

## Analysis of Government Measures for Economic Support in the Covid-19 Pandemic Crisis: The Case of Northern Macedonia

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**Abstract:** *The beginning of 2020 brought a new and surprising direction for countries all over the world, especially for their economies. This is a result of the declaration of a state of emergency or civil emergency by governments to deal with pandemics caused by Covid19. As a result, governments passed decisions restricting the free movement of citizens and their rights, particularly disabling the right to work. These austerity measures attacked workers and businesses, resulting in large-scale layoffs, staggering unemployment, business closures, and so on. Restrictive measures that had the logic of preserving public health, but attacked the country's economy, forced governments to seek solutions to the consequences of this situation, especially measures to mitigate the negative effect on the country's economy. The paper aims to analyze the measures of economic support of the Government of the Republic of Northern Macedonia (RNM), which it has approved in several cycles to deal with the crisis caused by the state of emergency. Exactly how did these measures affect the mitigation of the negative effect on the country's economy, how effective and appropriate were they, and did they serve to mitigate the consequences of anti-covid measures? However, in the framework of this paper, we will not analyze the political effect of decisions about the protection of public health. Specifically, government economic packages for financial support of workers will be analyzed, which were conceived to mitigate the negative effects caused by the implementation of measures for the protection of harsh public health. Anti-Covid19 measures, with serious consequences on the business sector and the socio-economic status of citizens. The paper has its limitations in time and territory, so it focuses on the analysis of government measures as long as the state of emergency lasted. This paper will use descriptive, historical, analytical, comparative, and empirical methods (citizen surveys). The paper concludes the effect of economic measures in conditions of civil emergency and the level of their implementation in practice. As a result of the analysis of measures for economic support, it results that the government was late in implementing them in practice, while the same is considered insufficient to deal with the crisis. Delayed political decisions on economic measures, non-immediate inclusion of all categories in need of financial support, their delayed implementation, and the political effect of some decisions by the President and the Government in certain cases were not within the framework of socio-economic support and public health. Finally, the paper brings as a novelty the conclusion that government measures in such cases should be used correctly without distorting them, respecting deadlines, and finding the right institutional path to their users.*

**Keywords:** *government, economic measures, workers, business.*

**JEL Classification:** *G01, H84, I18*

## Introduction

The President of RNM had published the Decree (Government, 2020) for declaring a state of emergency in the RNM one week after the World Health Organization (WHO) on March 11, 2020, had confirmed the COVID-19 pandemic. Thus, the RNM government received additional powers to restrict human rights and freedoms in favor of protecting the public health of the population. The first case of COVID-19 was detected in the territory of the RNM on 24 February 2020. However, the effect of the anti-Covid19 measures adopted by the Government of the RNM, inter alia, hindered normal life, economic and social activities. They significantly affected key areas of life and precluded the implementation of fundamental human rights, in particular: the right to inclusive education; dismissal of workers, reduction of workers' wages; social rights; access to services and goods; increasing domestic violence; protection of privacy and personal data, etc.

The state of emergency was declared based on Article 125 of the Constitution of the RNM, which states: *"A state of emergency occurs when major natural disasters or epidemics occur. The decision is approved by 2/3 of the total number of deputies, for a period of up to 30 days. In this case, the decision to declare a state of emergency was approved by the President of the state because the Parliament was dissolved earlier and the deputies could not convene."*

After the President of the state declared a state of emergency, the Government immediately began to implement measures, restrictions, and prohibitions on the normal functioning of citizens. But, a few months later, President *Stevo Pendarovski* in the weekly interview for "Radio Free Europe" had stated that part of the society failed to implement preventive measures against the virus. According to him, the responsibility falls partly on the Government, on the religious communities, and on those citizens who refused to implement the measures (Slobodna Evropa, 2020).

