

# THE EUROPEAN SINGLE MARKET IN THE CIRCUMSTANCES OF THE COVID-19 PANDEMIC

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## ***Abstract:***

*The aim of the report is to present research done by the author, concerning the development of the European Single Market in the circumstances of the COVID 19's pandemic. The research is based on twenty-seven in-depth interviews with experts in the studied field. Their point of view is compared with the author's thesis and hypotheses. The questionnaire is divided into four main blocks. The first aims at Internal market's role as main factor of the integration process. The second block seeks the experts' opinion about the effects (positive and negative) of the imposed anti-epidemic measures on the four freedoms. In the third block the questions are directed to the COVID 19's pandemic effects on EU Competition policy and EU Regional policy. The last fourth block examines the impact of the considered processes on the Republic of Bulgaria economic development.*

**Keywords:** Single Market, COVID 19's pandemic, integration.

## **Introduction**

The aim of this report is to present a study conducted by the author on the development of the EU Internal Market in the context of the COVID 19 pandemic. It is based on twenty-seven in-depth interviews with experts in the field. The interviews were based on questions identified by the author. By collecting and analysing the opinions of the experts, the aim was to use those as an antithesis or prove the author's point of view. Due to the briefness of this text, the author's perspective on the different aspects of the study is presented in a separate line in the table below as well as in the conclusions.

The questionnaire is divided into four main blocks. The first aims at identifying the importance of the EU internal market for the socio-economic deve-

lopment of the Member States of the Union. It focuses on the integration process and the challenges that accompany it. The second block seeks the views of the experts interviewed on the positive and negative effects of anti-polio measures on the free movement of goods, services, capital and people. In the third block, the questions focus on the impact of the COVID-19 pandemic on several key Union policies - competition policy, regional policy and trade policy. The final fourth block examines the impact of the processes on the economic development of the Republic of Bulgaria.

### **Selection of respondents for the interviews**

In selecting respondents, the author sought to identify experts who were representatives of the public, private or NGO sectors. In addition, many of them are active in teaching, others have been or are part of the country's government (mainly civil servants). In this way, the author has provided an opportunity to explore a wider range of views independent of each other. The profile of each of the experts interviewed is as it follows:

- Expert on EU regional policy and NGO sector representative;
- EU policy expert;
- Expert from a government agency in the field of labour and social policy;
- Expert in the field of EU Economic and Monetary Union;
- Specialist in the field of education;
- Expert in the field of taxation;
- Expert in European policies and projects;
- Expert in European affairs and education;
- Regional policy expert;
- Expert in financial services and consumer protection;
- Expert in European affairs;
- Specialist in tax and financial control;
- Expert from a state agency in the system of labour and social policy;
- Representative of a supervisory institution of financial institutions - BNB;
- Representative of a supervisory institution of financial institutions - BNB;
- Economist and employee of the Customs Agency;
- Macroeconomist and lecturer at the University of National and World Economy;
- Lecturer at the Faculty of International Economics and Politics, University of National and World Economy;
- PhD in European Studies and lecturer at the Department of Political Science, Sofia University;
- PhD in Economics and external expert at the European Commission;

- Master in European Studies and employee in an international company;
- Master in European Studies and Consul of the Republic of Bulgaria in an Asian country;
- Specialist in International Relations and Consul of the Republic of Bulgaria in an Asian country;
- Specialist in education;
- Specialist in administration and management and freelancer;
- Lawyer and expert in a managing authority;
- Lawyer and expert in a managing authority.

### **Analysis of respondents' answers and the author's theses**

The information gathered from the interviews is presented in a processed and synthesised form using a tabular format for each of the question blocks. It should be kept in mind that the above-mentioned individuals participated in the interviews in a personal capacity and the reflections presented on their part does not reflect the views of the institution, university or company at which they work. The order of the respondents' profiles in the above paragraph does not correspond to the numbering in the subsequent tables.

#### **BLOCK 1. The EU internal market - a driver of the socio-economic development of the Member States of the Union**

<b>Res- pon- dent</b>	<b>In your opinion, is the EU internal market still a major factor in the socio-economic development of the EU Member States?</b>	<b>In your opinion, what are the challenges for the integration process within the EU internal market (besides COVID 19) and its effective functioning?</b>
№ 1	Yes. It is a basic structure of the European unification.	A major challenge - the withdrawal of United Kingdom.
№ 2	It has been a major factor in the economic development, but not a key factor in socio-economic area.	A major challenge - the inefficiency and inability of the EU institutions to deepen integration in its positive dimension, as opposed to the other dimension where they are doing more than well.
	It is an increasingly key factor not only in the socio-economics, but also in the strategic development of Member States as players in the field of global politics, both individually and as part of the EU.	A major challenge - the different development level of the individual MS' markets and large differences between the regions.
№ 4	Yes.	Still significant differences in the mentality of the „Eastern“ and „Western“ blocks.

