

ECONOMIC CONDITIONS OF LEGAL REGULATIONS DURING THE COVID-19 PANDEMIC

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Purpose: The purpose is to present the importance of law for the proper functioning of the state economy within an international organization during the Covid-19 pandemic.

Design/methodology/approach: analysis of the legal regulations, comparative studies.

Findings: Distinguishing the positive and negative aspects of the law's impact during the pandemic crisis.

Originality/value: Linking the legal and economic dimensions at the two levels of the state and the European Union (EU) integration grouping. Analysis of selected regulations of economic life from the perspective of law and economics.

Keywords: European Union, legal regulations, the Covid-19 pandemic.

Category of the paper: Conceptual paper.

1. Introduction

The World Health Organization (WHO) has declared a coronavirus outbreak on January 30, 2020. The public finances of many countries have been challenged to increase public spending. The European Union faced a serious economic threat after the 2007-2008 crisis and the progressing slowbalization. The response of states and the EU became a proliferation of ad hoc regulations (covid law) and strategic documents, which became a determinant of the fight against the virus treated as a cyclical irregular phenomenon in order to create a resilient economy at two levels within the nation state and the EU (strong interdependence between levels). The Law & Economics stream has shown that important connections between these areas have been evident for centuries, as evidenced in modern times by, for example, the development of constitutional economics. Hence, the Public Choice area explores the importance of government regulation of business, which boils down to: price setting, subsidies, taxes, etc. Regulations, according to the statement of K. Jajuga, are the linking element between

these two areas (Jajuga, 2015, p. 37). In terms of their economic evaluation they are divided into: positive theories of regulation – welfare economics, negative concepts – Chicago School (Stigler, Peltzman, Becker) (Göran, Hägg, 1997, pp. 338-351), the Virginia school (rent-seeking theory) and mixed (Stiglitz, 2020) – both excessive overregulation of the economy and excessive deregulation have negative consequences (Bochenek, 2016, p. 219).

The article defines covid laws more broadly as all legal norms at various levels (state, international groupings) that directly or indirectly affect economic reality. The link between them is public character and scope of impact. The epicenter of consideration was health (as a public welfare) and human life, the legal protection of which determined economic life. By early November 2020, more than 50 million people worldwide have been infected with coronavirus. More than 12 million, which is 25% of them, are living in Europe (C10, 2020). The epidemic crisis itself was characterized by:

- black swan model structure, it was evolving and disruptive, increased uncertainty among producers, service providers, and consumers,
- simultaneous demand shocks (shortage of protective and specialized medical equipment for hospitals) and supply shocks (oil problem, physical closure of companies) and reduction of investment plans under the influence of uncertainty or due to liquidity constraints of companies (C4, 2020, C11, 2020),
- symmetrical impact on European countries and asymmetrical in terms of entities, as the sectors most affected were those requiring face-to-face interactions, such as cultural and creative industries and aviation industry (due to decreased mobility), while the least affected were pharmaceuticals and digital industries – the acceleration of digital transformation, and asymmetrical impact in terms of geography – the crisis was felt most in the epicenters of globalization, e.g., multi-million agglomerations,
- in terms of consumption, its decrease was observed in relation to luxury products and an increase in the importance of basic commodities (Kudelko, Wałachowski, Żmija, 2020, p. 41; European Parliament, 2021a; Matera, Skodlarski, 2020, pp. 363-369).

