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THE CERTAINTY OF GLOBAL ECONOMIC CRISIS AND RISING UNEEMPLOYMENT DUE TO COVID-19 PANDEMIC

Summary: The whole world was affected by a great plague, in the form of a new epidemiological disease, known as COVID-19 or Coronavirus. It is a deadly virus, which has taken an extremely large number of victims all over the world, and even at this moment, the exact number of dead is unknown, because the virus is still active and continues to sow death all over the world. Although intensive work is being done to find an adequate cure, serum and vaccine that would prevent further spread of the Coronavirus, medicine cannot yet meet this challenge. The reason for that should be sought in the fact that this virus is new to world medicine, and that not all of its characteristics and properties are still known. Of particular importance is the question of what economic consequences this pandemic will cause at the global and national levels, and how it will manifest itself in relation to national economies and the position of ordinary citizens. In the Republic of Serbia, measures have been adopted aimed at qualitatively improving the position of economic entities, businessmen, as well as individuals and citizens. The goal of these measures is to preserve liquidity in the business of economic entities, to preserve every job, as well as orderliness in the supply of basic food-stuffs and needs.

Key words: pandemic, economic measures, liquidity, jobs, crisis

Introductory considerations

At the end of 2019 and the beginning of 2020, the whole world was in big trouble. Mankind has been attacked by an invisible enemy, who has brought all the countries of the world, even the most developed ones, to their knees. The health systems of almost all countries of the world have collapsed in front of the new deadly virus COVID 19 or Corona virus, which is one of the most dangerous deadly diseases due to its danger to human lives. COVID 19 is originally from China, more precisely, it is connected to the province of Wuhan. The official version of the origin of this infection is related to the market in Wuhan, where various groceries are sold. Thus, through the food chain, in which bats in this country also participate, the CO-

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VID 19 virus, which previously existed in bats, entered the human body. According to Chinese tradition, bats are used to make soup. It is assumed that these bats that were carriers of the virus were not well heat-treated, which conditioned the survival of the virus and its transmission to the human population.

It cannot be determined with certainty when exactly this virus originated. At first glance, it has all the characteristics of seasonal viruses. However, it has a much more destructive effect on the respiratory system, disables the respiratory organs in a short time and leads to the inability to breathe. Therefore, patients with COVID 19 must be connected to a respirator, and most of them have a hard time surviving and receiving healing. Precisely for this reason of the great coincidence with seasonal viruses, it is not known whether epidemiologists immediately established the presence of a new virus or it was done with a delay. Chinese experts pointed out the problem of this virus in a timely manner, but despite the warnings, it was not adequately approached from preventing its spread.

The virus has spread rapidly all over the world, causing great consequences, especially in Italy, Lombardy, Spain, South America, the United States, Germany, Austria and other countries. The victims were appeared massively, without the possibility of all the victims being buried in accordance with traditional customs. They were buried in mass graves, without the presence of relatives and friends. Long convoys of special vehicles transported the dead from the hospital to the cemeteries.. The world is shrouded in black, and what is most alarming is the fact that little or nothing is known about COVID 19, that there is no cure, nor can we know approximately what could be applied in the treatment process. Also, little or no knowledge is known about the characteristics of this virus. It has been speculated and assumed without adequate bases and scientific grounds. That is why there was a lot of controversy, such as that the COVID 19 virus has similarities with the HIV virus, that it is not resistant to high temperatures, that it only affects the elderly population, while young people are completely immune to it, that it causes sterility, to be from COVID -a 19 can get sick only once, without the possibility of recurrence and the like. Most of these assumptions have been challenged, and have been challenged by practice and experience with this virus.

The World Health Organization declared a “public health emergency of international concern” on January 30th and the pandemic on March 11th. The WHO reported that the virus is primarily spread between people through close contact, often via droplets (Bjelajac, Filipović, 2020). Degradation and dehumanization of the global society followed, helped by often confusing and contradictory reporting of the mass media, which contrasts their primary function (see more in Bjelajac, Filipović, 2018). Such activity of mass media is not new, but in the circumstances of the pandemic, it was particularly visible in the sense of endangering credibility, authority and trust.