№ 5	Yes, and a strong one.	Lack of clear and user-friendly rules/ regulations; bureaucracy and corruption hinder a lot, and lack of know-how/ knowledge.
№ 6	Absolutely yes. It is the very foundation of the EU.	IM needs continuous improvement. Legislative changes are needed to be more detailed.
№ 7	No doubt. The EU economy, as measured by the EU internal market, is an accumulation of the complementary economies of EU MS, making it a better model than the model of individual national economies (even leading ones).	Member State's „clumsy“ legal frameworks, nationalist attitudes and poor education.
№ 8	It continues to be a key factor in the socio-economic development of the Member States of the Union.	Four main challenges: Brexit, the migrant crisis, digital transformation and the transition to green Europe.
№ 9	Yes.	Overcoming the so-called multi-speed Europe.
№ 10	It continues to be the most important part of the integration as it is the foundation on which the rest of the system has been built.	Challenges have a variety of origins. For example, different national treatment of potential or actual risks.
№ 11	It will always be the main factor of development.	Major challenges - the internal market consists of individual nation states that are not homogeneous; there is no common EU financial policy.
№ 12	Yes.	A major challenge - the macroeconomic performance of the European economy.
№ 13	Yes, together with the common trade policy.	A major challenge - growing protectionism (and populism) among Member States, which in turn has an impact on standardization processes and on EU Trade Policy.
№ 14	Definitely, the internal market continues to be a key factor.	Main challenge - how the rules for the functioning of the internal market are implemented in the economic and social development of the poorer regions of the Union.
№ 15	Yes.	N.A. (no opinion was expressed)
№ 16	Yes.	States' intervention in the market.

№ 17	Yes.	N.A.
№ 18	Yes.	Building a Digital Single Market, overseeing it, promoting digital technologies and achieving EU technological sovereignty.
№ 19	IM and trade policy are the main drivers of the Union's development.	Ensure equal market access for all MS, respectively applying uniform rules and quality standards.
№ 20	It continues to be a key factor.	To find a balance between cheap and lower quality (food) imports and local production. Brain drains from poorer to richer Member States.
№ 21	Yes.	Actions and measures against free movement of labour.
№ 22	Yes.	N.A.
№ 23	The IM is the basic economic „rationale“ for the existence of the EU.	Distribution of production capacity to avoid a „two-speed Europe“.
№ 24	Regulation of the internal market is improving, allowing it to remain a significant factor for socio-economic development.	Brexit and other factors (social, political or economic) that reduce investments in some MS, such as Hungary, Bulgaria, Greece.
№ 25	Yes.	N.A.
№ 26	It continues to be a key factor.	The challenges are faced by the less developed MS and are related to ensuring competition in terms of services' quality and education.
№ 27	Yes.	A major challenge - the synchronization of national legislations.
<b>Au- thor's thesis</b>	The EU's internal market is the main driver of the European economy. For this reason, its effective development (respectively slowing down or reversing this process) reflects on the socio-economic development of the Member States.	There is an unstable internal and external environment for the development of the EU, characterized by a changing geopolitical situation, increasing protectionism on world markets, the emergence of new economic forces, serious disparities in the economic development of Member States, the migrant issue, digital transformation and Brexit.

