Best Practices for The Economic Environment During COVID-19

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Abstract

The purpose of this research is to examine the connectedness between the recent spread of COVID-19 and the global policy measures proposed to mitigate its economic and social impact. The magnitude of the financial pandemic effects is unprecedented, affecting more the advanced and emerging economies. The empirical results confirm unique cooperation and coordination between organizations and governments from all over the world. This paper reviews some of the best practices implemented by global governments and financial institutions, focusing on a selection of the European Union's Member States (MS). The fiscal and monetary policies have a direct impact on the economic evolution and the citizens' wellbeing.

Key words: COVID–19, policy measures, best practices, Europe
J.E.L. classification: E5, E6, G28

1. Introduction

The COVID-19 pandemic has, with an instantons speed, leaded to a global economic shock of an absolute magnitude, causing unprecedented slowdowns in various countries. A first forecast prognosticates a 5.2 percent contraction in global Gross Domestic Product (GDP) in 2020 – considered to be the deepest global recession out of the last eight decades, even with the exceptional policy support and global cooperation. (World Bank Group, 2020). Nevertheless, the global recession is foreseen to be deeper if brining it under control would involve more than anticipated, or if the financial implications would trigger sharp cascading results.

Experiencing the most profound collapse since the Great Depression in the 1930s, there are remarkable efforts taken by governments to counter the downturn with fiscal and monetary policy support. Even if several countries had a timely response to protect from the pandemic effects, early data are now showing that the economic and social costs will be massive. Recovery prospects are still uncertain, depending on many conditions such as how the virus evolves, the duration and the extension of the shutdowns, the consumer behavior, and the implementation of fiscal and monetary policies support.

The ripple effect of the pandemic has transformed all the economy's zones, disrupting business activities, and inevitably affecting people's income, generating chaos worldwide. While such events could be perceived as opportunities, the unprecedented lockdown, trade and travel restrictions marks the current situation as a critical crisis. There is a twofold crisis: (1) the acute impact to the health systems worldwide and (2) the pause of the economic activity. (Kuckertz, et al., 2020)

Is expected that most countries will plunge into recession in 2020. The advanced economies are foreseen to shrink by 7 percent, while the emerging market and developing economies are forecast to decrease by 2.5 percent. (World Bank Group, 2020) This halt is considered to be the most severe external shock registered by this group of countries in the last sixty years.

According to The Organization for Economic Co-operation and Development (OECD)," it has triggered the most severe economic recession in nearly a century and is causing enormous damage to people's health, jobs and well-being." (OECD, 2020)

To manage crisis accurately, preparation, support and collaboration are critical factors. WTO Director-General Roberto Azevêdo said "The immediate goal is to bring the pandemic under control and mitigate the economic damage to people, companies and countries. But policymakers must start planning for the aftermath of the pandemic". In his perspective, rapid recovery is attainable, being conditioned by the decisions adopted today which will shape the economic future of tomorrow. According to Roberto Azevêdo for an inclusive recovery, trade, along with the fiscal and monetary policies have an important role. The market openness, business environment stimulation and unity between countries will stimulate a much faster recovery. (WTO, 2020)

2. Literature review

The COVID-19 outbreak continues its unforeseen dispersion in the global economy, causing unprecedented financial market consequences. Although the World Health Organization (WHO) declared the COVID-19 as a global pandemic on the 11th of March 2020, the subject became a priority research topic for individual researchers and organizations worldwide. Therefore, the international literature is registering an accelerated surge in scientific reports and studies regarding the pandemic (Kuckertz, et al., 2020), (Okorie & Boqiang, 2020), (Baker, et al., 2020) (Conlon & McGee, 2020) (Kristoufek, 2020), (Warwick & Roshen, 2020), (Baldwin & di Mauro, 2020), (World Bank Group, 2020).

Central banks, governments, and other multilateral organizations have created multiple series of interventions, producing policies and innovative programs to support the global economy. Financial organizations immediately generated new simulative strategies and injected unprecedented liquidity into the markets.

