as EU funds, but insisted on more flexibility for the specific needs of the EU members. He also called for a greater role for the Commission in public procurement of medical supplies.

In late April, travel restrictions began to be gradually lifted. Notably, the government scrapped a planned directive obliging citizens crossing borders daily to work in the Czech Republic or Austria and then returning home from proving that they did not have the virus by showing a negative test not older than 30 days from May 1st. The plan had been unpopular, since the required type of test, the PCR test, was rather expensive to be taken regularly, and results took too long to be practical. This relaxed measure applied to those people living up to 30 km away from the border. However, in cooperation with neighboring countries and starting from April 23rd, Slovak authorities mandated that these workers were obliged to present a form in three languages (Slovak, German and Hungarian), affirming they were employed abroad. Any minors accompanying these workers were also exempt from entering into quarantine, or if they were under three years old, from having to provide tests, due to a scandal when a minor was not allowed to cross the border by Slovak border police. Furthermore, Slovaks working in health and social services in regions of Austria and the Czech Republic directly bordering Slovakia were exempted from quarantine. They however still needed to present an employment certificate and a negative COVID-19 test not older than 96 hours. The same measures were valid for students travelling abroad for exams.

These measures demonstrate that combating the pandemic was an issue of regional cooperation, rather than unilateral or EU-wide responses. This was mainly due to the interconnectedness of the economies in the border regions of the Central European countries. This would suggest that while multilateral cooperation within the EU will be strengthened, it will mostly be intergovernmental rather than supranational cooperation. This is also seen in the way EU members closed their border without regard for the Schengen system. However, the potential success of the Eurobond advocates could signify a stronger supranational approach. The same goes for the reconstruction fund, whose working the member states delegated to the Commission. In that case, Slovakia, whose priority is to be part of any future EU core, would go along with the majority of EU states.

Slovenia joining forces with the EU foreign ministers on a coordinated international response to the COVID-19

Tina Čok

Summary

Most Slovenian citizens, who were blocked worldwide because of the spread of Covid-19 and wanted to return to their homeland, have returned home. The number of citizens who wanted to return to Slovenia because of the Covid-19 epidemic has decreased significantly in recent weeks, which is why the Consular Crisis Cell ceased to operate on April 26. In the meantime, Slovenia is actively participating in the EU's response to the Covid-19 pandemic, in particular by sending material aid to the Western Balkan countries.

More than 2000 Slovenian citizens have so far returned to Slovenia, more than 500 were organized homecomings

According to the Ministry of Foreign Affairs, about 450 Slovenian citizens returned to Slovenia by early summer on extraordinary flights. The MFA also indicated that about 120 citizens were brought home by special bus services. About a thousand citizens returned to their homeland with the help of colleagues from the Slovenian diplomatic and consular network around the world. Special planes for the organized return were available until 6 April. After this date, assistance is only possible through diplomatic exchanges and European aid. A considerable number of Slovenian citizens returned to Slovenia via Lisbon airport, as well as travelers from Scandinavia, the Baltic countries, Iceland and Thailand.

According to the head of the consular section, Andrej Šter, a larger aircraft with about 200 seats was flown in from London, which accommodated all Slovenian citizens from the United Kingdom and Ireland who wanted to return home. About ten Slovenes also returned from the

United States on a Hungarian plane that landed in Budapest. They all returned to Slovenia in an organized manner.

Two Slovenian soldiers participating in a peacekeeping mission in Afghanistan also returned to Slovenia. Due to the current situation and in order to avoid quarantining the soldiers in Italy, the Slovenian Armed Forces sent them a smaller military plane, which also brought home a Slovenian temporarily resident in Rome who had asked for help some time ago.

Before the outbreak of the epidemic, the Ministry of Foreign Affairs set up a Consular Crisis Cell, staffed by diplomats and employees from various sectors and departments of the Ministry. Their main task was to convey the message "Here we are, we will help you". Day after day they received calls from Slovenian citizens who were stuck in different parts of the world due to increasing restrictions on air and road traffic. As a result of intensive efforts and contacts by both the Ministry of Foreign Affairs and diplomatic missions and consulates, 674 Slovenian citizens and 136 foreign nationals were assisted by evacuation flights and transports. Together with those who returned on their own initiative with the help of their advice, more than 2000 Slovenian citizens have returned to Slovenia to date.

Special planes to ensure the organized return of Slovenian citizens from distant destinations, who were assisted through diplomatic exchange and European assistance, were only available until 6 April. On Sunday, 26 April, the Consular Crisis Cell ceased to operate within the Ministry of Foreign Affairs, as the number of citizens who wanted to return to the Republic of Slovenia due to the Covid-19 epidemic has decreased significantly in recent weeks. Following its abolition, all activities connected with the assistance in the return of Slovenian citizens from abroad are carried out as part of the regular tasks of the Consular Sector.