**BLOCK 2. The COVID 19 pandemic, anti-epidemic measures  
and the four freedoms of movement**

<b>Res- pon- dent</b>	<b>Do you think that the COVID 19 pandemic and the imposed anti-epidemic measures have slowed down the integration process within the EU internal market?</b>	<b>From your point of view, what are the effects (positive and negative) of the imposed anti-epidemic measures on the free movement of goods?</b>
№ 1	Yes.	They have a strong negative effect.
№ 2	Yes.	There may have been some transport difficulties. However, there is no real impediment to the movement of goods.
№ 3	Not significantly, not for everyone. First, the integration process itself has already reached a certain delay. The measures only intensified this delay effect.	The respondent explains that he has no direct observations, except as a consumer.
№ 4	Yes, but it is not possible to say to what extent.	Positives - shortening supply chains and using possible resources within the EU.
№ 5	The pandemic shows huge holes and fractures in all areas, not just in the internal market.	The negative effect is in the additional and more burdensome bureaucracy.
№ 6	The answer is not one-sided - yes and no.	Everything affects the four freedoms. The pandemic has raised a very important issue - the strategic autonomy of Europe. Strategic autonomy, in turn, directly affects the autonomy of Member States in the fields of defence, economy and energy.
№ 7	In the short term, yes.	In the short term, negative.
№ 8	Yes, it has slowed down the integration process, but in long term is expected to deepen the integration process between member states.	In the short term - a negative effect. The decline in GDP in all Member States and the decline in trade also play a role in this process.
№ 9	Yes.	Positive - wider consumption of national goods.
№ 10	It is not a matter of delay, but rather a temporary interruption of free movement.	Negative - temporary interruption of single market functions.
№ 11	Yes, in any case.	The movement of goods is seriously affected.

№ 12	The EU's „thin“ institutional architecture is unable to respond to the challenges of the EU's political crisis in a context of deepening social and economic inequality.	Those effects are not critical.
№ 13	They have slowed down the whole integration processes.	Negative - reduced and/or hindered movement of goods. Positive - the demonstrated flexibility of the single market and the political calls for further deepening the integration.
№ 14	The integration process only in some IM sectors has been affected.	The free movement of goods from sectors with a slowdown in growth has been negatively affected by the imposed anti-epidemic measures.
№ 15	Yes.	Positive: development of online trade. Negative: problem with transport, respectively with the movement of goods.
№ 16	Yes. The focus of policies has shifted.	Negative - export restrictions. No positives.
№ 17	Even if there is a „delay“ in the integration process, it is not irreversible.	It remains almost untouched.
№ 18	Yes.	Disruption of supply chains - negative effect on the industry sector.
№ 19	The Pandemic causes all processes to slow down.	Negative.
№ 20	They haven't slowed down the integration process. They've pushed the EU to „rethink“.	Negative - delays in deliveries and insufficient availability. No positives.
№ 21	Yes.	Negative effect.
№ 22	No.	There is no pronounced effect.
№ 23	No, the market is well integrated.	The free movement of goods has not suffered.
№ 24	Yes.	Negative - supply delays and the suspension of imports/exports of some products. Positive - tighter sanitary and hygiene controls.
№ 25	The pandemic has slowed down the world economy and the EU economy respectively, so priorities are shifting from integration and enlargement to launch and restart.	Negative in every aspect.

№ 26	Yes, because of the four freedoms restriction.	Negative - delays in supplies from outside the EU and even between MS. Dependence on supplies from outside the EU, which has affected the market, limiting and making the value of the final product higher.
№ 27	Yes, as a result of the economic impact of the pandemic.	Negative - restriction of free movement. Positive - development of new mechanisms of trade and exchange of goods.
<b>Author's thesis</b>	Yes. As a result of the anti-epidemic measures, the functioning of the internal market is under a real threat. In addition, in a crisis situation (at least in its most acute phase), Member States are reluctant to give up competences and are more inclined to close themselves within their national borders.	The author's point of view about the measures' impact on all four freedoms is impressed in the next table, because of the correlation between the four elements.

**BLOCK 2. The COVID 19 pandemic, anti-epidemic measures  
and the four freedoms of movement (continued)**

<b>Res- pon- dent</b>	<b>From your point of view, what are the effects (positive and negative) of the imposed anti-epidemic measures on the free movement of services?</b>	<b>From your point of view, what are the effects (positive and negative) of the imposed anti-epidemic measures on the free movement of capital?</b>	<b>From your point of view, what are the effects (positive and negative) of the imposed anti-epidemic measures on the free movement of people?</b>
№ 1	Strong negative effect. Positive effect - the development of additional options and tools for on-line service delivery.	The free movement of capital is seriously affected. No positive effects.	Negative, until before the possibility of being vaccinated.
№ 2	Difficult or even totally banned movement of people has probably created problems with the provision of certain services, but it has stimulated the digital economy incredibly much.	Indirectly, there may be disinvestment (etc.) because of increased economic uncertainty, but this is a consequence of the epidemic itself, not the imposition of measures.	Positives: medical. Negative: economic, political, social, psychological.
№ 3	Forced digitalization of some administrative processes.	The effects have been mainly positive, in terms of increasingly sophisticated service design and delivery, including ensuring the security of capital and transactions.	Rather positive effect and not only because of the more relaxed physical access now, but also because of the incentive that physical restrictions have given to cultural institutions.