The Republic of Serbia has also been targeted by the new virus. The first infected case was registered at the beginning of March 2020 with a prominent businessman from Subotica, who brought this virus from Italy. At lightning speed, this virus began to spread throughout our country, opening hotspots such as Kikinda,

Valjevo, Belgrade, Nis, Novi Pazar and other cities, where it began to appear in a large number of cases. Almost all hospital facilities were subordinated to COVID 19, and the hospital for COVID patients at the Military Medical Center in Karaburma was renovated and built in record time. Also, thanks to good organization and diplomatic relations, the leadership of the Republic of Serbia has provided a large number of respirators, necessary for saving human lives from dangerous diseases. Thus, the health system of the Republic of Serbia was greatly strengthened and prepared for dealing with the infectious disease, and during the first round of the fight, the Serbian health system proved to be much more ready and capable than the systems of much more developed and economically stable European Union countries.

Circumstances in the Serbian economy at the time of the pandemic

The introduction of the state of emergency in the Republic of Serbia was necessary and conditioned by the objective danger to human lives. The state of emergency has completely paralyzed life in Serbia. Everything was subordinated to the fight against COVID 19 and all resources were directed in that direction. The biggest loser in that constellation is the economy and economic entities. The possibility of orderly business was questioned, and the first to be hit were caterers, the tourism sector, the services sector, foreign trade companies, as well as many others. Therefore, it was obvious that in addition to strengthening health care, which was done by renovating hospitals and providing respirators, help and support must also be given to the economy.

The goal of the Government of the Republic of Serbia during the pandemic was to preserve every job. Employers are encouraged not to terminate employment contracts at this difficult time and to help them not to do so. To that end, the government provided a package of measures worth 5.1 billion euros, which it intended to support the economy and economic entities. The priority of the Government is the private sector, and this support was primarily intended for entities operating in the private sector. The assistance was aimed at preserving liquidity in business. The program of measures to reduce the negative effects of the pandemic is reflected in the postponement of payment of payroll taxes and contributions of employees in the private sector during the state of emergency, with the possibility of later repayment, postponement of advance tax payments in the second quarter, exemption of donors from VAT. Micro, small and medium enterprises in the private sector were paid assistance in the amount of the minimum wage for three months, as well as payments of direct assistance to large companies in the private sector in the amount of 50% of the average salary in the Republic of Serbia for those employees whose employment was terminated by a decision.

In addition to the above measures, the liquidity of the private sector is also provided through the program of financial support to the economy in the period of COVID 19, the scheme of support to the economy during the crisis is guaranteed, a moratorium on dividend payments is introduced until the end of the current year

and the public subjects are excluded from this and the fiscal stimulus is provided through direct assistance to all adult citizens of Serbia.

These measures adopted by the Government are do not refer to private sector entities whose income was reduced by more than 10% during the pandemic period, not including costs related to fixed-term employees whose contract expired in that period, as well as entities who stopped performing their activities before the introduction of the state of emergency, therefore before March 15, 2020.

The measures of the Government of the Republic of Serbia can be divided into four sets. The first set refers to the possibility of postponing due tax liabilities, with the possibility of later repayments in monthly installments. It also enables the provision of liquidity of economic entities, while maintaining economic activity and employment levels. Employers who decide for this measure have the option to postpone payment of costs for up to 24 months, without charging interest. Also, this set of measures includes the postponement of the payment of profit tax advances in the second quarter, which also increases the liquidity of economic entities. Business entities that have the status of donors, will enjoy special privileges, in terms of exemption from VAT. The condition for the application of this relief is that the economic entity has donated the products it works with to the institutions that primarily work on the suppression of the pandemic.

The second set of measures includes those measures that are given directly to private sector companies. Assistance is provided to small, micro and medium-sized enterprises from the private sector in the amount of the minimum wage, ie the amount of 50% of the minimum wage for large enterprises. This measure is applied in accordance with the financial power of economic entities, more precisely, large and financially stronger companies are given 50% of the minimum wage, while entrepreneurs, micro, small and medium enterprises are given the full amount of the minimum wage.

The third set includes two measures of the Government of the Republic of Serbia. It is a program for granting loans to preserve liquidity and working capital for companies from the segment of businessmen, micro, small and medium enterprises, agricultural farms through commercial banks operating in our country. Also, in addition to the above, guarantee schemes are provided to support the economy during the pandemic to maintain liquidity and working capital from the segment of businessmen, micro, small and medium enterprises, agricultural farms through commercial banks operating in the Republic of Serbia.