The World Bank, which is financing economic development in the middle- and low-income countries, has approved by the 1st of June 2020 a budget of up to USD 160 billion over 15 months for more than 100 countries. (The World Bank, 2020) The Federal Reserve has taken exceptional measures to address the economic effects of COVID-19 and announced a range of 0.00 percent to 0.25 percent interest rate policy. It also declared USD 500 billion in Treasury securities and USD 200 billion in mortgage-backed securities under the umbrella of the Quantitative Easing (QE) program.(Congressional Research Service, 2020) The Bank of Japan initiated massive asset purchases to generate short-term liquidity to Japanese banks, while the Bank of Canada lowered its key interest rates. The International Monetary Fund (IMF) is making about USD 50 billion available through emergency financing (Georgieva, 2020) Additionally, the IMF estimated that the government financial stimulus to sustain the economic activities during COVID-19 amounted to USD 3.3 trillion and that additional loans, equity injections, and guarantees amounted up to USD 4.5 trillion. It is estimated that the government borrowing extension will rise from 3.7 percent of the global GDP in 2019 to 9.9 percent in 2020. (Congressional Research Service, 2020)

The COVID-19 pandemic caused panic among citizens and temporary business closings in most of the economies with confirmed cases. These reactions have a spillover effect on the business's performance in numerous sectors, which could have long-term repercussions. The most affected ones are transport and tourism, catering, and retail. Besides, according to the UN's International Labor Organization, 1.6 billion informal economy workers could suffer their livelihoods. (Kretchmer, 2020)

At the European Union (EU) level, the aggregate amount of the MS' discretionary fiscal measures count to 3 percent of the EU GDP. MS have committed to providing liquidity support for the sectors most affected by the virus, consisting of public guarantee schemes and deferred tax payments, which are estimated at 16 percent of the EU GDP. (European Council, 2020)

How severe will the recession be? The World Bank generated a comparable analysis, including the deepest recessions from all over the time, and a 2020 projection. As shown in Table 1, the COVID-19 recession will mostly affect advanced economies and emerging markets and developing economies (EMDEs). In 2020, both groups will register the most profound declines in their growth rates of the past sixty years.

Table no. 1 Growth of GDP and per capita GDP in global recessions

	Global recession years						All years (1960 – 2020)	
	1975	**1982**	**1991**	**2009**	**2020**	**Average**	**Non-Recession**	**Full period**
World								
GDP	1.1	0.4	1.3	-1.8	-5.2	-.08	3.7	3.3
Per capita GDP	-0.8	-1.3	-0.3	-2.9	-6.2	-2.3	2.1	1.7
Advanced Economies								
GDP	0.2	0.3	1.3	-3.4	-7.0	-1.7	3.3	2.8
Per capita GDP	-0.7	-0.3	0.6	-4.0	-7.3	-2.3	2.5	2.1
EMDEs								
GDP	4.2	0.9	1.5	1.8	-2.5	1.2	4.8	4.5
Per capita GDP	2.0	-1.2	-0.4	0.4	-3.6	-0.5	2.9	2.7
LICs								
GDP	0.0	1.0	-0.7	5.9	1.0	1.5	3.6	3.4
Per capita GDP	-2.4	-1.6	-3.6	3.0	-1.6	-1.2	0.9	0.7

Note: Low-income countries (LICs)
Source: Author extraction from The World Bank Group Report Global Economic Prospects (June 2020)

3. Research methodology

This paper reviewed several studies published by international organizations (The World Bank, The International Monetary Fund, The European Commission) and by individual researchers concerning an empirical research design. Although the literature for policy measures is comprehensive and includes regions from all over the world (e.g., Africa, Latin America, and the Caribbean, The United States), this paper mainly focuses on selected European countries. However, it includes some other states such as Japan and Malaysia, only as a comparative role. All analyzed articles were published during March 2020-June 2020.
The objectives of the research were:
O_1: To distinguish a general impact of the pandemic COVID-19 to the global economy
O_2: To review the most effective policy measures which can be implemented worldwide to alleviate the pandemic's risk for the economy
O_3: To examine the most impactful policy measures taken all over the world to mitigate the economic effects of the pandemic crisis.