№ 4	It has strengthened one part of the sector - logistics, supply, but has had a very negative impact on another. Positive - the digitalization of the sector.	N.A.	The effects are concentrated in the negative spectrum.
№ 5	The negative effect is in the additional and more burdensome bureaucracy.	Stagnation. This is not necessarily positive or negative.	Entirely negative. States have suddenly shown that they are much more powerful and have a huge set of levers to „break“ the global world and (easy) movement.
№ 6	Everything affects the four freedoms. The pandemic has raised a very important issue - the strategic autonomy of Europe. Strategic autonomy, in turn, directly affects the autonomy of Member States in the fields of defence, economy and energy. Perhaps the most negative consequences are for the free movement of people.		
№ 7	Positive - the supply of services has expanded.	N.A.	Negative effect.
№ 8	For some sectors - strongly negative (tourism, transport). For others (telecommunications, digital services) - positive.	The movement of capital is less affected than the other three freedoms, however there is a Strong decline in Public and private investment.	Of the four freedoms of movement, the free movement of people has suffered the most from the pandemic.
№ 9	N.A.	Positive - preventing capital „flight“ from MS. Negative- reduced inflow of external capital.	Positives- attempt to contain the pandemic, transport emissions lowered. Negative- reduced revenue in international tourism for example.
№ 10	The free movement of transport services is being restructured and passenger transport is permanently affected. Introduction of some mechanism for union subsidisation of medical services.	The pandemic does not directly affect capital movement within the EU, but has an indirect effects through the dynamics of macroeconomic parameters.	De facto suspension of the free movement of persons.
№ 11	Severely affected by the crisis when related to physical movement.	Disincentive role of the imposed measures.	The restriction on free movement - a serious step backwards in European integration.

№ 12	Negative.	No serious effects identified.	Negative.
№ 13	Negative - reduced and/or hindered movement of services. Positive - the focus on a digital single market	The movement of capital is less affected than the other three freedoms.	Negative - reduced movement of people. Positive - the demonstrated flexibility of the single market and the political calls for further deepening.
№ 14	Imposed measures on services, engineering activities, consultancy activities cause neutral effects. Positive - expansion of the ICT sector as well as to the cost optimisation	The movement of capital is less affected than the other three freedoms - neutral effect.	Strongly negative due to a number of restrictions.
№ 15	Positive: development of online services. Negative: many businesses related to the provision of services went bankrupt.	The effects are rather indirect.	Negative effect.
№ 16	Positive - a big push towards innovation and changing the functional environment is forming.	N.A.	There is a reduction in physical movement but an increase in opportunities for workforce transfer in a digital environment.
№ 17	The restrictions of the provision of services, which generates negative economic consequences.	Not affected.	Restrictions on the free movement of people have significantly affected the economies of some MS.
№ 18	Strong negative effects related to the inability to carry out certain groups of economic activities. Positive in sectors related to the creation and dissemination of information and creative products.	The movement of capital is less affected than the other three freedoms - indirect effect.	Dominance of negative effects.
№ 19	Entirely negative is the catastrophic impact on service-providing industries.	Investments are very limited.	EU policy is not consistent, clear, and therefore fair.

№ 20	Negative - losses for businesses, difficult access to specific services by consumers. No positives.	There have been no measures imposed on the freedom of movement of capitals.	Negative - violation of the right to free movement.
№ 21	Negative effect.	N.A.	Negative effect.
№ 22	Negative when tied to the movement of people.	No effect	Negative effect.
№ 23	It has not suffered.	The movement of capital in the age of digital money is not affected by the pandemic.	COVID 19 stops mindless travel that is disguised as various types of tourism and is simply attracting people for consumption purposes.
№ 24	Negative - some services are limited.	Temporary decline.	Negative effect.
№ 25	Negative effect.	We turn money into commodities and commodities into money; when one of these conditions is violated, it inevitably affects that follow - hence the path of capital is violated.	Negative effect.
№ 26	Negative effect.	In the context of a pandemic, there has been a significant increase in the capital of the pharmaceutical companies at the expense mainly of social services, the funds from which have been redirected.	Strongly negative. Serious shocks in the tourism sector.
№ 27	Negative in some sectors related to physical contact. Positive - the developed of e-services.	Negative - decrease in investments.	Negative - limited movement.
<b>Author's thesis</b>	Negatives: The imposed measures in the area of „Borders and Mobility“ obstruct the free movement of goods, before the creation of the so-called „green corridors“ for them. In addition, the provision of a number of services that do not exist in the digital environment is limited. This leads to a real impossibility to guarantee the availability of basic goods and services. There is a decrease in foreign direct investments. Positives: Rapid transformation of a number of sectors such as telecommunications, deliveries, administrative services, education in the direction of digitalization.		

