

## PANDEMICS – THE CHANCE FOR EUROPE TO GET STRONGER

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*Abstract: The covid-19 pandemic has been a challenge for many countries around the world. The European Union, through its institutions and internal mechanisms, has managed to regroup in the face of this challenge and has completed the demands of the Member States. In this article, the main actions at European level are analysed, but also the plans for the next period regarding the advising of the European Union and the steps for a green, digital, healthy, strong, and equal Union.*

*Key words: Europe, action, politics, mechanisms*

### INTRODUCTION

The COVID-19 pandemic has been a challenge for society and the economy at the same time. The European Union was largely affected and health problems quickly shifted to the economy in the form of the most difficult crisis in the history of the Union. Faced with the threats posed by this pandemic, the Union has responded promptly from the very first days by adopting measures to mobilize the budget and by adopting much more flexible rules on budget and state aid. Thus, the first support measures in excess of 500 billion euros were intended within each Member State for the protection of jobs, workers but also for the support of firms. At EU level, the recovery from the COVID-19 crisis is an overall effort and a first step is to establish a recovery fund, which is accessible through a recovery plan.

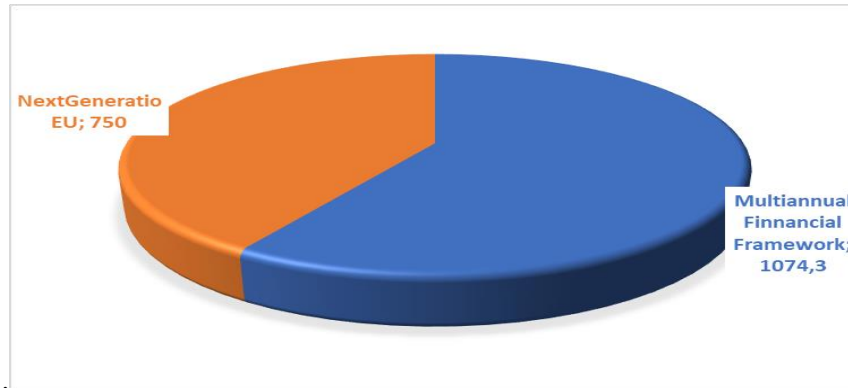
### MATERIALS AND METHODS

The article is based on the study of documents issued by the European institutions to combat the effects of the COVID-19 pandemic. Secondary data used in descriptive research was collected using documents that are available online on institutions' websites. As research methods used, the observation and textual analysis of programming documents were mainly used.

### RESEARCH RESULTS

Thus, in 2020 it was agreed that in addition to the multi-annual financial framework used for the period 2021-2027, the NextGenerationEU instrument should also be established, which is a recovery effort [2].

The latter comes to reinforce the annual financial framework which is the main instrument in the fight against the socio-economic consequences of the COVID-19 crisis.



**Figure 1. Financial instrument for 2021-2027, billion EUR**

Source: [www.consilium.europa.eu](http://www.consilium.europa.eu), 2022

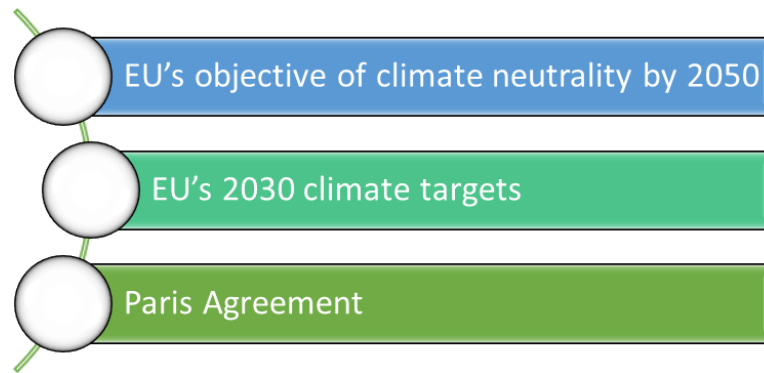
Together with the application of the recovery package, it is intended to contribute to the transformation of the European Union in a greener, more digitalized and more resilient one [4].

<b>The multiannual financial framework</b>	Single market, innovation and digital: €132.8 billion
	Cohesion, resilience and values: €377.8 billion
	Natural resources and the environment: €356.4 billion
	Migration and border management: €22.7 billion
	Security and defence: €13.2 billion
	Neighbourhood and the world: €98.4 billion
	European public administration: €73.1 billion
<b>Next Generation EU</b>	Recovery and Resilience Facility: €672.5 billion (loans: €360 billion, grants: €312.5 billion)
	ReactEU: €47.5 billion
	Horizon Europe: €5 billion
	InvestEU: €5.6 billion
	Rural Development: €7.5 billion
	Just Transition Fund (JTF): €10 billion
	RescEU: €1.9 billion

