

COVID-19: SYNTHESIS AND ANALYSIS OF SUSTAINABILITY MEASURES FOR THE ROMANIAN ECONOMY

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Abstract. *The crisis generated by Covid-19 is universal, affecting the world not only from a health perspective, but also from a socio-economic one. While facing an unmatched situation, governments have reacted differently in order to bolster their economies. This article deals with the support established by the Government of Romania for businesses. The analysis includes three major instruments: IMM Invest, Emergency Situations Certificate and technical unemployment. Furthermore, a number of other secondary measures along with the prepared support for economic recovery are mentioned. The study relies on official data communicated by the authorities, on petitions submitted to ministries, on press information, and on the collection and examination of statistics. How these programmes were carried out during the state of emergency, what immediate effects they had and what else should Romanian entrepreneurs expect are key questions to which this article provides answers. Technical unemployment was a necessary measure, taken in due time and prolonged long enough, but once halted, it can generate the termination of many employment contracts. The Emergency Situations Certificates, due to the low number of requests, suggest the fact that this instrument was overwhelmed by the situation. Their importance can rise during the period of economic invigoration if there will be non-reimbursable support provided on its basis. Last but not least, the IMM Programme, during its first weeks of existence, generated nine times more rejected than approved applications and offers the public space contradictory data depending on its source. In these conditions, companies are looking forward to economic recovery measures.*

Keywords: *Coronavirus, COVID-19, IMM INVEST Romania, technical unemployment, Emergency Situations Certificate*

1. Introduction

The novel coronavirus (COVID-19) started at the end of 2019 from the Chinese region of Wuhan (WHO Timeline - COVID-19, 2020), spreading until May 2020 to 122 countries and territories (Coronavirus Update (Live): Worldometer, 2020). Europe and EU states have been affected by the pandemic starting with February, and the authorities' responses have been, with few exceptions, quite similar. The most common measures were: the establishment of the state of emergency, social distancing, prohibiting events and public gatherings, closing up schools and forbidding some economic activities (Deutsche Welle (DW), 2020). In Romania, preventive measures were generally more severe compared to the

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rest of the continent. In addition to all the problems and damages caused by the new coronavirus regarding health, there is also an incommensurable number of economic risks and losses. Without comparing the effects of the health crisis and the effects of an eventual economic crisis, the present study aims to analyze the series of measures taken by the Government of Romania between March- May, 15th, 2020, namely the state of emergency, in order to support the economy, respectively to review the measures proposed for the restart of activities or the economic revival that will follow the state of emergency.

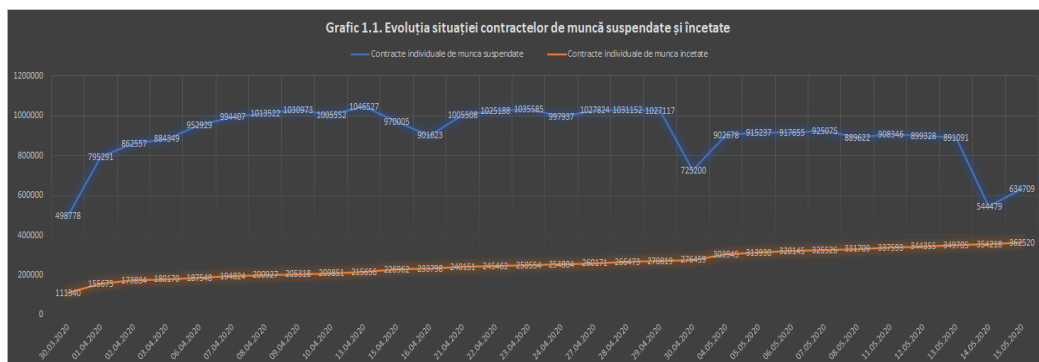
The measures to be analyzed are those regarding technical unemployment, emergency situations certificates and IMM Invest. At the same time, there will be mentions about state digitalization measures, postponement of bank loans, of rents and utilities, bonuses for timely tax payments, VAT refund with subsequent control and paid leave for one of the parents. The study proposes a historical-interpretative approach of the subject, using descriptive statistics and document analysis as qualitative methods for data examination.