4. Findings

The COVID-19 pandemic and the economic disruption have affected billion of lives and are hindering decades of development progress. As a response to the epidemic, David Malpass, President of World Bank Group, encourages all international policymakers” (…) to act fast and forcefully: our interventions should be no less powerful than the crisis itself.” (World Bank Group, 2020, p. 19)

As an immediate answer, several countries have generated large-scale macroeconomic support to alleviate the economic impact, contributing to a still stabilization in financial markets. Central banks have cut their policy rate, eased monetary policy, and massively injected liquidity into the markets. The announced fiscal policy support notably exceeds those implemented during the 2008-2009 financial crisis. This time, the policymakers are facing unprecedented challenges of the health, social, and macroeconomic effects of the pandemic. Considering the current circumstance is essential to secure core public services, maintain a vital private sector, and support people directly with money. In this situation, the quality of an institution’s response to an economic shock is generally associated with resilience and “depends on the capacity to enhance improvisation, coordination, flexibility, and endurance …” (Boin, et al., 2010)

To support the policymakers, IMF published a report formulating recommended policies to be adopted by governments and central banks during COVID-19 pandemic (IMF, 2020):

- Monitoring and containment actions are imperative to slow the spread of the virus and reduce the peak load on health systems: implement containment measures, ramp up public health expenditure, communication to citizens, help the vulnerable within countries.
- Central banks should support demand and confidence through relaxing financial conditions, ensuring the flow of credit, and stimulating liquidity in domestic and international financial markets.
- Fiscal policy should instantly provide substantial support for affected people and companies during the pandemic to prevent long-lasting economic loss.
- The regulatory and supervisory response should aim to maintain the balance between preserving financial stability, maintaining banking system solvency, and sustaining economic activity.
- Global coordination and cooperation are essential for a systematic recovery, and policies must be outlined to assure that the poor don't get left notably behind.

The table below indicated a subjective interpretation of the policies implemented in the selected MS:

Table no. 2 The impact of policy implementation for a selected group of European Countries

	Belgium	**Bulgaria**	**Czechia**	**Germany**	**Greece**	**Spain**	**France**	**Italy**	**Hungary**	**Poland**	**Romania**
Expenditure measures	Medium impact	Medium impact	High impact	High impact	High impact	High impact	High impact	High impact	High impact	High impact	High impact
Tax measures	Medium impact	Medium impact	Medium impact	High impact	Medium impact	High impact	High impact	High impact	High impact	Medium impact	Medium impact
Sectorial, regional, or measures other than fiscal	High impact	High impact	High impact	High impact	Medium impact	High impact	High impact	High impact	High impact	Not Identified/Not significant	Medium impact
Any other measures	Not Identified/Not significant	Not Identified/Not significant	Not Identified/Not significant	Not Identified/Not significant	Not Identified/Not significant	High impact	High impact	High impact	High impact	Not Identified/Not significant	Not Identified/Not significant

Source: Autor interpretation of data extracted from the Report Generate by the European Commission "*Policy measures taken against the spread and impact of the coronavirus – 28 May 2020*" (European Commission, 2020) ; Medium impact High impact Not Identified/Not significant

Table 3 outlines a selection of implemented measures for the selected MS. These measures are subject only for directly affected businesses and personas by COVID-19.

Table no. 3 Selection of the policy measures implemented by selected MS inside the European Union

Expenditure measures	**Tax measures**	**Sectorial, regional, or measures other than fiscal**	**Any other measures**
Belgium			
- Increased flexibility in the execution of public contracts. - EUR 2 billion: federal provision to cover additional costs has been adopted	- Tax deferrals both for companies and the self-employed - Regional taxes have also been postponed (e.g. Flemish car tax, immovable property tax)	- Temporary unemployment benefits - ceiling remains EUR 2.754,76 per month (top-up of EUR 150 gross per month) - Substantial financial support for households, unemployed, and small enterprises	- The National Bank and the major banks convened EUR 50 billion of loan guarantee for companies, self-employed and households
Bulgaria			
-Health Sector: additional budget up to EUR 7.3 million An increase from 15 percent to 30 percent for the available	-The deadline for annual financial statements will be postponed from end-March to end-June. (est.	- EUR 435 million to finance the socio-economic measures (for medical and non-medical	-No any notable measures