The economic and social situation has increased the demand for public aid and public service delivery. In this extraordinary situation, economic life was significantly affected by legislation:

- a) aimed at saving human lives – restriction of movement (only the movement of goods), closing borders, strict restrictions on conducting business in selected areas – lockdown.
- b) support (aid) for entrepreneurs and individual sectors of the economy, two-dimensional:
 - obtaining benefits, e.g., benefit for idle time for entrepreneurs and contractors (EU and national level):
 - reducing obligations to the state, e.g. fiscal revenues to the state budget (national level). All the measures implemented in group b) were primarily aimed at protecting the economy and saving jobs. Historical experience with epidemics shows that all kinds of quarantines and epidemic restrictions have always

resulted in economic losses, e.g. to maritime trade (Scott, Duncan, 2020, Bartosiewicz, 2020, p. 16), which nowadays in connection with job losses leads to protests in many European capitals. Legal regulations also play an important role in the EU cohesion policy, as evidenced by discussions around financial support for member state economies linked to compliance with the rule of law standards. The purpose is to present the importance of law for the proper functioning of the state economy within an international organization during the Covid-19 pandemic. In the article EU perspectives were adopted, without discussing the actions of individual countries.

2. Polish response in the field of legal regulations to the Covid-19 pandemic

In the first phase of the Covid-19 pandemic, the dominance of actions taken by the states themselves was apparent. First of all, borders were closed, national budgets were modified, and public spending, including for health care, was increased. This was a particular problem for countries that had not previously invested in this sector. Some have even pointed to a period of fascination with the nation-state from the mercantilist era or the return of Keynesian concepts (demand stimulation). The global financial crisis of 2008-2009 also started a discussion on the effects of the dominance of the neoliberal doctrine in economics, which has brought increased income inequality, neglect of climate change (Europa 2050, 2020). The pandemic has become a difficult drift between liberty and the common good (a problem for economists). In connection with the fact that at the beginning of the pandemic there was a problem with access to personal protective equipment, medical supplies (e.g. Italy), in subsequent stages it concerned access to tests, vaccines (Hungary approved the vaccine Sputnik), countries became model homo oeconomicus maximizing supply of necessary resources to their countries, this time intentionally (unlike in the vision of A. Smith). The scale of individual public aid from member states was significant (at first it was ad hoc activity, later accepted by the EU). Some legal solutions did not work out, a classic example being the issue of border regions in Poland.

In Poland, the fight against the Covid-19 pandemic began in March 2020. Important for the functioning of any economy is its specific economic system, which in the Polish Constitution is called a social market economy (Art. 20, 22 of the Constitution of Poland of 1997), juxtaposing economic freedom with its statutory restrictions. The pandemic, on the other hand, dramatically increased the number of restrictions affecting the economy. There was no crisis management in the first stage. In Poland, no crisis team had been appointed by the end of June. All decisions were made by the Minister of Health, who declared an epidemiological threat emergency from March 14, 2020 (Rozporządzenie Ministra Zdrowia z dnia 13 marca 2020 r..., 2020; Golinowska, 2020, p. 13) due to Sars-Cov2 virus infection, and then on March 20

an epidemic crisis was declared (Rozporządzenie Ministra Zdrowia z dnia 20 marca 2020 r..., 2020). In response to the health and economic situation, the special purpose act (Ustawa z 2.03.2020 r..., 2020) was created, the alternative of which was the introduction of a state of emergency (the problem of compensation from the State Treasury). Since March 31, 2020, a number of regulations of the Council of Ministers (repeatedly adjusted to the current situation) on the establishment of certain restrictions, orders and prohibitions in connection with the occurrence of the epidemic crisis have been introduced (Rozporządzenie Rady Ministrów z dnia 31 marca 2020 r..., 2020). After 3 waves of the pandemic some regularities are clearly visible: waves: increase in incidence (lockdown), decrease in incidence – easing restrictions (return to economic activity in particularly vulnerable sectors). However, it is apparent that each successive wave is gentler on the economy than the previous one. This is influenced by greater research coverage (testing, vaccination). For example, the wave of infections in the fall of 2020 and the accompanying tightening of restrictions led to a decline in production at the end of the year, although to a lesser extent than in the first half of 2020 (OECD, 2021).