2. Technical Unemployment

The first confirmed case of coronavirus on national territory was announced on February 26, preceding the first legislative action from March 6, the GSTSCBIC Decision number 6 (Grupului de suport tehnico-științific privind gestionarea bolilor în altcontagioase pe teritoriul României). Starting with March 16, Romania enters the state of emergency for a period of 30 days according to the Decree of the President of Romania regarding the establishment of the state of emergency on the Romanian territory, followed by an additional time of 30 days. Measures of utmost urgency with gradual applicability have imposed the temporary closure of some restaurants, hotels, cafés, clubs, casinos, association headquarters and other public spaces (Decret al Președintelui României nr. 195/16). These sectors were not the only ones affected by the context of the COVID-19 pandemic, and the first solutions proposed by the Government of Romania to support the economy surfaced on March 21, when Ordinance no. 30/2020 was published, dealing with the establishment of social protection measures in the context of the epidemiological situation determined by the spread of the SARS-CoV-2, which was later simplified through OUG no. 32/2020. Thus, the Government has enacted the conditions for **claiming technical unemployment** and regulated the online submission of necessary documents for social benefits during the state of emergency. Romanian companies were offered the possibility that, during the state of emergency, their employees benefit from technical unemployment regardless of the field of activity in which case, according to the employer's affidavit, the activity was reduced or partially interrupted during the state of emergency as a consequence of the coronavirus pandemic. The allowance which benefits the employees is borne by the unemployment insurance budget, but the amount cannot exceed 75% of average gross earnings provided in the Law on state social insurance budget no. 6/2020 (Ordonanța de urgență 32 din 26.03.2020). Therefore, technical unemployment can take two shapes. The first one is related to partial or total interruption of business activity as resulted from decisions taken by the authorities in the COVID context (eg. shutting down restaurants), while the second one refers to those types of commercial societies which have recorded a decrease in revenue, not in turnover, in March as compared to the average of January, February respectively. It's noteworthy that this type of facility is available to categories of beneficiaries other than limited liability legal entities, such as self-employed person, copyright or professional contracts.

We might say that the relatively new situation of technical unemployment was addressed briefly in the Labor Code, the only reference being presented in article 52 para. (1) lit.c), according to which the individual labor contract is suspended at the initiative of the employer in case of interruption or temporary reduction of activity, without the termination

of employment, for economic, technological, structural or similar reasons (art. 52 para. (1) lit. c. Codul Muncii). One interesting and noteworthy aspect for employers is that in order to suspend labor contracts there is no need for the employee's agreement. The two ordinances which regulate the method of granting technical unemployment also seem to have occurred with shortcomings, from a vague concept such as „financial capacity to pay all salaries”, to using the financial indicator- revenue- in order to justify the reduction of activity, where there might be revenue from receivables including the previous year. In any case, as it was proposed, the support granted represented for some companies an air bubble which was more than necessary, but certain warnings and recommendations articulate a serious analysis for the necessity of these benefits. To exemplify these mentions, we will portray two of the employers who represent companies affected differently by the pandemic, namely the Federation of Employers of Construction Companies (FPCS) and the Federation of Employers of Romanian Tourism (FPTR). FPCS recommends that technical unemployment be the last resort for its members, supporting the continuation of activity where possible. They believe this facility should be benefited from in a responsible manner. Technical unemployment should not be viewed as a facility from which all business „must take advantage”, but as a last resort to ensure the survival of economic operators (FPSC - Federația Constructorilor. Home, 2020). On the other hand, FPTR believes that among minimal measures for avoiding the bankruptcy of Romanian tourism there must be the Government's support of technical unemployment amounting to 75% of employee's gross salary, or a direct payment given to employees by the National Agency of Employment (Masurile minimale solicitate de FPTR in vederea evitarii falimentului turismului romanesc - Federatia Patronatelor din Turismul Romanesc, 2020). The private sector was gravely affected, reaching over 1 million suspended labor contracts and amounting over 350.000 terminated employment contracts, which represents a burden for the state budget. To reduce this hardship to some extent, the Ministry of Labor proposed a normative act regulating the introduction of a rotating work schedule in the public sector, linked with the low workload during this period of time, and the payment of 75% of salary, as is the case of technical unemployment (Șomaj tehnic prin rotație, pentru bugetari, cu 75% din salariul de bază - proiect pentru sectorul public de la Ministerul Muncii, 2020). This normative act has not been adopted anymore.