The fourth set of measures refers to the payment of direct aid in the amount of 100 euros in dinar equivalent to all adult citizens of the Republic of Serbia.

Global economic opportunities at the time of the pandemic

Globally, most of the world's major economies are resorting to stagnation with almost all vital economic activities until the pandemic of the COVID 19 virus stops and the danger of this infection becomes minor. The economic consequences,

which are clearly discussed, are subordinated to the interest of public health and the preservation of human lives, as the most important values, protected by all international declarations and normative acts. However, as time has passed since the beginning of the pandemic, the question of how long the world economy can suffer the consequences of its inaction and what the consequences will be from the aspect of the global economic crisis is becoming more and more topical. The epidemic, in addition to endangering health, also endangers the economy, and indeed preventive measures are being taken to preserve health, and the necessity of taking measures to preserve the economy, economic activity and liquidity of economic entities is being noticed. An indicator of the economic crisis in the world are stock exchanges, which are characterized by increased volatility due to the behavior of traders who have directed their activity towards intensive sales, as opposed to the suspension of trade activities globally, which has caused confusion in most world markets. In almost all markets, and even the gold and oil markets, which are considered the most stable, there has been a decline, while financial markets, especially cryptocurrencies, have suffered the biggest impact. The thesis on the movements of bitcoin prices in relation to standard financial instruments was refuted (Sajter, 2018, p. 1).

As certain production and service activities are completely frozen during the pandemic period, the question of the status of certain branches of activity, as well as the persons employed in those sectors, is raised for a reason. An increase in the unemployment rate would be just an aggregate of the economic crisis in the world, which could only give impetus to the crisis in the world. However, when it comes to the world economic crisis, it is considered that it appeared in 2008. This period of crisis in the Balkan region is also characterized by an increase in the unemployment rate, which was expanding until 2014, when it began to decline. The only exception was Romania, where the unemployment rate was stagnant all the time. Romania, like Bulgaria, has a constant unemployment rate of 5 per cent over the years. In Serbia, Montenegro, Croatia and Albania, the unemployment rate averaged between 15 and 20 percent from the official beginning of the global economic crisis to the crisis caused by the pandemic. Bosnia and Herzegovina has made progress in reducing the unemployment rate, reducing the unemployment rate by 10 percent from a decade ago. The reduction of the unemployment rate in the developed countries of the European Union was positively affected by the conspicuous migration process, which included the influx of able-bodied labor force of various educational profiles (for more details see: <https://talas.rs/2019/03/08/region-10-godina-od-krize/>).

According to International Labor Organization (ILO) estimates, a pandemic caused by COVID 19 could produce about 25 million unemployed workers in the international labor market. According to these estimates, the crisis caused by COVID 19 would overshadow the effects of the 2008 crisis, when about 22 million workers lost their jobs. Also, the ILO estimates that phenomena such as non-registration of workers and their illegal work will increase, without any rights arising from employment, while the effects of self-employment will be reduced to a minimum, without the results it has given so far. Raising the unemployment rate has other unintended consequences, such as declining purchasing power of citizens, reduced consumption of goods and poorer provision of services and service activi-

ties, which could have an estimated impact on the world economy, estimated at \$ 3.4 trillion. Therefore, from these assessments, it is completely clear that the world is facing one of the biggest economic crises, which cannot be compared to any crisis that has happened in the past. The reason for that is certainly great uncertainty because it is not known and it is not possible to project how long the crisis caused by the pandemic will last, because for now very little is known about the virus that is the initiator of the pandemic. In a state of fear for life and health, people decide to buy only basic groceries, which has a devastating effect on production. Also, the amount of corporate debt at the end of 2019 was significantly higher in relation to the economic crisis from ten years ago, when the debt amounted to 75 thousand billion dollars.

The impact of the COVID 19 pandemic on labor relations

Employees in all economic entities were hit by the COVID 19 pandemic on two grounds: as people whose lives and health were endangered and as persons whose employment status was significantly endangered. From the aspect of the topic of work, we will talk about the labor law position of employees, as well as about the disturbed relations on the labor markets in the world. Employers have an obligation to protect every job, in accordance with their capabilities, to protect the liquidity of their business, but also to protect the lives and health of their employees. Of course, these three goals are in a certain contradiction, because saving the health of workers implies their release from classic work obligations, because epidemiological measures require minimal social contacts, distance work, special treatment for the elderly, which significantly reduces productivity of work process. The reduction of production and work activity, on the other hand, causes lower incomes, which calls into question the existence of the economic entity and its business.