**Figure 2. Structure of financial instrument for 2021-2027, billion EUR**

Source: [www.consilium.europa.eu](http://www.consilium.europa.eu), 2022

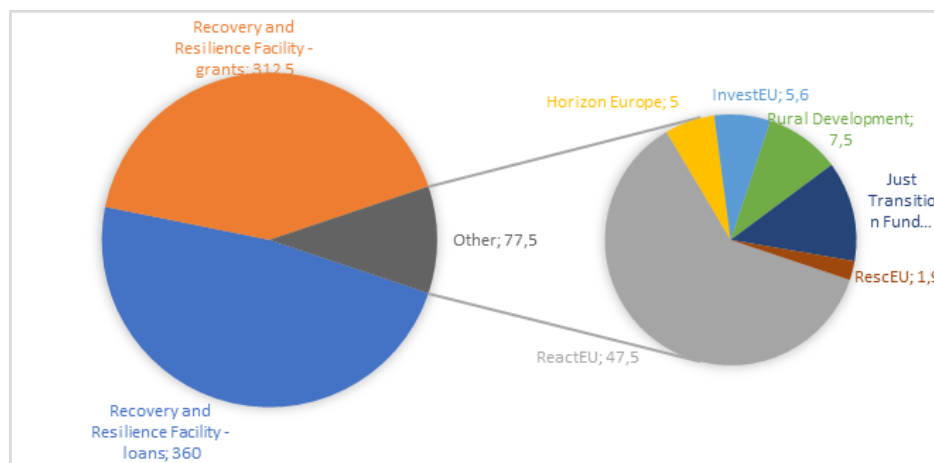
Of the financial envelope prepared for the period 2021-2027, an important percentage, namely 30%, is dedicated to projects related to the achievement of the climate objectives that the European Union has set itself [11].



**Figure 3. Climatic targets for EU**

Source: [www.consilium.europa.eu](http://www.consilium.europa.eu), 2022

The European Union is building the means to combat the effects of the pandemic on the basis of a series of capital market loans with a cumulative maximum value of EUR 750 billion. These funds will be used as part of recovery efforts through NextGeneration EU [1].



**Figure 4. NextGeneration grants and loans structure**

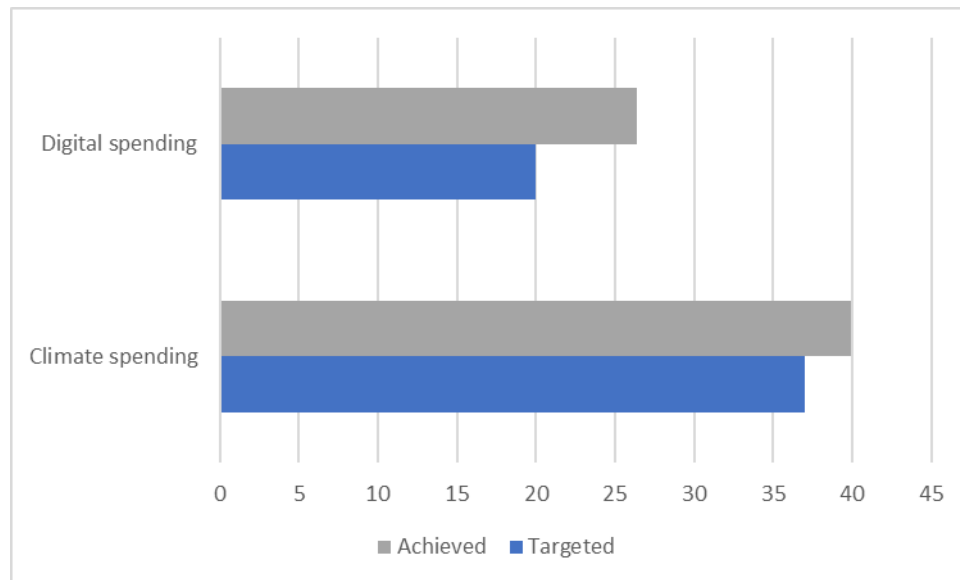
Source: [www.consilium.europa.eu](http://www.consilium.europa.eu), 2022

The funds will be available as grants, 390 billion EUR, and as loans, 360 billion EUR. Recovery and Resilience Facility represents the spinal column of recovery plan for the next period [5]. The support provided by this facility aims the social and economic fields in all European Member States [12].

A very large percentage of grants, namely 70%, was employed in the period 2021-2022. The basis of this action was the unemployment rate registered in the period 2015-2019, the inverse of GDP per capita, and last but not least the share of the population. For the 30% difference, another time interval is specified, namely the end of 2023, but also other criteria of employment: Real GDP decided in 2020, overall decrease of GDP in 2020-2021 period, GDP opposite per capita, and population percentage [10]. Even if the social and economic areas are concerned in particular, the grants also aim to support the green transition and digitalisation, both of which aim to increase sustainability and resilience [12].

The first stage in accessing the funds, was the transmission national recovery and resilience plans covering the 2026 reform and investment crisis [13]. The main policy areas seek to cover the broadest and most important directions possible, in total, in the green transition recovery and resilience plans, as climate change is a focus of European Union

policy, digitalisation, inclusion and employment, social and territorial cohesion, health, resilience, education and skills [3]. In the assessment of RRP, the Commission uses a set of criteria which aim first to ensure that the plans are coherent with the recommendations for each country, then to strengthen the growth potential through the plans, job creation capacity and economic and social resilience [6,7]. And the last criterion used by the Commission for the evaluation of plans is green transition and digitalisation, namely plans must provide for 37% of the budget for climate and biodiversity and for digitization at least 20% [8].



**Figure 5. The percentage of climate and digital spending form Recovery and Resilience plans**

*Source: www.consilium.europa.eu, 2022*

By the end of October 2022, only 24 plans had been ratified by the Council [9].

The spillover effects of NextGenerationEU can be quantified in three steps: as investments plans jointly, as separate simulations based on the plans and in the final as a difference between the GDP in the first and second simulation [14,15].

## CONCLUSIONS

The European Union institutions have reacted very quickly to the COVID crisis through the actions and measures they have taken.

European countries have shown unity and solidarity in these conditions and through the financial instruments established at Union level, they have the means to overcome the crisis and to build stronger, greener, more digitized economies.

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