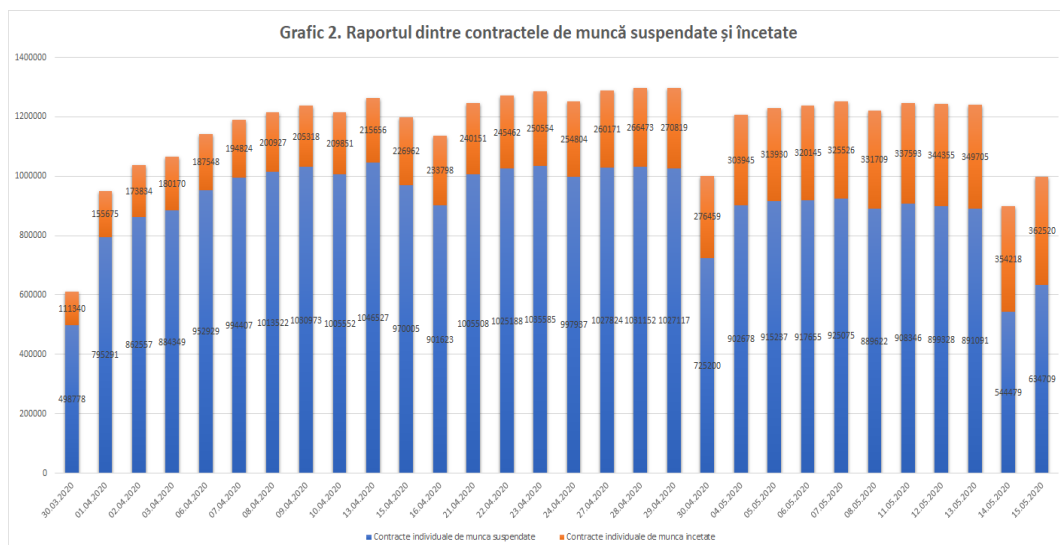


Source: Own editing, based on Ministry of Labor and Social Protection press release

The Ministry of Labor and Social Protection (MMPS) stated in a press release from March 30, 2020, that it will inform the public about the situation of suspended or terminated employment contracts during the state of emergency. The chart below indicates this evolution divided into terminated and suspended employment contracts, including the four main areas affected: manufacturing, trade, hotels and restaurants, and the construction

sector. The days not mentioned below are the ones in which MMPS has not published the data (the weekend, public holidays).

Chart 1 show the evolution of the situation of suspended and terminated work contracts between March 30- May 15, 2020. During this period, the record number of employees in technical unemployment was reached on April 13, 2020, when 1.046.527 of them were registered. Among the most affected areas by technical unemployment we name manufacturing, the wholesale and retail sector and the hospitality industry, which represent 61.39% of the total number of employees in technical unemployment on the day when the record was reached.



Source: Own editing, based on Ministry of Labor and Social Protection press release

The chart shows as well a constant growth in the first days, followed by the maintenance of the number over 1.000.000 until April 30, 2020. The significant decrease of April 30, 2020 can be explained either through employers' predictions of the possibility to resume activity starting with May, or through the expiration of requests at that time. Subsequently, by the end of the state of emergency, the number of employees in technical unemployment stabilized at around 900.000 and right before the start of the state of alert it dropped again to just over half a million on May 14, 2020. This decrease was followed by a natural growth as a consequence of the extension of this support until June 1, 2020 (Șomajul tehnic, prelungit pentru activitățile restricționate, la firme, PFA și alte afaceri, 2020). A review published by the Ministry of Labor and Social Protection claims that during the state of emergency payments of over 1.78 billion lei were given to almost 1.3. million beneficiaries (Bilanțul măsurilor luate de Ministerul Muncii și Protecției Sociale în perioada stării de urgență: plăți de peste 1,78 miliarde lei pentru aproape 1,3 milioane de beneficiari, 16 mai 2020, 2020).

Most worrisome economically speaking is not the number of people temporarily without a job or without the possibility to carry out their activity, but the number of people whose position no longer exists. Chart 2 shows the evolution of terminated work contracts in this period and the bad news is that these numbers grow daily, with out exception. 362,520 people are left jobless as a consequence of the health crisis generated by COVID-19 until May 15.

Obviously, we do not find in these statistics people who were working without employment contracts, either as day laborers or doing any other shape of work, but they are also affected. The ratio between suspended and terminated contracts shows an upward trend in percentages of the number of terminated contracts and a downward one for suspended contracts. In other words, it might be possible that some employees, after state support expires for technical unemployment, will immediately increase the number of people whose employment contracts have ended because employers are facing many problems at the moment, and an extreme gesture they resort to especially in trade, manufacturing and construction sectors, is to lay off and reduce the number of their staff. On top of existing struggles, a series of utterly complicated conditions were imposed by Ordinance no. 1731/832/2020 regarding measures to prevent SARS CoV-2 contamination and to ensure the conduct of activities in sanitary conditions in the field of economy during the state of alert (Ordinul nr. 1731/832/2020 privind măsurile pentru prevenirea contaminării cu noul coronavirus SARS CoV -2 și pentru asigurarea desfășurării activităților în condiții de siguranță sanitară în domeniul economiei, pe durata stării de alertă. În vigoare de la 16 mai 2020 Publicat în Monitorul Oficial, Partea I nr. 406 din 16 mai 2020. Formă aplicabilă la 21 mai 2020). Measures which bind the economic system to a restructuring of team management, measures which provide a delayed work schedule, ensuring the observational triage of employees, staggered lunch breaks, thermometry, disinfecting surfaces more often, all which lead to bigger costs.