Globally, based on the Deep Knowledge Group report (DKG, 2020), Switzerland is considered to be the safest country in the world in terms of COVID-19 treatment, followed by Germany, Israel, Singapore, Japan, Austria, etc. The report was based on quantitative and qualitative data parameters in categories such as quarantine efficiency, monitoring and detection, health preparation, and government efficiency. The most dangerous countries were South Sudan, Rwanda, Mali, Chad, Afghanistan, etc. What is worrying is that the RNM ranks 103<sup>rd</sup>. Of the countries in the region, Montenegro ranks 42<sup>nd</sup>, Bulgaria ranks 48<sup>th</sup>, while Serbia ranks 54<sup>th</sup>, Bosnia and Herzegovina ranks 72<sup>nd</sup>, and Albania, which is in 88<sup>th</sup> place (Analytics, 2020).

In the first month since the declaration of the state of emergency, the RNM had remained at the bottom of the list of European countries, in direct support of businesses due to the crisis caused by Covid19. The finding came from a poll by the National Alliance for Local Economic Development (NALED) from Serbia, which found that in the region, Serbia had the largest support with 11% of GDP, followed by Bulgaria with 9.9% GDP. Greece with 5%, Bosnia 3.5%, Croatia 3%, and Albania 1.3%, and last on the list was Macedonia with 1.2%, said *Igor Loncarevic*. Finland (21%), Germany (20.3%), Italy (19.6%), France (17%), Czech Republic (17.7%), Luxembourg (15% 0, Great Britain (14.7%)) have planned more support great for the economy in this situation (Loncarevic, 2020). According to the analysis, the countries had created "economic packages" which consist of: extending the payment of taxes to the state; financial support for companies to maintain company liquidity, and subsidizing the minimum wage of workers.

Being under public pressure and the approaches of other countries in the region and beyond to deal with Covid19, the RNM Government couldn't stand unanswered the dire economic situation of the population. The state of crisis caused by the anti-Covid measures cannot be an excuse to set aside the legal obligations of the government to take care of certain categories of citizens and businesses affected.

Many guaranteed rights of citizens were restricted by state authorities in various ways, with the tendency for the government to keep the situation under control so that the number of people infected with Covid19 does not exceed hospital capacity. This seems to have been the main concern of the government, i.e. not compromising the sustainability of the country's health capacity.

While the state of emergency severely damaged the country's economy, especially small businesses and the social status of workers, the government was forced to design and take measures to deal with the situation

created and the socio-economic consequences of the situation created. Here will be analyzed the effects of anti-Covid measures<sup>19</sup> in the country's economy, as well as data from preliminary studies and field research of economic entities in this field.

The following table gives in detail all the economic packages of the RNM government, which include them, the purpose and the period of their approval, the cost, and the level of realization.

Table 1. Economic packages of the Government of RNM

Pack	Description of the measure	Goal	Implem. period	Value in € / Implem. in %
1.	<p>Profit tax exemptions for companies affected by the crisis for the period April-June to help the liquidity of companies.</p> <p>Deferment for 3-6 months of payment of loan installments for citizens.</p> <p>50% reduction of the legal interest for non-payment of the loan</p> <p>Subsidy in the amount of 50% of contributions for employees in companies in the tourism, transport, and hospitality sectors.</p>	Monetary support for citizens	March-May 2020	12 milion € / 90%
2.	<p>Financial support of € 235 for the payment of workers' salaries for the months of April-May, for companies and self-employed persons affected by the crisis, and 50% of the number of contributions per worker (maximum of € 81). A total of € 317 per employee.</p> <p>Financial support for the families of persons engaged in the informal economy and left without income, and assistance for the payment of electricity bills for persons under social protection. This includes about 30 thousand families with the support of 16 € per month for the period April-September; as well as the support of 11 € respectively 16 € as an addition for families with children in primary or secondary school.</p>	Monetary support for citizens	April-May 2020	333 milion € / 100%
3.	<p>Payment card with a total value of € 16 million per 100 thousand citizens to buy local products worth up to € 146.</p> <p>9 million € per 100 thousand students in high schools from low-income families, for coupons up to 97 € to cover tuition fees at the University and accommodation in dormitories</p> <p>3 million € for coupons for 7 thousand young people aged 16-29 years for co-financing of training and courses for IT and digital skills worth up to 487 €</p> <p>Support of around € 17 million was expected to be returned to 350 thousand citizens from VAT refund as users of the application "MojDDV", who during the extended weekend of October 10-12, 2020 were</p>	Economic recovery; consumer stimulation and support for industry	May 2020	355 milion € / 75%