In Poland, the main response to the economic problems resulting from Covid-19 was a set of laws known as the anti-crisis shield, supplemented by implementing regulations. The shield has evolved from level 1.0. through 2.0, 3.0, 4.0 to 5.0 (industry shield) (covering the period from April 1 to October 2020). It is based on 5 pillars: employee safety (e.g. wage subsidies, assistance for self-employed employees), financing of enterprises (program of the new chance policy for SMEs, health protection (digitization of health protection), strengthening of the financial sector (regulatory package of the Financial Supervision Authority and the Ministry of Finance), Public Investment Program (modernization of schools) (Kudelko, Wałachowski, Żmija, 2020, p. 96). It comes down to:

- Job protection and employee security (this is still an important issue as in Q2 2021 almost 1/4 of the unemployed, i.e. in the group of 466,000 unemployed previously working, 110,000 (23.6%) of them indicated that the termination of their most recent job was a direct result of the COVID-19 pandemic; however, in the previous quarter it was 27.3%) (GUS, 2021c).
- Financing entrepreneurs (corporate financial results in 2021 were higher than in the critical year 2020, Total revenue was 19.7% higher than a year earlier, and tax deductible revenue increased by 16.2%) (GUS, 2021d).
- Health care. In 2018 Poland spent only €830 per capita on health care (PIE, 2021). In 2019, 4.3% of GDP was spent on health care in Poland (public funds). The mean for the group of countries analyzed is 6.53% and the median is 6.42%. Poland had 3rd lower score in this group. In 2019, public spending on health care in Poland, in relation to GDP, was lower than in all neighboring OECD countries (Skóbel, Kocemba, Rutka, 2021, p. 2).

Moreover, it concerned strengthening the financial system and public investment (a tribute to Keynes). The estimated value of the Anti-Crisis Shield support, including the financial one, is PLN 312 billion (Serwis Rzeczypospolitej). In shield 1.0 the management of the budget of the state as well as local governments was made more flexible, especially fiscal rules of local governments, the Liquidity Guarantee Fund (Fundusz Gwarancji Płynności) in Bank Gospodarstwa Krajowego was created, a whole range of tax and system solutions, e.g. e-receipt were created, special regulations between employees and employers (one-month idle work benefits; their scope was extended in the shield 2.0) were created, working time was made more flexible. In shield 2.0 the selected changes include: exemption from social security contributions, expansion of the circle of micro-entrepreneurs in terms of support from the Industrial Development Agency (in Polish: Agencja Rozwoju Przemysłu), expansion of changes in the issue of public procurement, support for non-governmental organizations. Shield 3.0 expanded exemptions from social security contributions, included decapitalization of the Industrial Development Agency (development institution) with cash up to PLN 900 million, support for bus transportation. In shield 4.0 particular focus was on the support for local government budgets. Shield 5.0 was already industry-specific, concerning the tourism, stage and exhibition industry (e.g. additional benefit for idle time). It is worth noting that the flexibility of the provisions is apparent, as the term concerning the so-called negative economic consequences was not defined and was left to the individual assessment of entrepreneurs, which increases the number of applicants (Bartosiewicz, 2020, p. 42; Kudelko et al., 2020, pp. 77-98, Ustawa..., druk sejmowy nr 330; Ustawa z dnia 16 kwietnia 2020 r..., 2020, Ustawa z 14 maja 2020 r..., 2020, Ustawa z dnia 19 czerwca 2020 r..., 2020). The laws in force in Poland often contained certain gaps, repetitions and were sometimes unclear to market operators, which seems to be the result of ad hoc actions. Controversy arose over Regulations of the Council of Ministers as sources of law in the context of sanctions. The shield was supported by, among other things, changes regarding development institutions (Ustawa z dnia 31 marca 2020 r..., 2020): In Poland, aid could also be granted to an entrepreneur in a difficult economic situation in order to enable him/her to carry out business activities for a period necessary to develop a restructuring plan or a liquidation plan for the company. As a result, the number of companies that declared bankruptcy in the second quarter of 2021 amounted to 84, and was 46.5% lower than in the same period of 2020. A decrease in the number of entities that declared bankruptcy was reported in manufacturing (17 vs. 40), trade services; repair of motor vehicle (20 vs. 41), services (12 vs. 25), construction (16 vs. 19), and transportation (6 vs. 13). An increase in the number of enterprises that declared bankruptcy was recorded for accommodation and catering (6 vs. 5) as well as information and communication (4 vs. 3) (GUS, 2021 b; Ustawa z dnia 16 lipca 2020 r..., Dz.U. 2020, poz. 1298). Therefore, activities in this sector should be continued.