3. Emergency Situations Certificate

Taking into account the Decree of the Romanian President regarding the establishment of the state of emergency, the first military ordinances of 2020 and the emergency Ordinance no. 30/2020 of the Government for the modification and completion of certain normative acts, as well as for the establishment of some measures in the domain of social protection in the context of the epidemiological situation determined by the spread of SARS-CoV-2 and the emergency Ordinance no. 29/2020 of the Government regarding some economic and fiscal-budgetary measures, the idea of an emergency situations certificate (CSU) was introduced through Ordinance no. 791 of 24.03.2020 on behalf of the Ministry of Economy, Energy and Business Affairs of emergency situation certificates to economic operators whose activity is affected in the context of SARS-CoV-2 pandemic. The Ordinance states that the companies whose activity was affected in the context of the pandemic are entitled to request one of the emergency situations certificates type 1 (blue) or type 2 (yellow). The blue certificate can be demanded by economic enterprises whose activity was totally or partially interrupted as a result of decisions taken by the competent public authorities, while the yellow one is granted, based on an affidavit, to legal entities which have recorded a loss of at least 25% of revenue or income in March or April 2020 compared to the average revenues of January-February 2020. (Modificări la emiterea Certificatelor de Situație de Urgență în favoarea operatorilor economici, 2020).

The method of obtaining these certificates is simplified, the applicants uploading the identification data and the affidavit by which they confirm the veracity of the request on the platform <http://prevenire.gov.ro>. An electronic signature is needed for registration and those of accountants are also accepted. A few minutes after submitting the documents, the certificates are issued exclusively online, at no costs. At the same time, it should be noted that these emergency certificates were not limited to sectors of activity, even if the form initially concerned only the following: transport, tourism, hospitality

industry, event planning, advertising, primary education and related activities, the garment industry, footwear and leather goods and general services.

The facilities that can benefit the enterprises which obtain emergency situations certificates are: the postponement of utility payments (electricity, natural gas, water, phone and internet services), as well as rent, the possibility of invoking force majeure against them only after the renegotiation of contracts and the postponement for a period of 9 months of existing loans introduced by OUG 37 from 30.03.2020 regarding the grant of facilities for loans given by credit institutions and non-banking financial institutions to a certain category of debtor. Even though initially the payment of technical unemployment employees was to be made based on these certificates, through the supplements and modifications introduced by OUG 32 from 26.03.2020 regarding the modification and completion of emergency Ordinance no. 30/2020 of the Government to modify and complete some normative acts, as well as for the establishment of measures in the domain of social protection in the context of the epidemiological situation determined by the spread of the SARS-CoV-2 and for the establishment of supplementary measures for social protection, this idea was renounced and the grant of technical unemployment was no longer conditioned by the attainment of the emergency situations certificate.

During April 5, 2020- May 18, 2020, a total of 50,331 certificates were requested, of which 32,974 were type A (blue) and 17,357 were type B (yellow). According to Ordinance 791 and an answer offered by the Ministry of Economy, Energy and Business Environment, the request for releasing emergency situations certificates can be submitted during the state of emergency (Q&A Obținerea Certificatului de Situație de Urgență, 2020). Emergency Ordinance no. 70/2020 regarding the regulation of some measures, starting with May 15, 2020, in the context of the epidemiological situation determined by the spread of the SARS-CoV-2, for the extension of some timeframes, for the modification and completion of Law no. 227/2015 regarding the Fiscal Code, of national education Law no. 1/2011, as well as of other normative acts, has extended the possibility to request Emergency Situations Certificates until June 15, 2020.

On May 9, through a petition addressed under Law 544/2001 on free access to information of public interest of the Ministry of Economy, Energy and the Business Environment, three answers were solicited. The first concerned the provision of a database of applications for registration in order to analyze the evolution of these applications over time and to verify the number of errors recorded, because in the above-mentioned total number we find all of the requests, including the ones which were erroneous due to lack of digital signature. The real number of enterprises which requested the Emergency Situations Certificate is thus lower. The second case was an open question, namely, if besides the declared purpose of the certificate „to obtain support facilities/measures or in commercial relations under the law” which have taken shape in the postponement of utilities, rent or loan payment and the possibility to invoke force majeure, are other measures taken in consideration to be granted based on CSU? The third and last question includes a short analysis, which predicted that in Romania there are over 700.000 businesses, of which almost 44.000 have requested CSU up until now. The percentage is 6% and it will not exceed 10% until the end of the state of emergency (n.a. this prediction came true; on May 19 the situation is at 7.2%). The question was whether this percentage reflects market reality, only 7.2% are affected according to the definition, directly or indirectly, or many entrepreneurs have not requested the CSU since they had no need at the moment or didn't consider it useful. In these conditions, regarding the economy invigoration measures, would it be fair to corroborate the support offered through non-reimbursable funds by this

Emergency Situations Certificate? If it won't relate to this, what objective indicators will be taken into consideration so that those who are really affected will benefit from the support, ensuring the chances that the public policy will be successfully implemented? In the legal deadline of 10 days, the Ministry of Economy, Energy and the Business Environment has not answered these questions. Answer number 41386/DN/16.06.2020 was received on June 17, 2020, but all the formulated answers that were provided, did not bring anything new or any sort of clarification to our study and questions.