	<p>able to buy computers and other IT equipment worth up to € 487.</p> <p>€ 4.6 million to subsidize 50% of green oil for 50 thousand farmers through the payment card.</p>			
4.	<p>Payment card for € 97 for 5726 single parents; 182271 pensioners with pensions up to € 243 and citizens over 64 years without income; 85108 unemployed who are passive job seekers; 520 independent artists and cultural workers; 884 students and 347 pupils.</p> <p>This package aims at support for workers' salaries, payment cards; business loans repayment of a part of VAT; assistance to manufacturers; accommodation capacities; travel agencies; children's corners; company loans; business development plans; weekends without VAT; tax relief.</p> <p>The total value of anti-crisis measures to support citizens and the economy in the first 5 months is estimated at around € 500 million, of which € 140 million were paid to citizens (€ 40 million) and companies (€ 100 million). For citizens: payment card for 330 thousand citizens for € 28.3 million; vouchers for local tourism for 117 thousand citizens worth € 12 million; for independent artists 65 thousand €; for athletes € 400 thousand and unemployment compensation 50% of the average net monthly salary € 810 thousand. For enterprises, through the amount of € 235 financial assistance for 130 thousand employees in 19500 companies worth € 83.3 million; interest-free loans through the Development Bank support for 1331 companies and 16,600 employees € 12.7 million; 50% subsidy of salary contributions for 2500 enterprises for € 1.4 million; and exemption from calculations for profit tax and personal income tax for over 1500 taxpayers about € 2 million”.</p>	Support for citizens and business	October 2020	478 milion € / 73%
<p>It envisages that the Development Bank will provide interest-free loans/credits to enterprises in the most affected sectors (tourism, handicrafts, catering, industry).</p> <p><b>Table 1 (continues)</b></p>				
5.	<p>€ 29 million to write off interest on citizens' debts to public institutions and enterprises.</p> <p>Financial support for tobacco producers for € 5 million. According to data from the Statistics Office, the number of workers in the sector of agriculture, forestry, fishing, and mining decreased by 21888 people less (95545) in 2020 compared to the previous</p>	Support for citizens in the real sector; improving the liquidity of companies	March 2021	160 million €

	year where they were 117433. This package contains a total of 29 measures			
6.	<p>This package is conceived in 7 measures and includes 10 thousand companies with 60 thousand employees.</p> <p>6 thousand hotel facilities that employ 17 thousand people will receive financial support of € 247 per employee, in an estimated value of € 9.9 million from 06.04.2021</p> <p>Wedding restaurants, playgrounds, nightclubs, kindergartens, fitness centers, photographers, and photo studios; in total, these 1200 companies will be supported with 2.5 million €, specifically 247 € per employee from the beginning of 2021.</p> <p>Travel agencies will be supported with € 1.4 million. Those with license A will receive € 5000, while agencies with license B will receive € 2000.</p> <p>Musicians, members of musicians' associations, and licensed guides will receive € 500 if during 2020 they had an average net monthly income below € 243.</p> <p>About € 2 million has been earmarked for companies that reinvested from 2020, through the Development Bank to realize their investment plans through subsidies.</p> <p>An interest-free credit line of € 1 million, through the Development Bank, will support media broadcasting radio and television programs.</p> <p>Additional support and assistance for domestic tourists and hotel activity, as well as 50 thousand free PCR tests for foreign tourists who have stayed in the country</p>	Support for improving the liquidity of companies and preserving jobs	April 2021	17.8 million €
Total	6 packages, including 106 measures	Support for business, workers, citizens	March 2020- July 2021	1.2 billion € / about 80%

Table 1 (Cont'd)

### Literature review

In this part of the paper, the data obtained from previous studies on the initial effects of anti-Covid19 measures are analyzed.

