

The Response of the European Union to the COVID-19 Pandemic and its Socio-Economic Consequences

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ABSTRACT

The overview provides information on the response of the European Union to the COVID-19 pandemic. The measures taken by the European Union during the pandemic to preserve the health of citizens and prevent the collapse of the economy are presented. The impact of the pandemic on the state of the global economy is also considered, in particular, an analysis of the negative consequences of the pandemic for global economic growth is carried out.

Keywords: European Union; European Commission; Covid-19; SARS-CoV-2; Impact of the Pandemic; World Economy; State

Introduction

Much has changed in the familiar world since the coronavirus infection known as Covid-19 (Corona Virus Disease 2019), which is caused by Sars-CoV-2 (Severe acute respiratory syndrome coronavirus 2), has entered our lives. At the moment, there are many known strains of coronavirus, four of which have received the status of variants of concern to WHO (Variants of concern - VOC). One of the dramatic manifestations of the initial phase of the "corona crisis", which took place in March 2020, was the rapid spread of national restrictions on movement across the internal borders of the European Union. The bans affected a wide range of products up to special-purpose goods - personal protective equipment and medicines. The coronavirus has forced Member States to functionally restore borders. Export restrictions have led to a break in interstate chains of production and distribution. As the European Commission, which is entrusted with constant control over the work of the single market of the European Union, concluded, the forced protective measures taken by the states created a deficit in

intercountry product exchanges. Thus, the protection of the health and life of people was under even greater threat. The response of the European Commission to the new circumstances created by the "corona crisis" has been decisive action to preserve the unity of the internal market and mobilize the available budgetary reserves of the European Union.

Discussion

Within its regulatory powers, the European Commission has tried to prevent the extension of national restrictions on the export of special-purpose goods, mainly personal protective equipment and medicines. Weekly monitoring of countries' requirements, as well as available stocks and capacities for the production of such goods, was established. The European Commission specifically stipulated the requirements that must be strictly observed by Member States: to notify it and other EU states of any planned national measures that limit the availability of the market for medical equipment and protective equipment; in the fight against

the pandemic, do not deviate from common European approaches based on the solidarity of the Member States and taking into account the needs of those most in need; strengthen coordination of actions to ensure the uninterrupted flow of goods along the external sea corridors and the continuous flow of goods in the domestic market [1]. In contrast to strict rules, a number of measures were introduced to simplify the behavior of economic factors. Thus, the European Commission issued a recommendation that weakened the conformity assessment and supervision procedures.

This has opened up the European Union market to some personal protective equipment, such as disposable face masks, while still meeting the required health and safety standards. On March 20, 2020, at the urgent request of the European Commission, the European Committee for Standardization (CEN) and the European Committee for Electrotechnical Standardization (CENELEC) agreed to immediately make available European standards for certain medical devices and personal protective equipment. 11 standards developed by CEN and three additional standards developed jointly with the International Organization for Standardization (ISO) on filter masks, medical gloves and protective clothing can now be downloaded free of charge from the websites of the EC and national CEN members [2]. The European Committee called on textile and shoe factories to diversify their production and start producing masks, gloves and gowns, in accordance with the European standards provided to them. On March 1, 2020, the unified airport seat planning rule for air carriers was suspended. Previously, those wishing to secure seats at airports for the next year had to use at least 80% of the seats in the current year on a "use or lose a seat" basis. Due to the extreme decrease in demand for passenger transportation in the winter period of 2019-2020. and summer 2020, air carriers were allowed not to operate "ghost flights" in order to protect their rights in the transportation market. In addition, this measure was aimed at reducing the financial losses of carriers and the negative impact on the environment. This relief was valid until June 30, 2020. It is also worth noting that it was not introduced for the first time: in 2001 after the tragic terrorist attacks of September 11 and in 2003. During the outbreak of SARS, similar measures were taken to protect air carriers.

In cooperation with the Commission for Tourism (which brings together national tourism associations), the European Committee has established an exchange of information to assess the impact of the pandemic on the industry. As one of the outcomes, on March 10, measures were announced to support the liquidity of small and medium-sized enterprises. These and many other sensitive financial decisions have formed the basis of the European Union's investment proposals in response to the coronavirus. The first investment package of initiatives was made public on March 13, the second on April 2. In particular, the unallocated balances of the

European Structural and Investment Funds in the amount of 29 billion euros were used to saturate national budgets with liquidity. Provided that the money is spent in the areas most in need (support for healthcare, small and medium-sized enterprises, the labor market), Member States are allowed to retain in national budgets another 8 billion euros transferred to them in 2019, but not spent. Thus, by supplying countries with liquidity in the amount of money they did not spend, which was intended for them anyway, the EC at the same time forced them to use this money for development. The emergency created by the pandemic was declared to fall under the scope of the European Union Solidarity Fund. Designed to support countries hit by natural disasters, it was open to member states hardest hit by the coronavirus. The amount of funds to fight the pandemic will be 800 million euros.