4. IMM Invest România

The attainment of the Emergency Situations Certificate was not a necessity in the process of applying to the biggest Programme of bank guarantees for enterprises in the history of Romania (24 et al., 2020). The IMM Invest Programme aimed to offer access to work capital and investment capital to businesses through a guarantee of up to 90% of loans to the Ministry of Public Finances through the National Loan Guaranteeing Fund for Small and Medium Enterprises and subsidizing interest and bank charges (eg. Management fee, risk fee, guarantee bonus). The latter are supported through the statesupport offered throughout the loan period, and interest is subsidized until 31.12.2020 by means of a de minimis aid offered to enterprises, with the possibility to extend the period until 31.12.2022 if the economic growth estimated by the National Commission of Strategy and Prognosis for this period is under the level of economic growth of 2020.

With the allocation of the guarantee ceiling of 15 billion RON, the state wants to offer access to work capital and investment to IMMIs under the following conditions:

Beneficiary	IMM Invest Guarantee	Maximum Amount	Expenditure
Microenterprise	90%	500.000 lei	Labor capital (max 36 months): salaries, expenses with suppliers, utilities, state budget taxes, raw materials, consumables, other materials, etc.
Small enterprise	90%	1.000.000 lei	
Medium enterprise	80%	5.000.000 lei	
SME	80%	10.000.000 lei	Investment (max 72 months)

The list of expenditure is quite permissive and capable to cover the current needs of IMM sector, but there are two paths on which these loans cannot be used, namely the refinancing of other credits or the insurance of one's own contribution in European funds projects or other state aid. In order to benefit from this support, the microenterprises, small and medium enterprises have to meet a series of eligibility criteria, such as:

- To meet the SME definition (to not exceed at group level 249 employees, and a turnover of 50.000.000 € or total assets of over 43.000.000 €);
- Any organizational form of an economic activity that is SME. Examples: PFA, II, IF, CMI, SRL, SA, etc.;
- Is does not find itself in difficulty on December 31, 2019 (exception: companies which met with difficulties or went into difficulty thereafter as a cause of COVID-19 pandemic);
- Are not part of litigation, as defendant, with the Ministry of Public Affairs and/or the partner credit institution;
- Does not appear with overdue loans, including for leasing financing, in the last 6 months preceding December 31, 2019, or if they register backlog these belong to categories A, B, C, (max. 60 days delay) in the database of the Credit Risk Center, named CRC;

- Is not prohibited from issuing checks on December 31, 2019 and does not appear with major promissory notes in the last 6 months preceding December 31, 2019 in the database of Payment Incidents Center, named CIP;
- Against the IMM the insolvency proceedings were not opened under the applicable laws;
- Presents collateral guarantees to the credit institution;
- Does not record overdue tax liabilities and other budgetary receivables administered by the central fiscal body. If they record such overdue obligations, the beneficiary is obliged to pay them from the loan/ credit line of the work capital granted during the programme;
- To not request the support for a field of activity excluded from financing:
 - Gambling and betting activities;
 - Production or sale of weapons, munition, explosives, tobacco, alcohol, substances under national control, narcotic and psychotropic plants, substances and preparations;
 - Investigation and protection activities;
- To not exceed the de minimis ceiling: max. 200.000 EUR de minimis aid in the last 3 fiscal years for the sole enterprise;
- To commit not to lay off staff from 04.04.2020 until December 31, 2020. Technical unemployment, retirement or resignation are not considered redundancy;

The Programme was not lacking problems and shortcomings. Initially, the launch of the application through which the requests for enrolling in the Programme would be submitted was established for Good Friday- April 17, 2020- but, due to complications met by the platform where the registration was attempted (FNGCIMM, 2020), the launch and the functioning of the application started on April 28, 2020, 9 AM. (Aplicația pentru înscrierea în program meu limm invest Romania va fi deschisă pentru IMM-uri în data de 28.04.2020, ora 9.00, 2020). Among the problems frequently dealt with by applicants and FNGCIMM operators we mention: confirmation replies on e-mail yahoo and freemail.hu received with tardiness or not at all, the heavy wording and using of passwords, erroneous completion of the data by the economic operator or the application (IMM Invest: Răspunsurile FNGCIMM la problemelereclamate de firmele solicitante, 2020).