Extraordinary measures to protect the population from the pandemic had a severe impact on the economy of the RNM just one month after their adoption, while the consequences were first made public through a Survey entitled "Quality of Life", conducted by an NGO during April 2020 (Finance Think, 2020), which had found that:

- 3/4 of workers in companies in the RNM were affected by the Covid19 crisis due to the restriction of movement and physical communication. Thus, they have a problem placing their product to the consumer, ordering raw materials for production, etc.:

- About 1/6 of the workers were fired or suspended from work by their employers due to the insolvency of the company where they worked;

- 1/4 of workers have received lower monthly salaries, and another 1/4 has been informed by their employers that their salary will be reduced;

- 1/8 can face the situation without anyone's help. 7/10 had stated that this situation can be withstood for a maximum of three months considering the level of reduced wages, even by reducing consumption to the minimum possible. The rest of the workers are not able to cope with the prolongation of this situation. Consequently, 1/6 will seek loans from friends, while others will receive consumer loans from commercial banks;

- 1/3 have activated their savings because their income is insufficient while waiting for help from the state.

Also, the Association of Chambers of Commerce of RNM, which unites 35 chambers of commerce, 30 groups, and associations with over 24 thousand companies from all regions and sectors, had presented the results of the latest research on the situation with which face companies in the past period since the onset of the health and economic crisis caused by Covid19 (AMCHC, 2020). The research included companies from all regions in the country that engage in activities in the sectors of food supply, manufacturing, and processing, accounting, and finance, trade, services, construction, tourism, health, transport, logistics, and agriculture. Survey participants reflect the national economy, of which 73% are micro-businesses, 21% are small companies, 5% are medium-sized companies, and 1% large companies. *Blagoja Grozdanov*, a member of the Board of Directors at AMCHC, noted that "Entrepreneurs usually have fewer jobs, have huge losses and are unable to get new loans to overcome the crisis. The workload in March 2020 was halved in all companies, while only 5% of enterprises did not register a decrease in activities. The number of employees was reduced by 15% of companies but had warned that if the state does not take appropriate economic measures, then half of them will plan employment cuts because they will not have the liquidity and funds to pay salaries and expenses. Of all companies surveyed, 80% said they could not do their work from home or online; 19% of them are looking for alternative ways, and only 11% can function even in a state of restrictions on the movement of citizens.

In this regard, the European Commission then predicted a decline of -3.9% in the SME economy in the spring 2020 Report (European Economic Forecast, 2020). Public revenues, according to the basic scenario of the European Commission, were projected to decrease by 25% by 2020 due to reduced economic activity. The budget gap was estimated to reach 6.8% due to high costs and low revenues. This high budget deficit will also affect the total gross debt of the government, which will go from 40.2% in 2019 to 47.2% in 2020 (CCEQ, 2020).

A study by the RNM Chamber of Commerce Association found that almost all companies were affected by the pandemic crisis and had revenue reductions of over 80% (Arsovska, 2020, 14.06.2020). The President of the Association of Chambers of Commerce, *Daniela Arsovska*, in an interview with Radio Free Europe, stated that 65% of enterprises are struggling with liquidity (Arsovska, 2020); 81% of companies cannot adapt to the new conditions, while only 19% have adapted to alternatively carry out economic activity.

The Employment Agency of RNM had reported that 6214 enterprises had ceased operations during 2020, while over 40 thousand workers in the sectors of manufacturing, trade, catering and food industry, construction, etc. had officially lost their jobs (Portalb, 2021).

## Methodology

The sources used for this paper include statistical data of the RNM government, then publications and statistical data with relevant budget indicators from relevant international and local organizations. More specifically, the focus is on the analysis of detailed parameters on expenditures related to the economic packages of the RNM government to support business and citizens. To achieve this, we decided to use data for the period from the adoption of economic measures (March 2020 to July 2021), where we analyzed their impact and practical implementation through Table 1, which describes the measures, their purpose, implementation and We have also conducted a Survey with citizens to understand their beliefs about the effect of economic measures and whether government actions have been targeted. Finally, we conducted a SWOT analysis to see the effects of those measures included in economic packages.