The Polish Air Navigation Services Agency, in a report on changes in air traffic in Polish airspace in 2020 compared to 2019, showed declines that appeared especially during the first lockdown in April (-87 percent), May (-85 percent) and June (-83 percent). For the entire year

2020, the number of total aircraft operations decreased by 58.7 percent to 376,900 operations (Polish Air Navigation Services Agency, 2020). The largest drops were recorded in Warsaw. Significant changes concerned also tourism in its broadest sense. The tourism sector is particularly important in the EU for countries such as Croatia, Cyprus, Greece and Portugal (European Commission, 2020c). In 2019, the contribution of the travel and tourism sector to Polish GDP in 2019 was 1, 9% (Obłąkowska, 2021, pp. 195, 204). Supply in Poland was high, while potential demand was radically decreasing, limited by state regulations (Matera, Skodlarski, 2020, p. 363). A number of measures have been taken to mitigate the effects of the lockdown. As part of Poland's fiscal policy, tour operators were reimbursed for their contributions to the Touristic Guarantee Fund for packages canceled due to the epidemics (UNWTO, 2020). Accommodation services and tour guide services were also supported. Under the monetary policy, the Polish Financial Supervision Authority (in Polish: Komisja Nadzoru Finansowego) undertook activities related to reserves and reclassification of loans to existing SMEs to allow for offsetting credit losses over the longer term. Some flexibility was provided in how banks met capital and liquidity requirements. Poland has focused on developing domestic tourism through free vouchers for families with children (Ustawa z dnia 15 lipca 2020 r..., 2020; Carmona, 2020). As a result, there is an increase in interest in facilities in Poland during the months of easing restrictions. In April 2021, 379.8 thousand tourists used tourist accommodation facilities, 4 times more than in the previous year (GUS, 2021).

Overall, after Poland's GDP fell by 2.7% in 2020, OECD in May 2021 projected it to grow by 4.7% in 2022, the EC in turn by 5.2%. The forecast is therefore relatively optimistic. The dilemmas facing Poland are the effects of the projected 4th wave of the epidemic, along with growing social discontent, which is important if only for the concept of the political business cycle, and the remaining challenges posed by the EU – problem of the coal sector in Poland and the costs of transitioning to a green economy. Economic policy continues to pursue fiscal support and accommodative monetary policy.

3. Regulations of the European Union as an international organization in relation to the Covid-19 pandemic

The region can be analyzed on several levels. Etymologically, *regionalis* means concerning an area. It can be understood in the administrative-legal sense as part of the state (Horodecki, 2010, p. 38). In line with the principles of international economic relations the region will be identified much more broadly as a continent or a part of it in the form of an international organization – geographical region of the world (Olesiuk, Vaschenko, 2013, p. 68). In this case, it deals with the issue of functioning of the European economy, and in particular of the countries forming an integration grouping called the EU. Of key importance to this dimension is regional