limit of the reserve fund - 60 percent of the employees' wages and social security contributions for up to three months are covered by government - EUR 80 million was approved for police and firefighting and EUR 84 million for military personnel	EUR 200 million impact within the year) -Value Added Tax (VAT) for restaurants and entertainment in the tourism sector will drop to 9 percent until the end of 2021	staff, support to SMEs) - Salaries of members of parliament, ministers, and members of their political cabinets will be transferred to support funding of the healthcare system -EUR 4.76 billion package of measures -EUR 87 million for business and public groups	
Czech Republic			
-EUR 3.74 billion in direct aid (1.8 percent of GDP) and another EUR 33.7 billion (16 percent of GDP) in guarantees - EUR 45 million budget for employers and employees for the wage costs - EUR 15.87 care payment for parents of kids from 6 to 13 years	-Fines for late submission of personal and corporate income tax return are cancelled - A deferral of the social security tax - The 4 percent real estate acquisition tax is abolished to boost the housing market	- EUR 11.2 billion of new state guarantees (for large enterprises and SMEs and mid-caps) - EUR 123 million released to support to agriculture, forest, and food industry - The interest rate was lowered from 3 to 0.25 percent - Rent deferral for businesses and for individuals	- No any notable measures
Germany			
-Health sector: additional budget of EUR 6.3 billion - Extension of the federal guarantees for loans to the corporate sector (unlimited) - EUR 30 billion in compensation payments of credit insurers - EUR 820 bn (23.9 percent of GDP) guarantees by the state-owned development bank - EUR 600 billion fund targeting the real economy - EUR 50 billion - direct grants to the approximately 3 million small business owners - EUR 122.5 billion of additional spending	- EUR 41.6 billion: tax deferrals and reduction of tax prepayments to improve the liquidity of companies - Employers can pay their employees subsidies and support up to an amount of EUR 1500 in 2020 tax-free or as wages - Employers can receive an extension of up to two months for the income tax registration	- EUR 10.1 billion: more flexible short-time working scheme - Low-income families receive additional support through increases to child support allowances - University students that are not entitled to receive education advancement grants can receive interest-free loans - EUR 94.3: liquidity support and immediate assistance programs	- No any notable measures
Greece			
- Health sector: additional budget of EUR 273 billion - EUR 45 million: a special leave scheme 25 percent funded by the state, to facilitate parents of children below 15 years - EUR 574 million: a special allowance of 800 euros will be granted to self-employed, freelancers and sole proprietorships - EUR 2.7 billion: a special allowance of 800 euros will be granted to employees of firms	- EUR 1.4 billion: suspension of VAT and other tax obligations' payment - EUR 1 billion: Suspension of SSC payments for businesses, self-employed persons, and sole proprietorships - EUR 952 million: social security contributions	- A 40 percent reduction in commercial rent paid by firms - A 40 percent reduction in primary and student residence rent for employees of firms - Firms are allowed to employ their employees for at least two weeks per month (Dismissals are prohibited in this case)	- Independent Authority for Public Revenue has been made as a direct communication platform, with specific messages addressed to the public, concerning matters of