### BLOCK 3. The COVID 19 pandemic and its effects on EU policies

Res- pon- dent	In your opinion, should anti-epidemic measures change the terms of EU competition policy and in what direction?	Do you support government bailouts for public and private companies because of the COVID 19 pandemic? Under what conditions, what type of state aid, for which sectors of the economy and for how long do you think these measures should last?
№ 1	No.	To some extent, for the most affected sectors.
№ 2	It should not, because this has been the core of the Single Market.	The pandemic has put economic entities in a very different and unexpected environment, which has doomed many businesses. Unnatural selection - the respondent supports.
№ 3	They should not change the terms of competition policy.	In general, the respondent supports the granting of state aid to public and private companies that have been honest taxpayers and belong to the lawful economic sector.
№ 4	It's a specific question - any change in the direction of support risks distorting competition - something the EU has a principled policy on.	Grants to businesses have a positive effect. Cannot give a definitive answer.
№ 5	Does not apply.	The respondent supports state aid for state-owned companies only. He is totally against private companies being assisted.
№ 6	There have already been some changes and there is likely to be a review of competition policy.	In fact, the question of to whom the state aid should be granted is very important. They are admissible only in certain cases.
№ 7	Yes. Better dynamics is needed.	Yes.
№ 8	In a pandemic, the terms of EU competition policy should also change, but this should only be temporary.	Supports the granting of SOEs/ state-owned enterprise/ to both public and private companies. Take a sector-specific approach.
№ 9	It should.	In general, yes, but under clear criteria and on a non-discriminatory basis.
№ 10	Some loosening of anti-subsidy and anti-cartel measures is possible in the short term - it should not become a permanent trend.	Subsidies are harmful and distort market mechanisms, ultimately leading to unfair competition and loss of incentives to innovate.
№ 11	Functioning well, probably minor changes needed in relation to similar crises.	Conditions of support should be carefully considered.

№ 12	N.A.	Yes.
№ 13	Measures should be short-term and have no long-term negative effects on the functioning of the internal market and competition rules.	All measures should be as limited as possible in their temporal scope and intensity.
№ 14	Competitive policy considers not only the shock experienced by the business and investment environment, but also the regional approach to rebuild primarily the poorest regions.	Yes.
№ 15	Yes.	Yes, in case there are restrictions imposed on the exercise of the relevant business.
№ 16	Yes, and they change it.	Yes.
№ 17	They should rather revise them and anticipate various asymmetric threats.	Supports the granting of state aid to public and private companies.
№ 18	N.A.	State aid is needed to speed up recovery from the pandemic. It should be targeted at those sectors that are most affected.
№ 19	Anti-epidemic measures must not be allowed to influence the terms of competition policy in the EU.	Support should be targeted at the sectors and business units that are actually affected.
№ 20	Yes, towards incentives to increase the independence of EU industry from third-country component supplies.	Yes, subject to proof of lasting losses due to the restrictive measures imposed.
№ 21	Increasing liberalization should be pursued.	Does not support.
№ 22	The respondent cannot establish a direct link between the measures and competition policy.	Absolutely. Measures can be both direct aid (payments, credits) and indirect - tax cuts. The duration should be until a sustained positive trend is established, indicating a way out of the crisis.
№ 23	The EU should focus on intensive production.	Does not support.
№ 24	N.A.	Yes.
№ 25	Yes, flexibility is needed, not conservatism.	State aid is necessary and useful if it is properly granted and properly used.
№ 26	Yes.	It is necessary to grant state aid to companies, but this aid should be linked to and depended on the extent of which the sectors they operate in are affected.