integration, which creates blocs of economically cooperating countries that are part of the global economy. In this dimension, geographical area is important (Olesiuk, Vaschenko, 2013, p. 68). The EU was founded for economic reasons, is currently at the furthest stage of integration in the world (Economic and Monetary Union), has a common axiological system, is a manifestation of regionalization and globalization (Horodecki, 2010, pp. 41-42). It should be remembered that in the structure of the EU, the member states play a decisive role, but there are also differently defined regions which are beneficiaries of public funds coming from the EU (NUTS) and the public administration of the nation states. They are vertically and horizontally related to the levels analyzed (cohesion policy). The European regional system is a mixture of different institutional, cultural, social and economic factors. The relationship between member states has changed with successive EU treaties (primary legislation). Within the EU, legally binding instruments include regulations, directives and decisions, while non-legally binding instruments include, for example, opinions. Due to the actions taken by EU bodies on an ad hoc basis, the article takes into account the normative acts, which, like recommendations and opinions, are not binding for their addressees, e.g. communications (Biernat, 2021, p. 31, Art. 288 TFEU; Barcz, Wyrózumska, Górka, 2020, pp. 273-274). The economic position was determined by the EMU and the legal position by the Treaty of Lisbon (2009) creating a uniform and coherent international organization with significant autonomy of its own legal order (the role of the organization's norms in relation to the national legal order). The state within the EU has meta competencies (competencies of competence) and is in a special process of interdependence with the EU. It needs to improve its economic efficiency (double speed integration process). The more efficient the state, the greater its ability to influence the decision-making process of the EU. It is worth pointing out the competences of the EU in relation to the member states in the discussed issues: exclusive (competition rules), shared (economic and social cohesion, public health) and supporting activities (tourism) (Barcz, Górka, Wyrózumska, 2020, pp. 44-48, 115; Olesiuk, Vaschenko, 2013, p. 92).

The pandemic forced a quick response of the EU e.g. in relation to the 2007-2008 crisis. In January 2020, the EU focused on the concept of better lawmaking (C2, 2020). On March 13, 2020 the EC set out the *European coordinated response to counter the economic impact of the Coronavirus*, with particular attention paid to the need to protect aviation and supply chains (especially in relation to China, as the EU is also an actor in the global market). Special attention was given to EIB resources (C1, 2020). The first phase used those measures that did not require approval of the EC. The specificity of regulations concerning the state aid in the EU not interfering with the rules of free competition required notification to the EC. This concerned Article 107 of the TFEU with criteria such as exceptionality, causality, proportionality. European authorities dealing with competition have been regularly finding monopolistic practices e.g. google (favoring services in Internet search engine, abuse of dominant position in mobile telephony market (Stiglitz, 2020, p. 81). The European Commission has expressed its readiness to adopt an appropriate legal framework for declaring aid to remedy a serious

disturbance in the economy compatible with the internal market (Kopeć, 2021; Kudelska, 2020). The list of member states that have received EC approval for state aid in the period 2020-2021 is presented by A. Bartoszewicz (Bartosiewicz, 2021, pp. 151-157; European Commission, 2021). Therefore, the EU had to make the provisions more flexible to accommodate extraordinary expenses. Particular attention should be paid to state aid measures adopted pursuant to Article 107 sec. 2 let. b and sec. 3 let. b of the TFEU in respect of Poland. The EC concluded that the coronavirus epidemic qualifies as an exceptional occurrence because it is unpredictable in nature with a significant economic impact. Therefore, exceptional interventions by member states to compensate for the damage associated with the epidemic are justified. The EC approved, in accordance with EU state aid rules, a Polish program to partially compensate large companies for damages suffered due to the pandemic outbreak, which was part of a broader Polish support scheme, the so-called Financial Shield for Large Enterprises (European Commission, 2021b; 2020b). In turn, in May 2020, the EC approved a Polish program of aid to SMEs worth about €1.6 billion. In September 2020, the EC approved an aid program in the amount of €32 million to compensate airports for the damage caused by the pandemic outbreak. On March 15, 2020, Poland banned all international and domestic air passenger services at Polish airports (European Commission, 2020).