According to the prognosis of the International Labor Organization (ILO), due to the pandemic, three key problems will crystallize on the labor market: the problem of job supply, the problem of the quality of work provided and the problem of negative impact on particularly vulnerable categories of workers. According to the same assumptions, three possible scenarios are expected in the coming period, according to which the unemployment rate could be low, around 5.3 million, medium, around 7.4 million and high, around 22 million. Expectations in the coming period on the labor market are not at all optimistic. The impacts to labor market that occurred at the beginning of the pandemic will eventually turn into a drastic drop in the price of labor, which will automatically lead to a reduction in employee salaries. On the other hand, it is expected an increase in the so-called informal employment and the expansion of flexible working relationships, which are largely to the detriment of employees, and the benefit of employers, because it reduces their obligations to a minimum.

The reason for the turmoil in the labor market should be sought in the fact that economic activity has drastically decreased, that there has been a restriction on the movement of people and goods globally, there has been a decline in the value of

goods and services, supply chain disruptions, certain sectors , such as tourism, traffic, services, retail, catering and the like have experienced a real crash and are already counting millions in losses.

On the other hand, due to the spread of the contagious disease, the demand for labor is declining, because the population able to work is getting sicker and sicker, and it is necessary to dedicate itself to its recovery, and not to work obligations. The number of workers who are absent from work due to illness or due to the obligation to stay in quarantine has increased. Black prognosis also indicate the possibility of permanent loss of a large number of people able to work, due to their death. Of this type of loss, material losses are estimated to range from \$ 860 million to \$ 3,440 million. Also, as an important factor, lower consumption of resources and goods should be mentioned, which also creates great damage on the macroeconomic level, especially if it lasts for a long time and continuously. Job losses, declining wages and incomes, declining manufacturing and service industries, and declining resource consumption inevitably fabricate global poverty. The ILO estimates that from 14 million workers who live on the edge of extinction, their number will increase to 35 million after a pandemic, assuming that the pandemic will end by the end of 2020 (Hosain, S; Russell , M. “The global economic impact of COVID 19: Three possible scenarios” pp. 35-36, 2020).

The following categories of employees are at the highest risk of losing their jobs and the consequences of poverty:

- Older employees with chronic diseases,
- Young workers who are in the process of looking for employment,
- Women, because they are predominantly represented in sectors affected by the pandemic crisis,
- Self-employed workers, workers in temporary and occasional jobs, fixed term workers, workers in practice, training and the like, and
- Economic migrants, who emigrated in order to seek employment.

Each of these categories of employees has a risk that is caused by certain specific characteristics. Thus, older categories of employees have a risk caused by their age and already poor health. The virus is especially dangerous for the elderly, and it is logical that for that reason they are categorized in the first group of risky workforce. Young workers, who have just finished the education process and are looking for their first job, will not be excessively wanted for labor, because employers will prefer older and more experienced workers, because funds will be limited, so they will prefer to give them to those workers whose productivity and efficiency may be at a higher level. Therefore, the position of young workers on the labor market will not be favorable. Women are a risk group of employees because they make up 58.6 percent of the workforce engaged in the services sector. As already mentioned, this sector has suffered one of the strongest impacts from this economic crisis, so it is logical to expect that employees in this sector will be one of the riskier categories of job losses and poverty. The self-employed, temporary workers, workers in practice and training are included in the group of unprotected workers, in terms of their social protection, health care and protection in case of unemployment. Their employ-

ment is flexible, which is why their position in crisis situations is unfavorable. It will be easiest for employers to fire them because their rights are the weakest and it is easy to avoid them. Migrants belong to a vulnerable category, and the situation of the pandemic only made their situation even more difficult, because it prevented them from reaching the countries of destination where they could find employment (Rakić, I. "Competition law in the age of COVID 19").

The impact on the labor market and labor relations was strongest in the developed countries of the world. In the United States, at the end of April 2020, about 30 million employees lost their jobs due to the pandemic. In Canada, the unemployment rate rose by 5.2 percent, while 7.2 million unemployed people have sought help from the state since the beginning of the crisis caused by COVID 19. In Japan, the crisis did not immediately manifest itself as quickly as in other countries, but there was mild increase of unemployment rate of 20 thousand workers more than the previous year. There has also been a decrease in job creation and an increase in demand for aid for unemployees. In the United Kingdom, there was a slight increase in the unemployment rate from 4 to 9 percent, and about 2 million citizens applied for help due to the crisis caused by the pandemic. In Germany, there was a slight increase in the unemployment rate by 5.8 percent, while in Italy there was an increase in the unemployment rate by 8.4 percent.