At the suggestion the National Institute of Public Health (NIJZ), the government has adopted a 14-day quarantine for all returnees from abroad at their permanent or temporary residence with appropriate conditions, such as a private room. Otherwise, alternative accommodation should be

provided. If the returnees showed symptoms of disease, they were referred to a doctor or to the testing protocol.

EU foreign ministers on a coordinated international response to Covid-19 pandemic

EU ministers of foreign affairs who hold an informal videoconference on April 3, called for continued intensive efforts to repatriate EU citizens from third countries, and for consular cooperation between Member States. They underlined the importance of the free movement of goods and the possibility of transit within the EU for EU citizens returning via airports outside their home countries. The ministers agreed that the EU must strengthen its assisting role in third countries as part of its response to the pandemic, particularly in Africa, the Western Balkans and the Eastern Partnership countries. They also called for more proactive provision of information to EU citizens on the EU's role and activities undertaken to cope with the Covid-19 pandemic.

Slovenia, represented by Slovenian Permanent Representative to the EU, Ambassador Iztok Jarc, thanked the Member States and the European Commission's European Mechanism for Civil Protection for their cooperation in repatriating Slovenian citizens. According to the data provided by the European External Action Service, the EU has repatriated around 600,000 EU citizens (data provided for April), while approximately 250,000 EU citizens remain in third countries. Slovenia is investing every effort to enable its citizens to return home from various parts of the world.

At the videoconference Slovenian representative stressed that now is not the time for competition, but for enhanced European and global cooperation. Many countries in the Middle East and Sub-Saharan Africa are affected by Covid-19 on top of other serious security, economic and humanitarian challenges they are already facing. Slovenia therefore supports the UN's call for a global ceasefire and assistance to Iran, the epicentre of the epidemic in the Middle East. In particular, Slovenia welcomed the European Commission's efforts to activate the assistance package for the Western Balkans. Assistance to future EU Member States

in containing the Covid-19 spread should be one of the EU's priorities, and transit of goods from the EU to the region must be ensured.

With regard to misinformation and communication with the public, Slovenia commended the cooperation between Member States and the EU institutions in detecting and properly addressing the growing amount of disinformation spread by certain global superpowers during the pandemic, and warned that disinformation and fake news concerning the EU's role fueling anti-European sentiment among the public will importantly shape the geopolitical future of the world. The same trend has also been noticeable in the media and digital social media in the Western Balkans. Slovenia emphasized that disinformation has to be publicly debunked with concrete activities and that the positive narrative of the EU's assistance and cooperation must be shared not only between Member States, but also in the international arena.

Development cooperation ministers support a coordinated response to assist partner countries in fighting the Covid-19 pandemic

On April 8, Slovenian State Secretary Tone Kajžer attended an informal meeting of the EU Foreign Affairs Council in the format of development cooperation ministers via an audio/video conference. The ministers discussed the EU's response to the Covid-19 pandemic and upheld a joint approach to assist partner countries termed 'Team Europe'. The main goal is to ensure emergency assistance to partner countries, particularly the most vulnerable countries in Africa, the European neighbourhood and the Western Balkans, and at the same time to strengthen the EU's role and increase the visibility of its development and humanitarian aid. The ministers talked about the need for a coordinated response of the EU and its Member States. They advocated for a single framework termed Team Europe, which will ensure prompt, comprehensive and tangible assistance to partner countries.

At the meeting Slovenian State Secretary Kajžer stressed that the world faces one of the toughest challenges in the last few decades which

demands daily adaptation and ever new measures, solidarity with developing countries and those afflicted by humanitarian crises is paramount. He underlined that special attention should be devoted to the Western Balkan countries as they must not feel neglected by the EU in this time of crisis. He called for a more topic-focussed response and said that the EU should prioritise ensuring access to safe drinking water and sanitation, as water is the cheapest and most effective means of curbing the Covid-19 spread. He also advocated the deployment of new technologies and AI in searching for answers on how to promptly respond to and solve the crisis.

As a responsible member of the international community and development aid donor, Slovenia intends to allocate all available humanitarian aid planned for this year to countries facing grave humanitarian situations to be better able to cope with the Covid-19 pandemic (Yemen, Rwanda, Western Balkans). In addition, Slovenia will reschedule all development and humanitarian projects already under way to include activities needed to fight the pandemic and its ramifications.

Slovenia has already provided material aid to the Western Balkan countries that requested it through the EU Civil Protection Mechanism. Material aid for North Macedonia was sent off in early April, and aid for Serbia and Bosnia and Herzegovina is scheduled to be dispatched by mid-April.

Conclusion

In Slovenia, the return of citizens is starting to stabilize. Most tourists returned home. The Consular Service at the Ministry of Foreign Affairs, together with their foreign missions, assisted more than 500 citizens in their homecoming. As the spread of the virus is slowly being contained in most European countries, coordinated action by the EU countries is of the utmost importance, as the time has come to assess the economic, health and social consequences of the pandemic and find coordinated strategies for assistance and support, especially for the countries that have suffered the most damage.