In order to counteract the effects of the pandemic crisis, the EU introduced, in addition to Article 107 of the TFEU – Temporary Framework for State aid measures (5 times modified on April 3, 2020, May 8, 2020, June 29, 2020, February 1, 2021). This concept is meant to mean multiple aid from the states in the form of direct subsidies, repayable advances or tax benefits, in the form of loan guarantees, subsidized interest rate of loans, etc. The most important changes include the shift from approving aid schemes to taking individual aid into account, the increase in aid thresholds and the increase in the duration of the framework until the end of 2021. In the period from March to December 2020, the EC issued 399 decisions on aid concerning programs as well as individual ones (24 decisions concerning Polish aid measures) in this regard (Kopeć, p. 4, C3). The concern with state aid is that easy access to finance leads to the creation of low-productivity companies (zombie companies). The popularization of zombie companies increases barriers to entry the market and makes access to finance more difficult for healthy companies (Europe 2050, 2020, p. 36).

The situation of European companies determines to a large extent the European labor market. Young people and women were the most disadvantaged during the pandemic. The unemployment rate rose sharply in 2020 in both the EU 27 and the Eurozone, reaching 7.8% and 8.7% respectively in the period from July to September 2020 (European Parliament, 2021a). In the EU-27, 1.1 million young people aged 15-24 and another 1.02 million aged 25-29 lost their jobs between the fourth quarter of 2019 and the first quarter of 2021. Youth employment for the age group 15-24 fell from 33.4 % to 31.2 % (-2.2 pp.). The fourth quarter of 2020 confirmed the increase recorded in the previous quarter, albeit at a more moderate pace. Hence, young people are still far from their level of employment before the onset of the crisis (figure below) (European Parliament, 2021b, pp. 14-15).

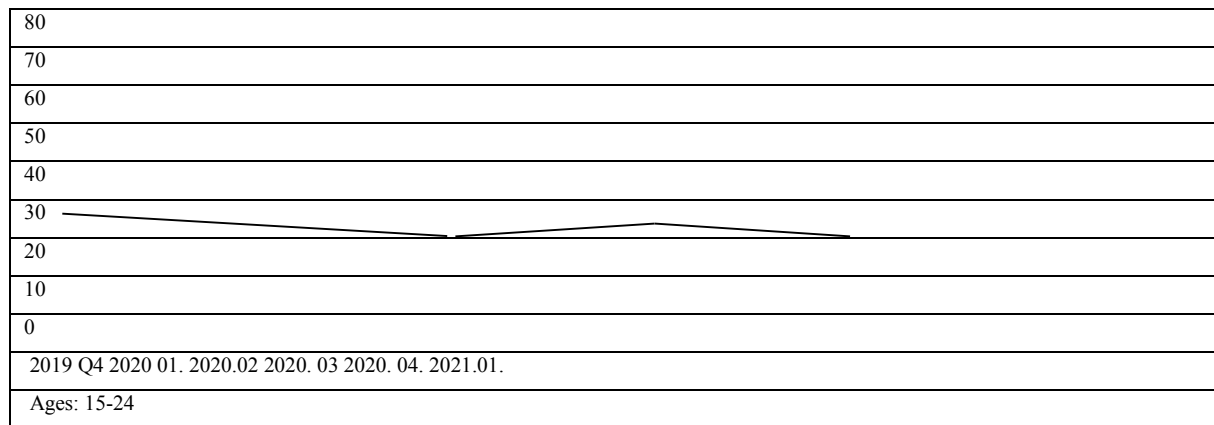


Figure 1. Youth employment rates (European Union). Source: European Parliament, 2021b, p. 14.

In contrast to economic recessions in 2008, the governmental measures to halt the pandemic have had the most indirect impact on the economic sectors in which women tend to be overrepresented – i.e., gastronomy, hospitality, retail, care, domestic work (European Parliament, 2021c). Between March 2020 and February 2021, the number of unemployed in the EU rose by around 2.4 million, of whom more than 1.3 million were women. Female unemployment increased by 20.4 percent, against 16.3 per cent for men (Social Europe Publishing, 2021, p. 1).