№ 27	Yes, they should correspond to maintaining and/or increasing competition in the EU market.	Yes, but to be differentiated and categorised based on clear and specific rules and requirements.
<b>Author's thesis</b>	The safeguards in place in the areas of Economic Measures and Public Health threaten the equality between economic operators, causing distortions of the pure market competition. This can be illustrated by the following example: the introduced temporary rules for easing the state aid regime allows the stronger economic Member States to support their productions (respectively economic operators), such as Germany, France, Austria and others. Despite the relaxed rules, less developed economic countries such as Romania, Bulgaria, Hungary and others, are not able to provide support in similar amounts of their production, so they are not able to respond to competitive pressure within the domestic market.	

### **BLOCK 3. The COVID 19 pandemic and its effects on EU policies (continued)**

<b>Respondent</b>	<b>Do you think that regional policy is one of the appropriate mechanisms (through the financial instruments, the European Structural and Investment Funds and other funds) for rebuilding the economy of the Union and, respectively, that of the Member States?</b>	<b>Between protectionism and liberalization - which do you think is the right approach for the economic recovery of the EU after the crisis caused by COVID 19? If protectionism is restored, can it also be between individual EU Member States or should it only be applied to third countries?</b>
№ 1	Yes.	The most complex issue is about balance. Protectionism must be towards third countries.
№ 2	Yes, the regional policy is very important.	N.A.
№ 3	Yes, but slightly modified according to the new dynamic circumstances.	Protectionism is acceptable under certain conditions. Liberalization is, by its very nature, the free movement of goods, capital and services, which, at least within the EU, must be maintained to the maximum extent possible in order to ensure the Union's continued socio-economic development.
№ 4	Yes, there are definitely mechanisms for that.	Protectionism is not the best economic approach because it always provokes right-proportional reactions.
№ 5	Yes, but it needs improvements for the effects to be felt.	Protectionism has not gone away - the EU acts protectionist enough as an organization.
№ 6	Yes, regional policy is an appropriate mechanism.	Protectionism has not saved anyone.
№ 7	Yes.	Only the liberalization approach is appropriate for the EU economic recovery.

№ 8	Yes, but applying traditional EU funds alone will not be enough.	Liberalization. The respondent believes that strict protectionist measures can achieve real and effective results in recovering from the pandemic.
№ 9	Yes, if the funds are used purposefully.	Protectionism would not contribute to a more effective recovery but would distort the economic environment.
№ 10	It is appropriate to use it to change the EU economy towards environmental policy objectives.	In the absence of global agreements in line with the EU and US global environmental policy agenda, serious economic and trade frictions and the emergence of protectionism are likely.
№ 11	Manly yes.	Some protectionism towards third countries only.
№ 12	Yes	There is no reason to use protectionist measures.
№ 13	Regional policy can be one of the main drivers of recovery.	Protectionism can have disastrous long-term consequences for intra-European trade and transnational economic relations.
№ 14	Yes, the regional policy method ensures that EU rules on the common market and competition is maintained.	A combination of the two approaches.
№ 15	Yes.	Somewhere in the middle. Protectionism only in relation to third countries, considering the principles of proportionality and subsidiarity.
№ 16	No.	Liberalism.
№ 17	Yes.	N.A.
№ 18	Yes.	Protectionist measures within the EU should be avoided.
№ 19	It is imperative that regional policy over the next 4 years is geared towards returning economies to pre-Pandemic levels.	Do not support either of the approaches; the most effective option would be to have a single policy for the EU's action in all areas affected by the pandemic in order to impose uniform rules and standards.
№ 20	Yes, it is a good recovery mechanism.	As a short-term solution, protectionism (both within the EU and towards third countries) is necessary to ensure the recovery of its own economy.

№ 21	Regional policy cannot solve a global problem.	Liberalism would lead to greater economic growth than protectionism.
№ 22	Yes.	Protectionism is only justified on a reciprocal basis when a third country applies it to the EU.
№ 23	All EU funds create a quasi-market.	There must be protectionism towards third countries.
№ 24	Yes.	N.A.
№ 25	Believes that funds are not being allocated properly.	Neither liberal theory works properly, nor protectionism.
№ 26	No.	Economic recovery from the consequences should be in the direction of liberalization, not protectionism.
№ 27	No.	Economic recovery should take place through policies aimed at a free market-oriented economy, business initiatives managed in conditions of transparency and publicity.
<b>Author's thesis</b>	Regional policy should be one of the main mechanisms for overcoming the consequences of the crisis. It contains the necessary tools to overcome the differences and to give a new strong impetus to the integration process.	The single market is based on several interrelated policies that should provide the conditions for market liberalization, which in turn will have positive effects for producers and consumers. To adapt the internal market to the new global economic realities, it needs to be more efficient, more decentralized and more accessible.