Until May 4, FNGCIMM processed and sent to banks for analysis a number of 20.139 requests, while other 26.000 requests needed to formulate answers to some clarifications (FNGCIMM, 2020). This effort of the FNGCIMM personnel can be seen as admirable, as they have managed to respect the promised deadline of maximum 72 hours of analysis. Nevertheless, among the 22 partner banks, on May 4, from unofficial information, no bank had internal methodological rules to implement the Programme. Thus, the fast work and speedy solutions from the first phase are ruined in the second phase of the Programme, where, for example, Banca Transilvania, which has over 20.000 requests (Banca Transilvania, 2020), wants to receive the loan records through an electronic application which, on May 10, 2020, still did not exist. So, the week after the 20.000 requests were sent to the banks, the number of loan records approved is 2. Banks' offers are almost similar financially, with a difference margin of 0.01%-0.1%, for work capital the interest is 2.5% of bank's margin + ROBOR in 3 months, and for investments 2% of bank's margin + ROBOR in 3 months. The explanation for the fact that all 22 banks who take part in the Programme have almost identical offers is that the upper limits for interest were capped through methodological rules for Programme implementation.

There are also at least four drawbacks in implementing the Programme:

- **The authorized NACE code:** the application was built by programmers so as the NACE codes of enterprises are selected from a database connected to the Trade Registry. The

shortcoming is that this database allows the selection solely of the NACE codes authorized in the moment of enrollment, while the legislation related to the Programme does not limit the right of IMMsto request loans for authorized NACE codes only. There are many entrepreneurs who wish to adapt and to have investments in new areas of activity, with NACE codes which will be authorized only after the investment is done.

- **Enterprise classification:** enterprise classification into micro, small, medium or large companies is done according to Law 346 of 2004 on the stimulation of establishment and development of small and medium enterprises. Due to the interpretable wording of this law, the operators who initially process the data in the IMM Invest application and the banks have different interpretations, especially with the bundles which form through private persons or groups of private persons. In this sense, the European Commission's user Handbook for the definition of IMMs proves itself useful.
- The IMM INVEST application with only one enterprise in the group: in response to frequently asked questions, authorities said that in case of a group of companies, only one in the group can apply for funding through this support. Fortunately, this restriction is mentioned nowhere in the legal basis, thus the answer to the question remains incorrect and can be ignored.
- **The bank's own rules are restrictive compared with IMM Invest rules** regarding the maximum amount of the loan offered to economic operators. If Government Decision 282 on final IMM Invest rules states that the maximum amount of funding is limited based on three conditions (either one of the three conditions, the value most advantageous for the beneficiary): double the amount representing salaries, 25% of the beneficiary's net turnover for 2019, respectively a value resulting from its liquidity needs for 18 months, partner banks provide for working capital the approval of the loan for the second option related to Government Decision 282. More precisely, 25% of the beneficiary's net turnover from 2019, value in which existent loans are included. To give an overview, we present a concrete example. An applicant for the working capital loan which falls into the category of microenterprises applies for the maximum value of the loan for employment, namely 500.000 lei, based on criteria number three, the liquidity requirements for working capital for 18 months. This amount is justified if we take into consideration the operating expenses from 2019, which rise to 420.731 lei, and for 18 months the company would need at least 630.000 lei. The salary expenses for the applicant in 2019 were 79.729 lei, their double is 159.458 lei. The net turnover for 2019 was 607.497 lei, 25% of it is 151.874 lei. Currently, the applicant still has a loan to reimburse with the value of 50.000 lei. Thus, the loan approved by the bank for the applicant is 101.874 lei for working capital through IMM Invest, a total of 25% of net turnover including existing loans.

In the first two weeks of the Programme (May 5- May 19), according to the declarations of the Director-General of the National Credit Guarantee Fund for IMMs, Dumitru Nancu, around 5.000 files of the total 57.800 were approved by banks (Ungureanu, 2020). Still, this declaration contradicts the analysis made by Termene.ro (ANALIZA CSU + IMMINVEST industrii/judete, 2020) and the published data of the official website imminvest.ro. This analysis shows there were only 197 loans approved by banks in May 20, 2020, which is very close and coincides with our own analysis, claiming that on the same date, until 15:56, there were 210 approved files in the database provided by imminvest.ro. This excellent analysis offered by the platform which gives legal and financial information about companies, offers real-time data for the evolution of IMM Invest, the evolution regarding the Emergency Situations Certificates and also compares the number of

businesses which have requested CSU with the ones who apply for IMM Invest, respectively it shows that only 1 in 3 applicants for IMM Invest have also requested CSU. Nevertheless, the number of rejected requests is nine times bigger, while the rest of the applications remain at different stages, such as: sent to the bank, under clarification, taken by FNGCMM or revoked. Meanwhile, on May 20 the Chamber of Deputies (decision-making body) approved the doubling of the IMM Invest guarantee ceiling of 30 billion euro, but this decision must also be approved by the European Commission before it enters into force (Programul IMM Invest plafondublat: 30 mld. lei aprobat în Parlament, 2020).