The Commission stated that other Funds that exist in the budget of the European Union, thanks to its flexible rules (namely, due to the fact that unclaimed resources or small balances can be accumulated and carried forward to future years), are allowed to be used to combat the crisis. Thus, the European Fund for Adaptation to Globalization can be mobilized to support the laid-off. The European Fund for the Relief of the Disadvantaged is also involved. It usually complements the efforts of the countries of the European Union to meet the basic needs of people in need of food, clothing, detergents, as well as material assistance so that they can later get a job or study, for example, with the support of the European Social Fund, and get out of poverty. It was decided to direct part of the Fund's resources to supply workers and volunteers with the necessary protective equipment. Thus, the EC tried to ensure that the Fund's assistance, as before, reaches the most vulnerable groups of the population.

We note the socio-economic consequences of the COVID-19 pandemic on the global market. China's stock exchanges suffered heavy losses, where the trading volume dropped sharply, but literally a week later it also affected European stock exchanges. Due to the shutdown of enterprises in China, and then throughout the world, the demand for oil and oil products fell significantly [3]. There was also a sharp increase in demand for essential goods and everyday products. The situation dictated speculation in the market of certain products, including antiviral drugs, sanitary masks, and disinfectants. Sales of essential goods increased sharply, which led to a sharp jump in prices. During the pandemic, the demand for the delivery of food, medicines, and essential products has increased dramatically. In the context of quarantine restrictions, business automation and digitalization is a key factor in minimizing production losses. Thus, companies that have carried out business transformation are now able to provide an acceptable level of production and maintain their position in the market [4]. The only solution is a sharp jump in development can

give progress [5]. The COVID-19 pandemic has changed the socio-economic space in Russia, a fact that no one questions: the state and society are already in a new reality [6]. It should be clear that the Chinese economy can afford to respond quickly to emerging emergencies [7]. The COVID-19 outbreak is also a global public health crisis. COVID-19 has shown that scientific collaboration is key to addressing the global public health challenge. This shows us the need for continuing education when so many children today cannot go to school. This is a vivid reminder of the importance of high-quality, reliable information. The pandemic shows the power of culture and knowledge for public health and solidarity at a time when countless people around the world have had to maintain social distancing and stay at home. UNESCO is fully committed to supporting governments in distance learning, open science, knowledge sharing and culture as a fundamental means to stand together and strengthen our society [8]. Analysis of the current situation points to the significant and persistent negative effects of this pandemic on the global economy, and no country has escaped it without consequences. China and "developing Asia" will fare better in the near future. However, Sweden serves as a warning that no economy is immune to the negative effects of Covid-19 in an interconnected global economy. Non-Asian emerging markets are especially vulnerable.

Conclusion

Thus, the measures taken by the European Union underline the importance of a comprehensive and coordinated interstate political response to this pandemic. This includes global efforts to ensure the rapid deployment of medical resources (including vaccines when available), policies that can restore the normal functioning of financial markets, and other measures that can support firms and households. Finally, a risk-management approach to policy development will require increased efforts to buy insurance against tail events, which are represented by a distribution of likely outcomes. These efforts are likely to limit the number of problems [9]. In each country, mitigating conditions were provided that helped with less problems and understanding of such a complex

socio-economic crisis. With regards to medicine, in the process of treatment, people faced new problems. People with chronic diseases could not cope with this disease, especially diseased kidneys susceptible to the COVID virus, therefore, the treatment and the method of finding a cure are changing.

The pandemic has exposed the fragility of the health care system around the world, and has shown the need for a more reliable and highly effective science, technology and innovation system. The lack of test kits and other Personal Protective Equipment (PPE), insufficient training of healthcare workers, the lack of adequate supplies to treat patients infected with COVID-19 - all these factors have led to a rethinking of priorities, in particular to increase investment in science, technology and innovation. Different vaccines have been created to provide a choice, but the economy needs about five years to get up to speed. The results of the analysis show that the global recession will be prolonged, and no country will escape its consequences, regardless of its mitigation strategy.

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