## Data analysis / Discussion

To mitigate the negative effects of Covid19, economic measures have been discussed since March 2020, while the Government of the RNM classified them into several separate packages, depending on the periods in which they were adopted. The first two packages of measures aimed at easing the economic crisis and were planned for implementation in the period March-May 2020. The third package was related to economic recovery and stimulation of consumption and industry, which started in May 2020 and was systematized in three main pillars: distribution of economic assistance to the population to encourage the consumption of goods and services within the territory of the RNM; direct support to the economy; and an aid to the agricultural sector (OECD, 2020).

The shortcoming of the second package was that Firms making a profit during 2020 had to return these funds to the state. However, this attitude of the Government was met with criticism from the public. As a result of the criticism, the authorities changed the plan and instead of going back to the budget, the money could be used as a grant to buy new equipment, invest in new technologies or strengthen human capital.

However, this measure to restore state aid had scared small businesses and the self-employed to apply. Otherwise, all those who wanted to apply for state aid had to do so by May 7, 2020 (Government, 2020).

Initially, in the initial proposal, the government stated that enterprises were required to retain the same number of employees until July 2020 (two months after using the measure) and then changed its position to allow small enterprises (up to 50 employees) to lay off up to 15% of workers, medium enterprises (up to 250 employees) to lay off workers up to 10% and large enterprises up to 5%. The Federation of Trade Unions of RNM had reacted immediately, reminding the Ministry of Finance that in this way they are financing the layoffs and this is done as a result of pressure from employers (FTUM, 2020).

A total of 23861 requests were submitted to the Directorate of Public Revenue by 21542 companies for the aforementioned financial support, namely: hoteliers 2377, travel agencies and tour operators 253, transport 2177 requests, accommodation facilities 258, other activities 16625 requests. However, most of the affected sectors had few applications, such as the hospitality sector where out of 4500 registered hoteliers only 2377 have submitted applications. Tourism and transport are the most dissatisfied with the economic measures, about 95% of hoteliers have expressed dissatisfaction and have repeatedly warned that they need more financial help. Furthermore, deciding on the financial support applications in the above amount set by the Government of the RNM, the Public Revenue Office had announced that only 5141 employers (or 23% of the total number) had applied for financial assistance for workers' salaries for April 2020, close to € 8.2 million from the RNM budget.

"With this measure for financial support of salaries, 140 thousand jobs were saved", said the Minister of Finance *Nina Angelovska* in an appearance as a guest on the TV show "Only the Truth" on the national TV Kanal5 (Angelovska, 2020, 12.06. 2020). This support measure cost the government about € 100 million and aimed to protect jobs and help companies pay their workers' salaries. Since the Government had approved a decision to extend the measure in June 2020, ie instead of two months as previously planned, the measure was used by employers and self-employed persons for three months (Angelovska, 2020, 12.06.2020).

Academician *Abdylmenaf Bexheti* for the TV show named "Trailing" had stressed that "The problem lies in the delay of these measures and their possibility to be implemented" (Bexheti, 2020).

As part of the anti-Covid19 measures, the Government of the RNM had planned financial support for several groups of citizens, who were identified as persons with financial difficulties in the fourth package of economic measures. The measures aimed to include about 330 thousand beneficiaries of financial support, who had to be given a payment card for the purchase of products and services within the territory of the RNM after their names were announced on the website [www.kupuvamdomasno.gov.mk](http://www.kupuvamdomasno.gov.mk). According to the instructions of the Government, commercial banks should start issuing payment cards by July 18, 2020, and be used by August 15, 2020, at the latest. With these funds, support is provided for the target categories of citizens, to encourage the consumption of products and local services, and economic activity. Specifically, some categories of citizens were expected to use the assistance, as follows:

- Low-income citizens (who had achieved total net income for the first 4 months of 2020 up to € 975), and about 116 thousand beneficiaries of social assistance and unemployed registered as active job seekers in the Employment Agency until 22 May 2020. The one-time support for these persons was € 145.