5. Other Measures of Economic Support

5.1. Digitalization, financial-fiscal system, paid leave for parents

Besides the support offered by the Romanian state for technical unemployment and for work capital and investment loans through IMM Invest, respectively in addition to the instrument of Emergency Situations Certificate, another series of measures existed during the state of emergency which aimed to bolster the economy or to contribute to the successful overcome of the crisis generated by the novel coronavirus.

The need to digitalize the state came to the fore in the midst of the pandemic because many issues and much of the institutions-citizens relationship was happening by means of physical contact, and once with the imposition of social distancing restrictions the importance of digitalization has significantly risen. The president of the Romanian Digitalization Authority claims that: „The problem of the state is more profound than the fact that websites are precarious. There comes a danger of bad procedures, which do not work well even if undigitized.” (Codrean, 2020). Emergency Ordinance no. 38/2020 on the use of electronic documents at the level of public authorities and institutions is a step forward almost as great as eliminating the obligation to use the seal. In short, OUG 38/2020 regulates the general framework for the use of electronic signature and documents at the level of public authorities and institutions. There are two directions provided by the introduced norms, on the one hand, all authorities at the time of entry into force of the ordinance must receive and accept electronically signed documents and treat them as if signed with private signature and, on the other hand, authorities are obliged to sign with a qualified electronic signature all acts issued in electronic format. What's more, in the Government meeting of May 7, 2020, the Executive adopted the Ordinance „Goodbye papers”, which imposes to the Ministry of European Funds and its subordinated structures the obligation to exclusively use the digital system and the renouncement of documents in paper format in relation to the beneficiaries with the purpose of debureaucratization and increase of transparency (Guvernul a adoptat Ordonanța „Adio hârtii” propusă de Ministerul Fondurilor Europene, 2020). Furthermore, through art. 14 from annex 1 of decree 195 of 16.03.2020 on the establishment of the state of emergency on Romanian territory, measures shall be taken to maintain the validity of documents issued by public authorities which expire during the state of emergency.

Financially and fiscally speaking, enterprises paying corporate or income tax could enjoy bonuses of 5% or 10% for the advance payment or at the latest at due date of owed taxes. (Ordonanța de urgență nr. 33/2020). At the same time, with the purpose of reintroducing money quickly in the economic circuit, at the initiative of the Ministry of Public Finance, emergency Ordinance no. 48 of April 9, 2020 was adopted, on some financial-fiscal measures through which it is established that value added tax requested for reimbursement through the expense accounts with negative VAT amount with

reimbursement option, submitted within the legal deadline, to be reimbursed by the central fiscal body with subsequent control.

Paid leave for one of the parents for children supervision, the suspension of the calculation interest and of delay demerit, the payment rescheduling granted along with the suspension or non-initiation of enforcement measures, by subpoena, the seizure and capitalization of goods at auction, of budgetary receivables, and many others are the measures taken by the Government of Romania to support the business environment during the state of emergency. The effects of these interventions will be seen in time, but for the wellbeing of the Romanian economy, at the commencement of the state of alert, the programmes and decisions regarding economic invigoration are important (Comunicat de presă, 2020).

5.2. Economic invigoration programmes

The National Liberal Government and President Klaus Iohannis have constantly claimed during the state of emergency that after the cessation or containment of the health crisis, in addition to economic support measures such as IMM Invest, technical unemployment or emergency situations certificates, they will bring a series of economic invigoration measures (Iohannis anunță măsuri de „revigorare” economică, 2020). Information on this subject has been floating in the public space since April 15, after the Minister of European Funds, Marcel Boloș, announces for the first time some measures taken into consideration, during the Show ”Fără Nume” moderated by Lucian Mîndruță (Live - Cum restartăm România cu fonduri europene, 2020). The four abovementioned measures which started to materialize in the next month were the non-reimbursable aid for work capital- a grant of 10% of turnover in 2019 to cover losses during the state of emergency, non-reimbursable aid through consumption vouchers offered to employers and employees, support from non-reimbursable funds to reactivate employees returning to work from technical unemployment and, last but not least, a de minimis aid of up to 800.000 euro for investment (Ministerul Fondurilor Europene a obținut 1 miliard de euro pentru IMM-uri de la Comisia Europeană, 2020). Based on the declarations of the same Minister, the possibility of resuming two important programmes within the Regional Operational Programme was taken into account, namely Investment Priorities 2.1A for microenterprises and 2.2 for small and medium enterprises.

Following consultations of interested parties, such as Management Authorities which handle European funds, at the beginning of the state of alert, the programmes presented, which amounted to about 1 billion euro in the previous paragraph, are shaped as follows:

- Micro-grants for working capital for directly or indirectly affected companies without affected employees—fixed amount of 1.000 or 2.000 euro, paid once;
- Micro-grants for the reactivation of employees in technical unemployment (all enterprises, excluding hospitality industry)- support between 250 and 750 euro / employee depending on staff number ;
- Micro-grants for the reactivation of employees in technical unemployment in the hospitality industry, a support of 1.600 - 1.700 euro / employee, up to 50 employees;
- Micro-grant for investments for directly or indirectly affected companies – a non-reimbursable aid of up to 200.000 or 250.000 euro with own contribution of approximately 15%;
- Support for hotels of up to 27.000 euro with 100% financing for the installment of photovoltaic systems of up to 27 kWp and for electric car charging stations.