The EU has therefore launched the Support to mitigate Unemployment Risks in an Emergency (SURE) instrument, which complements national measures taken by member states to combat unemployment and protect jobs. Financial assistance takes the form of a loan from the EU to a member state. The maximum amount of financial assistance shall not exceed €100,000,000,000 for all member states (RC1, 2020). By the end of 2020, member states had requested assistance in the form of a loan of over €90 billion and received it (C9). The EU has authorized more than €2 trillion for support of business. The EU tools are used to assist in joint actions of states (offensive side) and to respond to actions of third countries (defensive side) (Ananicz et al., 2021, p. 31). Due to the fact that the EU implements a common transport policy and this is a sensitive sector during the pandemic, a regulation has been introduced giving options to reduce, waive or defer minimum access package and reservation fees for this type of service (Rozporządzenie Rady Ministrów z dnia 31 marca 2020 r..., 2020). The EU will support member states without forgetting its long-term goals of the European Green Deal and the Digital Agenda (2050). The EU has explicitly defined resilience as the ability to cope with economic, social and environmental shocks or persistent structural change in a fair, sustainable and socially inclusive manner (RC2, 2020). Despite the appearances, the pandemic in some ways favors environmental solutions. In the automotive industry, for example, despite the decline in demand for new vehicles, the impact of the pandemic on demand for electric vehicles appears to be much less severe (European Parliament 2021a). In relation to EU external interests, the *Team Europe* principle is adopted (EIB and EBRD funds) (C5, 2020).

The EU launched a proposal of the European Recovery Plan using a common pool of financial resources to be financed by borrowing from financial markets, known as NGEU Eurobonds with a total value of €750 billion (Riccardo et al., 2021, p. 230; Bańkowski et al., 2021, p. 5, C11, 2020). The Next Generation European Union (NGEU) fund issued its first bonds in June, raising €20 billion (World economic outlook update, 2021). Grant funds are to be repaid from new own sources e.g. digital tax or contributions from member states, deferred until 2058, while those from loans will be covered by borrowing countries. By issuing bonds, the EU becomes a basis for macroeconomic stabilization in the region and a player in financial markets (Ananicz, 2021, p. 25). In some industries, dynamic acceleration can be seen (digital industry). It is worth mentioning that in 2020 nearly 60% of the population had access to the Internet, 4.6 billion people were its users (Matera, Skodlarski, 2020, p. 389). Today, added to this are e-services, e-purchasing, e-education, e-administration, e-learning, and the transition of entrepreneurs to the online sector.

In summary, the EU response to the pandemic crisis included:

- Recovery Plan for Europe (€750 billion – Next Generation EU, €1074 billion EU budget),
- Budgetary flexibility,
- Coronavirus Response Investment Initiative (EU Cohesion Policy),
- State aid and financial rules,
- Additional safety nets (SURE 100 billion for employees, European Investment Bank (EIB) – 200 billion for companies, ESM 240 billion for citizens (European Commission, 2020d).

The EU also pointed to the importance of research on Covid-19 to accelerate the fight against the disease and stimulate the development of the medicinal products sector on the one hand and to lead to economic recovery on the other (C7, 2020). High hopes for the economies of European countries have come from accelerated vaccination and increased number of tests performed. The concerns facing the EU are related to new variants of the virus and the 4th wave of the pandemic. However, the EU focuses on maintaining the uniform market while increasing restrictions, but not as radically as at the start of the pandemic (C8, 2021).

Conclusions

The Law & Economics stream indicates that the market is extremely sensitive to legal regulations (positive and negative impacts). The market in democratic countries is free but regulated at the same time. It is impossible to go through all the sources of law and leading EU communications in this article. However, the selected examples show that it is the legal regulations that have significantly influenced the demand and supply in both the domestic and

European markets, in order to protect the most important value – human life. However, the market is a phenomenon not an entity. From the market perspective, restrictions have a pejorative dimension. Because coercion is a national case, the strongest effect of law is at the state level (fear of sanctions). However, as the scattered initiatives of member states distorted the functioning of the internal market in the first phase of the pandemic, significant public aid was supported by the EU. This would not happen without legal instruments.