- Low-income workers, about 130 thousand people, who were estimated to receive about 50 € as one-time assistance, and a coupon for local tourism of about 100 € through the measure of the Ministry of Economy to strengthen domestic tourism, funds which could be used until December 15, 2020. The fund for this support was estimated to be around € 10 million;

- Young people aged 16-29 (students in state official secondary education and university higher education) were expected to receive one-time assistance of € 50, the number of which is over 87 thousand young people;

- Health care workers engaged in the treatment of Covid-19 (staff of the Institute of Public Health, Infectious Diseases Clinic, Institute of Public Health, Public Health Centers, Emergency Room, Infectious Diseases Departments), were expected to receive 40 % additional of the last net payment, somewhere around 4394 users.

- Vouchers and payment cards worth close to € 40 million were planned to be poured into the country's economy and focused on tourism and local products.

A small change was made to the rules for VAT refunds through the "My VAT" application for all citizens in the country, to encourage them to choose local products instead of foreign products. Respectively, until then the VAT refund was 15% of value-added tax, while from now on for domestic products this amount has increased to 20% while for foreign products the refund is reduced to 10% of the amount of VAT paid. This aimed to stimulate citizens to contribute to encouraging the purchase of local production and the services sector. However, this measure does not mean that citizens will receive more refunds from VAT which remains the same, but only stimulates the purchase of local products.

However, the implementation of the above measures didn't go well. Thus, over 50 thousand complaints from citizens involved in this measure, had reached the General Secretariat of the Government due to defects in the electronic system of their registers, as citizens had not found their name there (Kanal5, 2020).

A few weeks after the companies received € 235 in state aid per employee, the news came from the Public Revenue Directorate that over 700 companies did not transfer these funds to the workers for whom support was provided for April and May 2020. These abuses became public. After numerous reactions from workers that they did not receive the funds promised by the state, while the government itself made public the names of these enterprises (Analysis, 2020) and gave them time to transfer the funds to the right destination, otherwise allegations of misuse of funds will be shown. It is more than 400 thousand € that had to be given to about 1700 workers (Radio Free Europe, 2020). Abuses have also been committed by 3700 other companies that have made money transfers, which have given over 52 thousand workers less money than the state had allocated funds for them.

The government had claimed it would prosecute 344 employers who carried state aid in their pockets instead of giving it to workers. The Secretary-General of the Government claims that he has signed the list that should have reached the Prosecution and said that the Public Prosecution will have to determine the



responsibility (Raskovski, 2020). However, criticism of these measures did not cease. Thus, the journalist *Talevska Ivona*, from the Association of Journalists of Macedonia, in the TV show "Sleep if you can" on TV ALFA, had stated that "the Government is not dealing well with the consequences of Covid19 and the economic catastrophe is expected to happen" while criticizing the measures not only for the protection of human health but also those in the economy. She stressed that "the minimum wage had to be much higher for workers to be kept at work, as tens of thousands of other workers are expected to lose their jobs the near future, except for 15 thousand workers who so far remain unemployed" (Talevska, 2020).

The assistance of the fourth package was welcomed by businessmen, trade unions, and the Chamber of Commerce, however, there also estimated that the funds provided by the government for vulnerable categories of citizens are minimal. The main dilemma regarding these measures was why at-risk citizens are again only given payment cards of around € 100, instead of joining the existing social protection system and receiving greater support for a longer period and why all packages for this category are allocated only € 27.6 million, respectively only 6% of the total amount of this package.

Regarding the fourth package, the Government of RNM in the 15<sup>th</sup> session had approved the rebalance of the Budget for 2020 after the debate on changes in the Assembly with a deficit of 8.5% of GDP (Portabl, 2020).

In practice, problems continued to be encountered regarding the non-involvement of all persons who would receive government support under the fourth package plan, as well as the riots that took place in front of commercial banks to obtain funds.

In April 2021, the Government revealed that *the first four packages* have been implemented in a total of € 860 million or 82% of the set value. These include 70 concrete measures; in the procedure for implementation are 21 measures worth € 30 million, while 7 other measures worth € 150 million have been sent for approval in parliamentary procedures.

In the *fifth package*, vulnerable categories of citizens are left out, except tobacco producers and grape processors.

The last two packages are for 2021 and the government has not yet made public the results of their implementation in practice.