At the same time, on May 15, the Applicant's Guide for the POR 2.2. call for projects was launched, with a budget of 150.000.000 euro, which can be increased to 550.000.000, but which seemsto cut off any chance of launching a call for POR 21A. These support measures should have been finalized and approved in May, so as to allow companies to request aid in June-July 2020 and to enjoy the long-awaited support as soon as possible, but, until June 18, 2020, none of the these measures is active, nor anybody knows any kind of new information since last month.

6. Conclusions

6.1. Contribution of the study

This article aims to accomplish two objectives. Firstly, the presentation and analysis of measures taken by the Government of Romania between March- May 15 (the end of the state of emergency) to avoid economic collapse, as well as the goals these measures have upon economic operators. Secondly, the review of other types of proposed measures, named measures to restart activities or the economic invigoration which will follow the state of emergency. The main measures analyzed in this study and adopted during the state of emergency, producing further consequences, were: technical unemployment, Emergency Situations Certificate, IMM Invest Romania. The main question raised in this article refers to the real support of the economy and whether these measures came as direction-givers on a road which seemed to never end. The first adopted measure, technical unemployment, was a support seen by some employers as an inevitable and necessary loophole, for others as a last resort which they did not want to approach. The possibility to benefit from support was offered to all companies, regardless of the field of activity, but it seems as if the most sought-after domains which needed to resort to this means were: manufacturing, trade, hotels and restaurants, and the construction sector. The private sector was gravely affected, reaching over 1 million suspended employment contracts and 350.000 terminated ones, representing a burden for state budget. The Emergency Situations Certificate was another type of support for companies, with facilities such as: postponement of utilities payment, of loans and of payments toward public institutions. One can obtain the certificate in an extremely simplified way, it has two types, a blue one for operators interrupting totally or partially their activity, respectively a yellow one for operators who experienced losses of more than 25% of revenue or income. Until May 14, the last day of the state of emergency, 25.081 companies requested the Emergency Situations Certificate type 1 (blue). As for type 2 (yellow), the deadline for obtaining the certificate was prolonged until June 15, and until April 25 a number of 14.400 certificates were applied for. Therefore, data shows that less than 5% of companies declared as being affected by the establishment of the state of emergency as a result of the SARS-CoV-2 pandemic, and this percentage comes along with doubts and a series of questions for which time will aid us in finding an answer. It shall be seen if the certificates and postponements of payment were useful for the companies. The use of the Emergency Situations Certificate was not a necessity to apply to the biggest bank guarantees Programme for enterprises in the history of Romania, IMM Invest. The Programme aims to facilitate the attainment of loans for work capital, but also for IMM investments through guarantees of up to 90% and subsidizing 100% of interest and bank charges until the end of the year, with a possibility to extend until the end of 2022 if the economic growth estimated by the National Commission for Strategy and Podcast for this period is below the level of the economic growth of 2020. We analyzed throughout the article issues that the launch of the Programme was dealing with, as well as the illusions of economic operators. The banks' own rules were restrictive compared to IMM Invest norms on the maximum value of the loan offered to economic operators. It is certain

that the process of granting the loan is rather more complex than in the case of obtaining a normal one, because it does not go through more stages, fact also proven by the extremely low number of requests approved by the bank compared to the total number of registered enterprises, three weeks after the launch of the Programme less than 1% of requests were approved by the bank, those rejected being 9 times more numerous. Besides the support offered by the Romanian state for technical unemployment and for work capital loans through IMM Invest, respectively in addition to the instrument of Emergency Situations Certificate, there were a series of other measures to support the economy or to contribute to successfully overcome the crisis generated by the novelcoronavirus during the state of emergency.

6.2. Limitations and future research

The limitations of the present study determine the path for future research opportunities. The short period of analysis, in which were presented the immediate results which should have appeared as a consequence of the implementation of a state of emergency for 60 days, have rendered impossible to analyze in this article the real impact of the measures upon companies' economic activities and their management. The state of emergency period and then the establishment of the state of alert have forced companies to restructure management activities, to implement action plans adapted to the situation on an indefinite period. Therefore, a new path is proposed for further studies to combine the approaches with the so-called methodological pluralism, which brings an analysis of companies who have directly benefitted from state support and how the business reacted to economic revival measures. Last, but not least, the measures that will be taken for economic recovery, could make the subject of further studies, even by using our historical-interpretative approach.

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