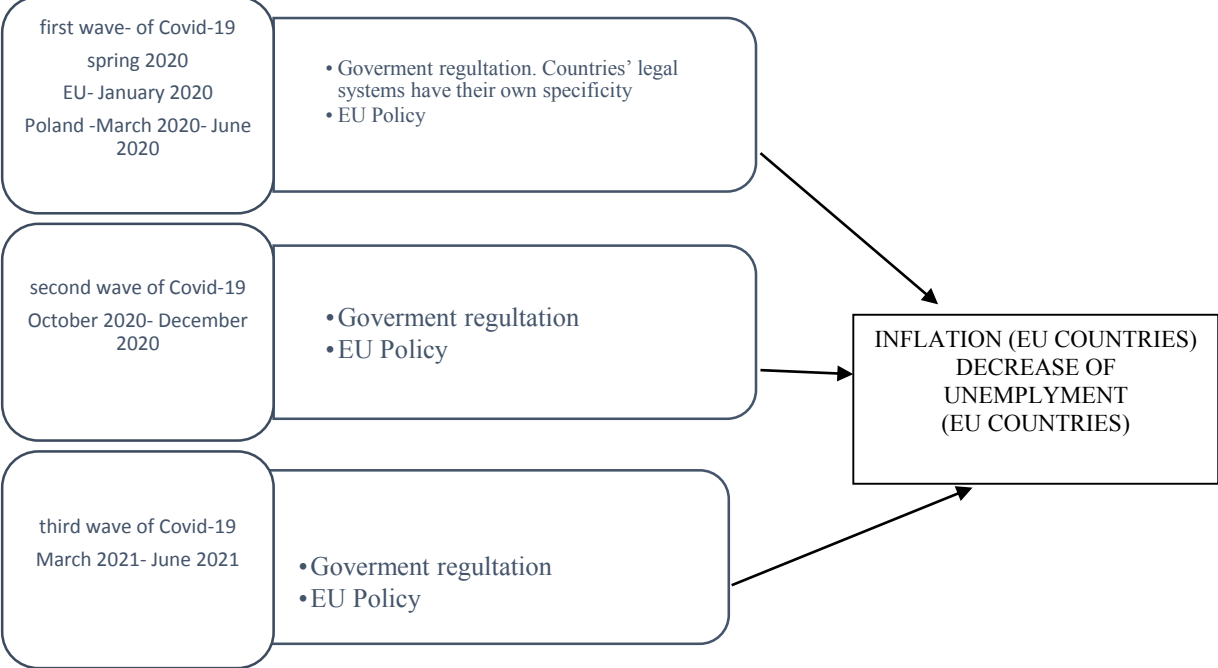


Figure 3. 3 waves of Covid-19 pandemic. Sources: PIE, 2020.

Assuming the stages of pandemic development, it is clear that the initial period is dominated by the negative impact of the necessary legal regulations on the economy of the so-called regulations restricting business activity. Although the pandemic is not over yet, with each wave of the pandemic we can see an increasing number of positive regulations (aid) and the first socio-economic effects of their implementation. In crisis situations, interventionism intensifies, as shown by the history of economic crises e.g. New Deal of F.D. Roosevelt. This involves modifying public spending, refocusing economic policy goals, and building long-term strategies. Far-reaching activity of a state raises concerns among economists. However, the causes of the modern crisis are not economic but natural. It seems that the activities indicated above are justified, because there can no longer be an economy of uncertainty, it must be replaced by an economy of resilience, for the EU is a global actor. The system of interdependence between the EU and member states remains strong. Integration of countries within this grouping will not stop but will change, i.e. slow down in some areas and accelerate in others, such as in the digital sphere. It seems that in the future the changes may affect the primary law of the EU.

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