## SWOT Analysis

Subsequently, considering the measures taken to deal with Covid19 by the Government of the RNM, a SWOT analysis was performed, as follows.

Table 2: SWOT Analysis

		Package					
		1	2	3	4	5	6
Strengths	The financial support of business and the most vulnerable groups of citizens is in the spirit of solidarity and the government's obligation to take care of social categories	x	x		x	x	x
	Measures to financially support wages for workers saved 140 thousand jobs		x	x	x		
Weaknesses	The financial support provided by the government is not proportional to the real needs of citizens, businesses, and workers.		x	x	x	x	x
	The companies that made a profit during 2020 had to return these funds received as support from the state.		x				
	Support is more symbolic than essential to meeting real needs	x	x	x	x	x	x

	The names of the beneficiaries of the financial support, who had to receive a payment card, were announced on <a href="http://www.kupuvamdomasno.gov.mk">www.kupuvamdomasno.gov.mk</a> . But not always all the persons who fall into this category were included. Over 50 thousand complaints from citizens involved in this measure, had reached the General Secretariat of the Government due to defects in the electronic system		x	x				
	Financial support was not planned in time but was delayed, especially its implementation		x	x	x	x	x	x
	Financial support was not comprehensive for all citizens because it did not include unemployed citizens who did not report to the Employment Agency until May 2020. Thus, thousands of unemployed people were left without financial support.	x	x		x			
	The government transferred economic aid to commercial banks, not directly to the accounts of crisis-affected citizens. This caused a big commotion in front of the bank premises		x		x			
Opportunities	The government has at its disposal the opportunity to make changes and corrections in case of defects during the realization of the main objective, for which the funds for financial support are dedicated.	x	x		x			
	The government can monitor and evaluate the effectiveness of the measures and whether the funds have reached the intended address.	x	x	x	x	x	x	x
	VAT refund for local products is an opportunity for incentives to buy local products and revive the economy		x		x			
Threats	The return of state aid has scared small businesses and self-employed people to apply for government measures		x					
	Many companies did not transfer support funds to their employees but kept them to themselves, so they misused the funds while the state made their names public by instituting criminal proceedings against them.		x		x			
	There is a risk of misuse of funds for political purposes because they occur on the eve of parliamentary elections		x	x				
	The funds dedicated to the defined categories changed the budget destination for 2020 and reformulated the budget funds for capital investments.	x	x	x				
	The state is facing a budget deficit as companies struggle to maintain liquidity and keep workers at work	x	x	x	x			
	Allowing companies to lay off their workers (at a certain percentage) only two months after the use of the measures		x					

Table 2 (continued) Source: Authors' work

## Results / Findings

For this paper, a survey of citizens was conducted in the RNM. The questionnaire used in this research is composed of 10 questions. It is designed to include data on the demographic and socio-economic status of respondents, as well as responses to their perceptions. Field research was conducted based on a questionnaire consisting of general questions about the situation regarding citizens' attitudes. In this survey, 1115 citizens over the age of 18 were included. Within the Questionnaire there are seven questions related to the following variables:

1. Residence - Village (52%), City (48%);

2. Age - 18-30 (5%), 31-40 (32%), 41-50 (35%), over 51 (30%);
3. Marital status - Married (59%), Unmarried (17%), Divorced (5%), Widower (9%);
4. Education - Uneducated (5%), with elementary school (30%), High school (41%), with faculty and more (24%);
5. Employment status - Unemployed (70%), Employed (30%);
6. Net monthly household income in € - Up to 150 (17%), 150-250 (22%), 250-350 (23%), 350-450 (23%), 450-550(13%), over 550 (2%);
7. Number of members in the family - One (3%), Two (8%), Three (30%), Four (40%), Five (19%), Six and more (2%).