Measures to protect the position of employees

In the Republic of Serbia, through a series of measures adopted in order to preserve the liquidity of economic entities and help the private sector, the principle of protection of every job was proclaimed. In labor relations, in addition to the mentioned measure of protection of each job through incentives sent to the economy, due to the general danger to the lives and health of citizens, it is enabled for employees to work from home during a state of emergency. In shift work, the goal is to enable fewer shifts, part-time work, with minimal possibility of spreading the infection. Also, a special type of transport was provided for the working active population during the state of emergency, which included special measures of protection and disinfection.

In Belgium, flexibility in the execution of public contractual obligations has increased in terms of expenditure measures due to the difficulties caused by the pandemic. Due to non-compliance with the deadlines, there will be no sanctions and no punitive measures will be taken. At the level of the federation, a decree was adopted on covering additional costs in the name of health care for employees. Also, special tax relief measures have been introduced in the form of postponement of tax liability, which apply to both economic entities and the self-employed, to whom a concession is made regarding the payment of social protection contributions, health insurance, payroll taxes, value added tax, personal and corporate income. In the case of self-employment, an exemption may be required for the payment of social security contributions for the duration of the pandemic. In some regions of Belgium, certain

special categories of taxes have been withdrawn: in Wallonia, taxes on cars, real estate, and in Brussels, taxes on traffic tax and city tax.

Regarding the benefits related to the labor law sector, Belgium, both at the level of the federation and at the level of federal units, has brought numerous benefits that should have the character of incentives for the economy and employees. Belgium has introduced a special category of unemployment - temporary unemployment due to COVID 19. This type of unemployment is caused by force majeure, and this type of unemployment can be resorted to by companies that have business problems caused by a virus pandemic. The procedure related to the temporarily unemployed has been maximally simplified, and persons who belong to the category of the temporarily unemployed are entitled to a benefit that is 70 percent in relation to the upper level of the average income in the country. The state of temporary unemployment is time-limited until June 30, 2020. Younger unemployed persons are given additional income for a period of three months, the costs for self-employment, partially self-employed and pensioners are reduced.

In Flanders, compensation for companies and the self-employed, who are obliged to suspend the work process due to the pandemic, is provided in the monthly amount of 4 thousand euros, in case of complete suspension, or 2 thousand euros in case of partial suspension. Companies and the self-employed who are not forced to suspend the work process are entitled to a special stimulus in the amount of 3 thousand euros per month, to compensate for the loss caused by the reduction of business turnover, if this reduction is more than 60 percent of the previous turnover. outbreak of a pandemic. Also, part-time work has been introduced in Flanders, with subsidies for particularly vulnerable sectors, such as culture, sports, youth, horticulture, tourism, catering and other industries that will be able to recoup losses from these emergency funds. The sector of children's education and upbringing also falls under the subsidized sector, because it experiences greater losses due to non-attendance by children. Subsidies range from 27 euros per child not attending per day. Special attention is paid to the sector of care and nursing of the elderly in day care institutions for the elderly and disabled, which encourages the employment of nurses and technicians. Of special importance is the orderly supply of masks and other medical supplies.

In Wallonia, special attention is paid to small companies in the catering, tourism, retail and culture sectors. Due to pandemic protection measures, these companies are forced to either completely or partially suspend their work, and they are therefore considered the most endangered. In the case of complete closure, the fee provided by Wallonia is 5 thousand euros, and in the case of partial closure, the fee is 2.5 thousand euros. Companies in the field of care are also entitled to a one-time aid in the amount of 5 thousand euros, while households can expect aid in the form of a fee for fuel and electricity in the amount of 75 euros. Temporarily unemployed people are entitled to assistance for paying water bills in the amount of 40 euros. Subsidies for Walloon social services have also been increased, especially in the area of social housing, through the postponement of the payment of the housing loan installment, without interest.