#### Block 4. Impact of anti-epidemic measures on the economic development of Bulgaria

<b>Respondent</b>	<b>In your opinion, what are the effects of the anti-epidemic measures on Bulgaria's economy? Do they also have an impact on the country's EU integration process?</b>	<b>Do you agree that Bulgaria should use the legal possibilities in EU legislation (restrictions based on public health) to temporarily close its borders? Should such measures apply to all four freedoms and under what conditions?</b>	<b>What do you think will be the potential effects of the implementation of the National Recovery and Resilience Plan on Bulgaria's economy over the next 5 years? Do you think the plan will contribute to overcoming the economic and social consequences of the COVID-19 pandemic?</b>
№ 1	The economy is lagging behind, mostly because there are formal but not real anti-epidemic measures.	I agree about all four freedoms.	N.A.



№ 2	In general, the imposed anti-epidemic measures have a negative effect on the Bulgarian economy, but the respondent does not think they will prove decisive in slowing down our integration.	N.A.	N.A.
№ 3	The slowdown in the economic development of the country (for several reasons) is slowing down the integration process and making the gap between the RB and the most developed member states even deeper.	Yes, under well-defined and justified criteria.	Before the pandemic, there were several socio-economic problems. The effectiveness of the plan depends largely on whether its measures focus on these deficits.
№ 4	Negative - the most uncompetitive economy in the EU would find it difficult to speed up its integration in the absence of maturity to introduce real innovation, etc.	There is potential for many positive effects, but not optimistic.	N.A.
№ 5	The respondent does not have direct observations. Probably chaotic impact on the economy.	Yes, but with clear rules.	N.A.
№ 6	Measures have had a positive effect - for example in the direction of digitalization and service delivery, as well as the transformation of education. The negative effect is the slowing down of some industries and processes. No impact on the integration process.	There should be moderation in the application of this approach.	The question is whether this plan will be implemented - if so, significant investment will lead to growth.
№ 7	Negative for small businesses. The pandemic has a positive global effect on Bulgaria's integration in the EU in both directions - Eurozone and Schengen area.	Only relative to the movement of people and at peak pandemic statistics.	Indicates that he is not familiar with the plan. Expresses the view that the plan alone would not be sufficient.

№ 8	They also have a negative impact on the country's integration process in the EU, as there is no more tangible difference from the effects that are present for the other EU member states.	The measures applied should be proportionate to the effects sought and to the situation at a given time.	It should contribute to addressing the economic and social consequences, but with good planning.
№ 9	The measures have the greatest negative impact on small businesses. They have no impact on the integration process.	Should not apply to all freedoms.	Not optimistic about the implementation of the plan.
№ 10	Negative effects on the economy, but it is difficult to foresee the influence on the integration of the country.	If necessary, yes.	These effects will be like previous cohesion measures. Bulgaria's economic growth rates also depend to a greater extent on the inflow of foreign direct investments, the entry into the Eurozone, the accession to Schengen.
№ 11	Difficult economic situation. Difficult to assess whether it affects integration.	Only by necessity.	N.A.
№ 12	Negative effects on the economy.	Yes, under certain criteria.	N.A.
№ 13	The impact on integration processes is rather not observed. The effects on the economy are negative.	Disagrees that Bulgaria should use such restrictions given the nature of the Bulgarian economy.	It will have a positive result if the plan is effectively implemented.
№ 14	Slowdown in economic development. No opinion on the integration process.	Believes that the vaccination certificate should be used as such a tool.	Yes, with good planning, organisation, management and control of resources.
№ 15	Strong negative effects on the most affected sectors. Affects the integration process.	Bulgaria should follow the common EU policy.	Yes.
№ 16	Negative effects on the economy. No opinion on the integration process.	Yes.	N.A.