below and up to 20 employees - EUR 2 billion: a refundable advance payment will be provided to companies and whose loans are performing - EUR 108 million: a training voucher of 600 euros will be provided to six scientific sectors (economists/ accountants, engineers, lawyers, doctors, teachers and researchers) - EUR 232 million: unemployment benefits payment - EUR 800 million Interest subsidy on SME loans	- Others: reduction of the VAT rate from 24 percent to 6 percent for sanitary products	- EUR 250 million: funds to disburse corporate loans with 100 percent interest subsidy for 2 years - EUR 9 billion: cash collaterals to banks for loans to affected companies - EUR13 million: direct payment of arrears to SMEs and natural persons - EUR 1.1 billion: liquidity for firms	health and economic content, in relation to the coronavirus
Spain			
- Health sector: additional budget of EUR 1,000 million - EUR 25 million: meal allowances to ensure the basic access to food for vulnerable - EUR 300 million to ensure the provision of assistance to dependent person - EUR 110 million: fund R+D+I for the development 24 of drugs and vaccines for COVID-19 - EUR 700 million: direct assistance for housing rent for persons unable to make payments, with a maximum amount of EUR 900/ month	- EUR 14 billion: possibility for SMEs and self-employed workers, upon request, to defer tax payments for six months, and benefit from interest rate subsidies - EUR 3,5 billion: liquidity injection - 50 percent exemption from employer's social security contributions, - The VAT rate on electronic books, magazines and newspapers is also adjusted to align	- EUR 400 million: specific ICO financing facility amounting to support, through liquidity provision, firms and self-employed workers in the tourism - EUR 100 billion: new line of guarantees via the national development bank of up to so that the financial sector provides liquidity - EUR 10 billion: to extend the existing lines of credit - EUR 2 billion: additional guarantees - EUR 20 million: measures for the culture sector	- Budgetary flexibility measures to enable transfers between budget lines on mortgage payments postponements - Reduction of notary fees
France			
- Health sector: additional budget of EUR 8 billion - EUR 26 billion: support temporary unemployment: 70 percent of gross wages ensured by the government - EUR 1.7 billion: solidarity fund including a tax-exempt lump sum compensation corresponding to the loss of turnover over one year for VSEs, self-employed workers, micro entrepreneurs and liberal profession or subject to administrative closure. - EUR 20 billion: opening of a credit line for strategic industrial companies	- EUR 25.5 billion: postponement of social and fiscal deadlines for all companies - EUR 23 billion: advanced refund of tax credits (including start-ups) and advanced refund of three months VAT credit claims. - Reduction of the VAT rate to 5.5 percent on medical products.	- State-guaranteed treasury loan of up to 25 percent of annual turnover or 2 years of payroll for newly created or innovative companies - EUR 10 billion: public reinsurance on outstanding credit insurance for companies to maintain their activity up - EUR 5 billion: reinsurance of short-term export credits	- Launch of a study on the security of supply in the automotive and pharmaceutical industries

- EUR 1 billion: economic and social development fund (FDES) addressed to medium-sized enterprises - EUR 2.5 billion: creation of additional emergency reserves			
Italy			
- EUR 1.65 billion (increase) for the Fund for National Emergencies - EUR 3.2 billion: for the strengthening and re-organization of healthcare - EUR 10.3 billion: to strengthen the social safety net, temporary unemployment benefits for employees in every productive sector - EUR 5 billion: a total additional expenditure regarding wage supplementation - EUR 3 billion: EUR 600 monthly (tax exempted) for self-employed and seasonal workers for about 4.8 million eligible workers - EUR 300 million: for last resort income to cover all those not covered by the other measures - EUR 85 million: contribution to remote education	- Suspension for 3 months of tax and social security payments in the municipalities most affected - Suspension of tax and social security payments due - Suspension of tax and social security payments for start-ups - Deductibility of donations for the emergency up to a max of EUR 300000 - EUR 20 billion, 1.1 percent of GDP: Abrogation of VAT safeguard clauses in 2021	- EUR 3.5 billion (0.2 percent of GDP): up to one third of the total financing received by SMEs (or 1500 EUR per SME) up to 80 percent on the liquidity granted - Additional EUR 1.5 billion: up to EUR 5 million on loans to SMEs in distress for the nine months following the decree - EUR 400 billion new public guarantees to support credit to business aimed at mobilizing - EUR 15 billion: public guarantee on bank liabilities compatible with state aid - EUR 100 million: fund for SMEs, to support employment levels, financial viability, internationalization, and technological advancement, as well as support to start-ups	- EUR 400 million: measures for food provisions for the poor - Smart working has been favored, both in the private and in the public sector
Hungary			
- EUR 2.8 million (0.002 percent of GDP) to cover damages in tourism sector. - EUR 1.77 billion (1.3 percent of GDP) for the medical emergency - EUR 430 million (0.3 percent of GDP): a wage subsidy scheme that covers 70 percent of the amount of net wages lost - EUR 5.77 billion in preferential loans	- EUR 263 million (0.2 percent of GDP) to support the proposed measures - Measures: Sectors that were severely hit by the pandemic will be exempted from paying social security contributions, payroll taxes and kiva (small business tax) - Payment moratorium is introduced for debtors of credit, loan and financial lease, for both enterprises and households;	- The average annual interest rate on new consumer credit cannot exceed the central bank's base rate of 0.9 percent plus 5 percent - EUR 4.32 billion for the SME sector with favorable and predictable interest rates to maintain jobs and production capacities and to finance their investments - EUR 1.3 billion: a bond and security purchase program	- Construction of 5 emergency epidemiology hospitals - Army teams are being deployed in 84 strategic companies (in telecom, food, pharmaceutical and gas supply sectors)
Poland			
- EUR 3.82 – 4.95 billon (0.8-1% of GDP): subsidies to wages, exemption of medium-sized companies from a part of social security contributions'	- Postponement of the date of entry into force of the new tax obligations	- Work permits for foreign workers extended	- No any notable measures