In Brussels, one-time assistance funds in the amount of 4 thousand euros are provided for companies that have to suspend the process of work in the field of catering, hotel management, tourism, retail, entertainment and sports. Small firms are entitled to assistance in the amount of 2 thousand euros, as well as self-employed persons. A special aid fund has been established for the care sector, which will be additionally supported through vouchers that will be distributed to the unemployed. The most economically endangered residents of Brussels, who live in rented apartments, have been provided with assistance in the amount of 215 euros. In Germany, significant funds of 18.9 billion euros have been set aside to finance research projects in the field of medicine in order to find a cure for the COVID 19 virus, as well as to expand existing hospital capacities. In the banking sector, Germany is expanding federal loan guarantees provided by Germany's promotional bank, with an increase in start-up loans for small and micro businesses. Guarantees for the payment of these loans will be given by the federal government of Germany in the amount of 30 billion euros. In addition to the above, the German government is also establishing the Economic Stability Fund, which will be under the direct jurisdiction of the German Financial Agency. Business entities will receive financial assistance and subsidies from this institution during the pandemic. The conditions that help seekers must meet are to have income of more than 50 million euros, the volume of the annual balance state and success of more than 46 million and to have more than 249 employees. In case they do not meet these conditions, legal entities can apply for assistance if they perform an activity that is of special importance to the German economy.

Assistance, which can be given to economic entities through the operation of this Fund, is recapitalization through direct capital, convertible funds, hybrid and hidden shares in capital. Then, through the incentive funds of the German bank and the Economic Stabilization Fund for the extension of up to 400 billion euros, intended to cover debt securities. Finally, assistance can be provided through the financing of a German bank loan program. The aid is specifically intended for small firms, through a program worth 50 billion euros. The condition for participation for these funds is a minimum of 10 employees. The aid is paid in the range of 9 to 15 thousand euros and it is intended to cover current operating costs. In addition to the stated condition regarding the number of employees, it is necessary to prove the endangerment in the business of the legal entity, and that it arose as a consequence of the COVID 19 virus pandemic, and that before the outbreak of the pandemic they operated with profits.

Regarding tax measures, Germany has opted for the possibility of postponing tax payments and reducing tax advances and suspending executive measures to improve the liquidity of companies directly affected by the effects of the COVID 19 virus pandemic. Employees can receive 1,500 euros in tax-free assistance from employers or through personal income, and employers in return may postpone payment of income tax for two months.

In order to reduce the unemployment rate and terminate employment contracts, a part-time work scheme was introduced. This scheme implies the hiring of the entire workforce, as well as those workers who are hired on some of the flexible

bases of employment, with the possibility of returning the social security contributions by the Federal Labor Office. Also, an additional package of social protection measures was adopted, which includes an increase in short-term benefits and an extension of the suitability period for receiving unemployment benefits. These measures are aimed at improving the status of socially vulnerable categories of workers and people who have lost their jobs, encouraging the production cycle with an incentive to spend 7.5 billion euros at the federal and 2.1 euros at the local level. The measures have a particularly favorable effect on large families with several children, with the flexibility of child allowance, as well as young people who are in the process of university education, who acquire the right to interest-free loans and non-refundable scholarships.

Italy is the European country that had the hardest time in the first wave of the pandemic. Therefore, the Italian government had to take the most comprehensive measures in order to protect the economy, and the interests of the citizens. Protection of jobs is certainly one of these measures, which refers to the provision of additional funds to supplement the personal salaries and incomes of employees. The supplement amounts to 500 euros for the monthly salary of employees in the three most severely affected municipalities in Italy for a period of three months. Also, social security of employees was additionally provided during the pandemic through the project "Cura Italia", worth 10 billion euros, which serves to provide a framework for supplementing the income of employees in the manufacturing sector, employees in micro enterprises, self-employed workers, agricultural and seasonal workers. , whose income supplement for the month of March 2020 will amount to 600 euros. In addition to income, they are also provided with paid leave due to illness from COVID 19 and caring for a household member.

Measures to supplement personal income through the presented scheme are enabled for all economic entities, regardless of their size and the activities they perform. Income supplement is possible in nine weeks, and the processing and realization of requests for this type of assistance has been simplified and very efficient operation of the competent institutions has been provided. The Special Recovery Decree additionally covers particularly vulnerable categories of workers, with a lower level of social protection, as well as those who do not earn any income. Also, measures are envisaged to quantify the losses incurred in the business of economic entities due to extraordinary circumstances caused by the pandemic. Quantification was performed by the comparative method of the same business period for the previous and current year. Giving help was approached to almost all categories of employees, due to the level of their education and the types of jobs and activities they perform. Special benefits were given to employees in tourism, whose personal income supplement was increased to one thousand euros, while this type of assistance is not granted to employees in the trade and craft sector due to the fact that in these sectors the assistance is provided for companies.