№ 17	It is early to say what the effects on the economy are, given the fact of non-implementation of the measures taken by the government. There is no opinion on the integration process.	Restricting only people's freedom of movement was deemed a successful practice.	It is early to make such predictions.
№ 18	The negative effects are pronounced and lead to a substantial reduction in macroeconomic activity. There is no opinion on the integration process.	Their justification is difficult to achieve.	The potential effects translate not only into overcoming the health and economic crisis and accelerating economic recovery, but also to transformational processes in the economy.
№ 19	Negative effects. On the integration process - Euroscepticism.	Would only be adequate at the initial stage of the pandemic.	There can be no objective answer to this question before there is a final version of the plan.
№ 20	The economic effects on the country are extremely negative. They have no impact on integration.	Restrictions should only apply to the freedom of movement of people.	N.A.
№ 21	Negative impact on the country's economy. Integration is naturally slowed down by general EU restrictions.	Yes, but you can't judge whether it's necessary for all four freedoms.	The respondent does not believe that the Plan will be the main factor for the development of the Bulgarian economy and for overcoming the consequences of the pandemic.
№ 22	Strong negative effect. No impact on integration.	Yes, but only temporarily, according to conditions	Positive, but depends on performance.
№ 23	No, the country is integrated within the EU. Negative economic impact.	Yes, the movement of people should be restricted. Of goods, services and capital should not.	No, targeted plans are not effective.
№ 24	A collapse in the economy, which affects integration to some extent, delaying the arrival of some investments, entry into the euro area, etc.	It is not needed.	Yes.

№ 25	Even before the pandemic, the country had integration problems. Economic negative effects.	No, other mechanisms should be found.	The country lacks appropriate conditions for the effective implementation of the plan.
№ 26	Strong negative impact on the economy. No impact on integration.	All four freedoms should be subject to similar measures if real prevention is to be sought.	N.A.
№ 27	Negative effect on the economy. No opinion on the integration process.	Yes, in case they are justified.	Positive, but depends on performance.
<b>Author's thesis</b>	In recent years, the country's economy has been characterized by relative instability. Anti-epidemic measures reinforce this negative trend. Now it is difficult to predict a reflection on the influence of the anti-epidemic measures on the integration process, as it is rather slow.	Those measures should be used only as a last resort, in proportion to the effects to be achieved.	The plan, if it is effectively implemented, should lead to a gradual economic recovery. Together with regional policy, it is a good mechanism for overcoming the consequences of the pandemic.

**As a result of the in-depth interviews,  
the following was established:**

An interesting phenomenon is observed in block 1. The answers of the respondents to the first question almost completely coincide, and those to the second question complement each other and are not mutually exclusive. This confirms the fact that, on the one hand, the EU's internal market is the main driver of the European economy, and it is also the foundation on which the integration process is built. On the other hand, it directly corresponds to the author's point of view that its functioning is a subject to a number of internal and external challenges, the overcoming of which requires common rather than national solutions.

Focusing on the four questions, block 2 questions aim to identify the effects of anti-epidemic measures and their impact on the integration process. The following conclusion can be made as a result of the answers provided by the respondents: the pandemic has mainly a negative effect due to the severe restrictions it imposes on the free movement of goods, people, services and capital. Nevertheless, there are positive trends, namely the acceleration of the process of digitalization and transformation of a number of sectors, including the whole European economy. Due to its direct effect on the internal market,

the pandemic has led to a certain „slowdown“ in the integration process, which should not have negative consequences, on the contrary, it is likely to give it a new impetus.

The first, the second and the fourth questions are inextricably linked because of their thematic – competition policy, protectionism and liberalization, and state aid. It is clear that the change in one of these policies obliges the change in the other ones. Focusing on the first question according to the answers, the EU competition policy needed to be changed, to be more flexible to the „environment“. The second and fourth questions from block 3 are extremely debatable. In practice, the split in responses (one the one hand between first question and the other two ones, and on the other hand inside the last two questions) embodies the bifurcation in decision-making process inside the Member States and the EU itself on issues related to protectionism, liberalization and state aid. Nevertheless, it should not be forgotten that one of the basic principles on which the common commercial policy is based is that of opening up and liberalizing world markets. An expression of this aspiration is the practice of concluding so-called free trade agreements with third countries, which can be reformulated to some extent as a result of the pandemic, but not repealed. Seventy-seven percent of the respondents identified the Regional policy as an appropriate tool for overcoming the consequences of the crisis. This is logical, because this policy aims to improve economic conditions in regions of relative disadvantages in the EU.

For all three questions posed in Block 4, which are directly related to Bulgaria, the respondents give comparable answers. This is a proof of the negative economic effects of the pandemic on the country. It is interesting to note that a large number of respondents distrust the implementation of the National Recovery and Resilience Plan, despite its potential to generate positive economic growth. This is probably due to the dynamic political situation in the country in the last year and the lack of stable executive and legislative power.

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