While 10 questions have to do with respondents' perceptions of the issues that are a matter of research. The details are in the following table:

Table 3: Survey

<i>Question</i>	<i>Yes</i>	<i>No</i>	<i>I don't know</i>
1. Have government measures negatively affected your economic situation?	87%	12%	1%
2. Has the government supported you with any donations or vouchers for the purchase of food products?	19%	81%	
3. Do you think that the government should have compensated the salaries of workers affected by restrictive measures in the private business sector?	78%	20%	2%
4. Do you think that the government's economic measures have been targeted (in a timely and sufficient manner) for business support where workers remain unemployed as a result of restrictive measures?	25%	73%	2%
5. Has your right to work been violated during a state of emergency?	79%	21%	
6. Did you follow the Covid-19 protection measures during the work process?	95%	5%	
7. Do you think that the government's measures to stop the exercise of some economic activities are justifiable?	45%	52%	3%
8. Do you consider the government's measures to allow the exercise of certain activities (such as the opening of betting shops) correct, but not other activities?	88%	10%	2%
9. Do you think it will be difficult for you to integrate into the labor market after the state of emergency is over?	35%	55%	10%
10. Do you think the government should change its approach to the fight against Covid-19 by allowing normal work in the business sector, through other measures of care?	66%	25%	9%

From the answers of the respondents we can comment (following the sequence of questions) that:

- Government measures to restrict the freedom of movement of citizens, issued as a protection measure against Covid19 worsened the socio-economic situation of citizens and the country's economy;
- Most citizens have not received financial support from the government. This is normal as this only includes citizens who are severely affected and in real need of economic assistance;

- Citizens claim that anti-Covid measures and protocols<sup>19</sup> should have consisted of full compensation of wages for workers affected by the restrictive measures as long as they last and the situation returns to normal before the pandemic
- Economic measures have been insufficient and delayed to meet the real needs of the business sector, the needs of workers, and social cases
- The right to work was violated during the pandemic and citizens as a result have remained in an unenviable social and economic situation to carry out activities and daily needs;
- Business sectors that operated during the pandemic have followed and respected safety protocols;
- The majority of citizens consider that measures to prohibit certain economic activities have not always been justifiable, because they have often been subject to frequent and well-justified changes in concrete needs;
- The decisions of the government to allow the activity of sports betting, casinos, allowing religious rituals in religious facilities, etc.;
- It will be difficult to reintegrate into the labor market as before. However, the responses of citizens under pressure and fear of the prolongation of the pandemic may not reflect the reality which day by day will change and the situation will be normalized for a reasonable time;
- The government should change the approach of pandemic treatment and allow the normal operation of businesses by taking care to respect protection protocols. This is clear because now with the discovery of the vaccine, restrictive measures for the movement of citizens and economic activity have been eased.

## **Conclusion**

The RNM government in some cases was unsure of the economic measures and in a short time intervened to redesign them because they were unjustifiable in certain cases. Often government under public pressure has changed the initial approach to business support and categories in need in economic packages.

However, the focus of the RNM government's action and economic measures should have been to focus on the main task - protecting citizens affected by restrictive measures, including special economic packages in several series to protect a section of citizens at risk for their socio-economic status.

The economic packages of the RNM government have contributed to mitigating the negative effect caused by anti-Covid measures but have failed to satisfy the real needs of keeping the country's economy in condition and the well-being of its citizens. Government support has been conditional and selective, non-comprehensive, and in some cases unprincipled. Abuses of funds that the government has dedicated to workers have also been found, while employers have not issued the same to the workers' accounts.

Cash support for citizens through payment cards for consumption, tourism, compensation in case of unemployment, support for certain categories of workers in different sectors (farmers, viticulturists, athletes, artists, etc.) has contributed symbolically and minimally to poverty alleviation in these categorized but did not provide a status of social dignity because they introduced measures designed for one use only. Support for companies by subsidizing workers' wages and paying part of the contributions has helped companies in part but has not helped them in the long run because these measures lasted 2 to 3 months and not as long as the pandemic crisis lasted.

It is a general conclusion that the economic measures were delayed according to the government plan, and even some of the measures of the fourth, fifth and sixth packages are still in the institutional labyrinths and have not yet reached the right address.

Many people have lost their jobs and find it difficult to return to pre-pandemic status. However, these measures mitigate the negative effect, although slightly delayed in the destination of the addressees, but they are still considered to have contributed and will contribute to alleviating the consequences caused by the pandemic management.

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