payment, granting preferential loans to micro-companies - EUR 15.7 billion (3 percent of GDP): financial system liquidity - EUR 6.75 billion (1.4 percent of GDP) public investment - EUR 22.5 billion (over 4 percent of GDP): a package of loans to companies	- Facilitation of the suspension of business activities - Inclusion in the tax-deductible costs of expenses related to cancellations of trips; - Temporary postponement of payment deadlines of VAT - Social security contributions deferrals, redemptions or stage payments		
Romania			
- EUR 290 million: a benefit of 75 percent of wage but no more than 75 percent of the average wage to parents who cannot work remotely and have to stay home with kids younger than 12 years. - 2% of GDP: supporting local businesses - EUR 82 million: pay the minimum wage to those who cannot claim technical unemployment, like self employed or micro/ family enterprises.	- Speeding up VAT reimbursements - The deadline for the payment of the tax on building, land and transport equipment (local taxes) was postponed - A rebate for taxpayers who pay the corporate income tax as follows: 5 percent for large taxpayers, 10 percent for remaining taxpayers	- EUR 2.07 billion: fund to offer guarantees to SMEs for contracting loans for financing investment and working capital. - EUR 161.5 million: The budget of the state aid - SMEs can postpone payment of utilities and rent for the duration of the state of emergency - Banks offer certain facilities to clients, notably a deferral of the repayment deadlines for loans	- No any notable measures

Source: Autor extraction of data from the European Commission Report "*Policy measures taken against the spread and impact of the coronavirus – 28 May 2020*" (European Commission, 2020)

The global response to the pandemic was instantaneous all the way through changes in fiscal and monetary policies. Further on, there will be presented a selection of several policy measures implemented all over the world.

Japan: the Bank of Japan, injected USD 4.6 billion in liquidity; created an emergency fiscal fund of about USD 515 billion (10 percent of GDP); Bank of Japan declared that it would purchase unlimited volume of government bonds to keep interest rates low and stimulate the economy; Japan included spending measures reportedly comparable to 40 percent of GDP which include grants for businesses to pay rents and funds to small and medium-sized enterprises, payments to assist furloughed workers, and a reserve fund to provide capital injections to struggling firms (Congressional Research Service, 2020)

China: China's central bank pumped USD 57 billion into the banking system, limited banks' interest rates on loans for major companies, and extended deadlines for banks to curb shadow lending; The country provides USD 78.8 billion in funding, primarily to small businesses; China decided to cut VAT on medical services, masks, and protective clothing as well as on catering and accommodation services, several personal services (e.g., hairdressing, laundry), and public transport. (The World Bank, 2020)