Unemployed persons also acquire the right to compensation for an extended period of time for a period of two months longer than the already provided benefits for this category of population. The fund provides special amount of money of 230 million euros for professional training of workers during the pandemic period. As-

sistance in the range of 400 to 840 euros per month is provided for persons with disabilities and incapacitated persons for a period of two months after the end of the pandemic. Special benefits are given to parents of minor children who are employed in the form of the right to leave from work for a period of 30 working days, and newborn children in a pandemic period receive a non-refundable 1,200 euros, while medical workers who get family newborn in the family receive assistance from 2 thousand euros.

Employees who have to be quarantined due to illness will not be allowed to terminate their employment, regardless of whether they have a fixed-term or indefinite employment contract, but will be treated as workers who are on sick leave. Also, a ban on layoffs in the public and private sectors for a period of five months was introduced. Those employees who, for justified reasons, have to work from home, will be duly paid and will have the same rights as those workers who did not work from home. Employees who have a minor child under the age of 14 have the right to work from home, and care is taken that the nature of their work is such that it can be done from home.

The emergency situation caused by COVID 19 also placed under special protection foreign citizens who were employed in Italy and who found themselves on the territory of Italy during this period. Employers are required to with foreign citizens regulate the employment of foreign citizens and pay a lump sum contribution of EUR 500 per foreign employee, and foreign nationals are required to request a temporary residence permit from the Italian authorities for a period of six months.

Hungary has also prepared for the unwanted consequences in the economy resulting from the crisis caused by COVID 19. It has set up two funds: the Economic Recovery Fund and the Epidemic Prevention Fund. The Economic Recovery Fund contains 1.345 billion forints intended to cover the losses of the economy and preserve the balance on the labor market through various incentive measures. The pandemic prevention fund contains 663 billion forints and will finance additional costs in the health sector for the purchase of additional medical equipment, the construction of new hospital facilities, as well as the salaries of medical workers and staff. Also, the Hungarian government has adopted stimulative measures for Hungarian tourism to cover the damage caused by the consequences of the pandemic. The right to the duration of the maternity allowance has been extended, which is increased by the amount of 500 thousand forints. Subsidy is made of personal income in the name of losses in the amount of 70 percent, due to reduced work, work from home and work in shifts. On the other hand, the employment of new workers is motivated through subsidies for each new job created and for the employment of each registered job seeker. The amount for the new job is 200 thousand forints in gross amount. Measures to help pensioners through the so-called thirteenth pension, and in the following period, benefits are planned to be paid to pensioners on a weekly basis. These are long-term aid measures, which should give the desired effects only from 2022.

Business entities in Hungary acquire the right to preferential loans, for which the state provides a guarantee. It is a special type of loans that are given for main-

taining competitiveness, raising agricultural production, as well as financing the construction of reaction mechanisms in crisis situations. Through these loans, the Government will also try to encourage the so-called green production, then to encourage the purchase of real estate in the country and to develop markets. The condition for acquiring the right to these preferences is that the business entity that applies for them retains 90 percent of employees, as well as the level of their income. The labor legislation of Hungary is changing in the spirit of the time and circumstances caused by the pandemic. The possibility of teleworking, working from home, flexible working hours and work in shifts is introduced, as well as the tightening of health protection measures for workers at work (European Commission, Directorate General Economic and Financial Affairs, "Policy measures taken against the spread and impact of the coronavirus - 2 July 2020", 2020).

Conclusion

The whole world was hit by a large-scale disaster. Absolutely no one and under no circumstances could foresee such a catastrophe that happened humanity. An invisible but extremely dangerous enemy attacked the whole world at the same time, waiting for all the countries unprepared and defeating us all in record time. The greatest damage is counted in the thousands of lost human lives and several million sick, but, although the greatest, it does not reflect the only damage to humanity. The consequences will also be manifested in terms of economy, standard of living, which will be particularly affected by the crisis caused by COVID 19. In this paper, special attention is paid to lost jobs, the creation of a large number of unemployed people, who thus become social and an economically endangered category, and they and their families, are brought to the edge of extinction. This only opens the field of major economic and social problems, and the generator of these problems and their aggregate is the rise in the unemployment rate.

The unemployed are the most vulnerable and most endangered category of the population. Despite the knowledge, education and skills they possess, they cannot work and earn, and therefore they are most at risk of poverty. In addition to them, this category also includes members of their households, which further increases the seriousness of this situation, especially when it comes to breadwinners and persons who take care for minor children. The high unemployment rate causes a high poverty rate, which causes a large amount of dissatisfaction, which can culminate in citizen protests, major riots, as well as an increase in the crime rate.

In this particular situation, the unemployment rate increases for objective reasons caused by force majeure - the action of the virus, which inevitably reduces profits to private employers because it paralyzes regular life and prevents regular life processes. The biggest consequences are suffered by the most endangered, and those are employees in executive jobs, employees in the trade and service sector, as well as members of the so-called working class. So, the poorest are the most endangered, who lived hard even before the crisis. The consequences of the crisis will least affect

managers, people in prominent positions and those who earned large incomes before the crisis.

The International Labor Organization makes very pessimistic prognosis, and only on the basis of available parameters, based on the first few months since the problem caused by the pandemic began. No one can estimate with certainty how long the pandemic will last and how many consequences it will cause. The reason for that should be sought in the fact that this virus is still insufficiently tested and that it is still unknown to medical science. According to these preliminary results, about 25 million surplus labor is envisaged on the international labor market. This is a much bigger loss in this area compared to all previous world economic crises, which is an indicator that this crisis will be the strongest in the last hundred years for sure. Although almost all countries in the world have taken measures to protect workers and preserve jobs, the big question is whether and to what extent these measures will really give results if the pandemic lasts for several years, which is now almost certain based on available parameters. Every economy, no matter how strong and developed, has its own threshold that it can reach, as well as the limits of endurance. The pressures caused by the pandemic are large-scale, and it is questionable whether those borders will be moved or whether the pandemic will still cause consequences that will defeat the world economy in all fields.

In order to conclude on the effectiveness of the proposed measures, both at the level of the Republic of Serbia and globally, more time must pass, as well as the moment should be seen when the epidemic of COVID 19 will be brought under the control and supervision of medicine and the profession. In the first months of dealing with the pandemic, the world economy has shown readiness to keep the harmful consequences of this phenomenon under control and reduce them to a minimum. At this moment it is only questionable whether the adopted and proposed measures will be able to give a result in case of a longer duration of the condition caused by the pandemic, because the duration of this condition is a great unknown for the whole world. What can be concluded with absolute certainty is that the high unemployment rate generates an economic crisis at the international level. For this reason, the problem of closing jobs and the creation of a high unemployment rate must be approached from the aspect of full attention and responsibility and work on measures to suppress the danger of high unemployment at the global level.

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ИЗВЕСНОСТ ГЛОБАЛНЕ ЕКОНОМСКЕ КРИЗЕ И ПОРАСТА НЕЗАПОСЛЕНОСТИ УСЛЕД ПАНДЕМИЈЕ COVID-19

Сажетак: Читав свет је захватила велика пошаст, у виду нове епидемиолошке болести, познате под називом COVID-19 или коронавирус. Реч је о смртоносном вирусу, који је у целом свету однео изузетно велики број жртава, а ни у овом тренутку се тачан број преминулих не зна, јер је вирус још увек активан и даље сеје смрт по целом свету. Иако се интензивно ради на проналажењу адекватног лека, серума и вакцине која би спречила даље ширење коронавируса, медицина не може још увек да одговори овом изазову. Разлог за то треба тражити и у чињеници да је овај вирус нов за светску медицину, те да још увек нису најпознатије све његове карактеристике и особине. Посебно је значајно питање какве економске последице ће ова пандемија изазвати на глобалном и националним нивоима, те како ће се она манифестовати у односу на националне економије и положај обичних грађана. У Републици Србији су донесене

мере које за циљ имају квалитативно побољшање положаја привредних субјеката, привредника, као и појединаца, грађана. Циљ ових мера је очување ликвидности у пословању привредних субјеката, очувању сваког радног места, као и уредност у снабдевању основним животним намирницама и потребама.

Кључне речи: пандемија, економске мере, ликвидност, радна места, криза