Malaysia: injected USD 233 million to protect citizens & consumption, involving also NGOs and individuals, known to raise money. USD 23.38 will be given daily to those who have no source of income during the quarantine and treatment processes. Inland Revenue Board (IRB) is offering tax deduction for cash and item donations to help the concerned communities in answering their basic needs and help build their resilience. Malaysia announced the USD 58.43 billion package to support micro, small, and medium enterprises. (Md Shah, et al., 2020)

Brazil: the Brazilian government introduced new legislation that streamlines the customs clearance processes for articles used to prevent the escalation of COVID-19 (e.g.: disinfectants, antiseptic gels, protective masks and other key articles needed by hospitals, pharmacies) (The World Bank, 2020)

European Union: approved the 'Guidelines for border management measures to protect health and ensure the availability of goods and essential services.' France, Italy, Spain and six other Eurozone countries have claimed for generating a "coronabond," which represent a joint common European debt instrument (Congressional Research Service, 2020)

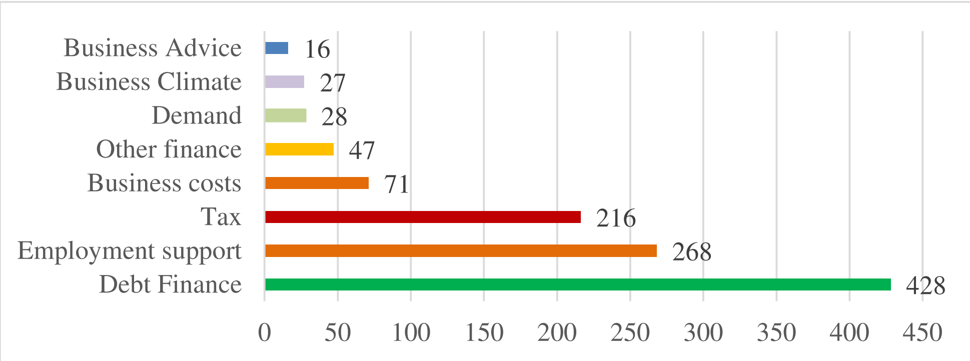
Myanmar: government announced that the 2 percent advance income (withholding) tax on exports will be waived until the end of this fiscal year. (The World Bank, 2020)

Bangladesh: Government removed all tariffs and taxes on a list of COVID-19 related products. (The World Bank, 2020)

Africa: Trade policy reforms (reduce tax and administrative burdens on importers and exporters; reduce the cost of food and other products intensively consumed by the poor); streamline trade procedures and facilitate trade at borders, maintaining transport and logistics services along the main corridor. (World Bank Group, 2020a)

Additionally, the World Bank developed an in-time database, where all the measures taken to support the SMEs are registered. The Figure 1 indicates the number of instruments by type implemented to support the SMEs:

Figure no. 1 Instruments by type of support for the SMEs



Source: Data extracted from World Bank Database 2020 (https://dataviz.worldbank.org/)

4. Conclusions

The COVID-19 pandemic and the various lockdowns in economies worldwide created a distinctive situation that has no recorded corresponding in the specialty literature. Unquestionably, the economic damage of the epidemic could be long-lasting, as it will take considerable time to repair the disruptions to labor markets, value chains, companies' financial figures, and to restore consumers' confidence in the safety of sectors like retail, leisure, and tourism. During these times, the policymakers have a significant role – the organizations must issue policies to rebuild economies both short and long and to strengthen health service. The measures should reignite growth, focusing on sustaining economic activity with support for households, firms, and essential services.

A limit to the present study is the status of "best practice" in terms of policy measures. Considering that no precedent situation has been tested before, the "best practice" status of these measures can be assigned only in few years, analyzing backward the financial figures for each country.

Nowadays, it is notable for saluting the governmental and financial institutions' interventions from all over the world that have mobilized and significantly responded through the monetary and fiscal policies implemented to unprecedently stimulate the economy (e.g.: The European Union, The United States, Japan, China, Africa)

All things considered, all the efforts and the impeccable cooperation and coordination among organizations from all over the world are crucial to spread the pandemic and alleviate its economic shock.

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