



Integrated capacity building and training programme for DANUBE area labour and business support organisations,  
local industry and entrepreneurs to enter innovative transnational value CHAINS  
as PEER-level collaboration partners  
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## Development of support instruments for LSO/BSO to react on COVID-19 impact on labour market and economy

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## Introduction

The aim of this report is to give an overview how the pandemic situation has affected the daily work of companies – exemplary for Austria, but similar for all European countries and beyond - and how the policy actors of all partner countries reacted on that situation to support the local economy and labour market.

We have analyzed, how the daily work changed, as well as the need for leadership and organizational management to change in the post-COVID-19 time to cope with intensified digitalization of work. The initial idea of this task was that the PPs develop strategies/tools for LSO/BSO to better handle the COVID-19 induced changes in the daily work of companies. However, in all partner countries the policy level has issued a bunch of support instruments with various specifications and expected impact. As there are already so many measures in place, we saw no need to develop further measures and strategies and instead put the emphasis on the transferability of the measures from one region to other project regions.

The introduced measures can be divided as follows:

- Financial support
- Qualification support
- Human resources (HR) measures
- Further measures (e.g. Hygiene, Strategy)

All project partners were requested to fill in their local measures and strategies in an excel spreadsheet, describing the following points:

- Title of the Instrument
- Challenge / Motivation
- Solution
- Solved issue
- Supporting institution
- Type of support
- Subject area
- What is necessary to implement the measure
- Timeframe
- Transferability to other regions



## General Situation (exemplary in Austria)

### Change in working procedures<sup>1</sup>

In the HR Community Covid-19 is seen as catalyst for innovation. Some things which have been seen as impossible in the past, became possible during the time of Covid-19 restrictions. For example, many companies didn't offer/allow remote work. Since there have been three lockdowns many companies reconsidered the use of remote work. The companies figured out, that it is necessary to trust their workforce. The Austrian government has lately issued regulations, which provides legal certainty for employers and employees for remote working.

In general, it can be mentioned that Corona offered some new ways of work to the companies. For example, knowledge-transfer, digitization, e-learning and HR supporting systems got a boost during the past year. There are several different ways how to use virtual tools for HR. Furthermore, it will get common to offer hybrid events and solutions. This will save time and travel costs in the future. For example, if there is a congress and one is only interested in parts of the program, it can be possible to watch exactly this content.

The shift for a digital working world will continue to challenge the companies in the future. The crises reminded the employers, that it is better to work in a team and act together against the environment. There is no time for lonely wolves or selfish men. A company is only doing well if the large group is doing well - partners, customers, employees. The decisive factor is not the organizational structure, but a management culture that grants freedom and relies on the skills of the employees. Agility is not a final result, not a structural state, but an attitude.<sup>2</sup>

### Remote Work and new office concepts

The key questions are:

Are we returning to the way we worked before, or adopting new ways of working?

Have we adequately defined the outcomes that we want to achieve through our work?

If so, how is this further changing the nature of our work?

Have we determined the kinds of work that we will shift to virtual world - on a temporary or permanent basis?

In the near future it will be common that many jobs will also be offered remotely. Therefore it will be necessary to provide the right tools and resources. Furthermore, it is important to strengthen the bond between IT and HR. The two departments need to leverage each other's expertise to create a functioning and efficient virtual environment. The digital tools have to be adaptable and scalable. Furthermore, it is important that the employees have the right information in the right place so that they can make necessary decisions.

The possibility of remote work will increase the flexibility of the workforce. Next to the fact, that remote work will get a bigger focus, also the infrastructure within the offices will change. Often

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<sup>1</sup> Compare [Why HR and IT are the true architects of the post-COVID workplace - Citrix Germany](#) (dl: 2021-01-20) and [Neue HR Praktiken für die Post-Corona-Zeit • HRlab](#) (dl 2021-01-28)

<sup>2</sup> Compare: [5 Führungskompetenzen für die Post-Corona-Wirtschaft \(zukunftsinstitut.de\)](#), 2021-02-16



there will be shared desks to save costs and reduce the capacity of workplaces. In the future it will be more necessary to rethink the creation and settings of the offices. Physical meetings in offices will get a more social aspect as they had before. Interior and rooms should be motivating and well-designed. The new surrounding should give the possibility to promote the potential of each employee. The future workplace will stand for innovation, creativity and also for relaxation. It will be necessary that different requirements will be implemented within the new space concepts. There should be spaces for meeting, collaboration, concentration, communication and retreat. The new concepts should be stunning for workforce as well as for the customers. Furthermore, the companies have to consider to offer flexible work spaces for different types of working routines (silent places, social places).

It is not only necessary to rethink the office structure, also if home office will be executed in an increased way one also has to think about “work ready homes”. Therefore, it is important to create the appropriate conditions. For example, it would be helpful to invest in broadband internet connection also in the rural area. Successful work from home office needs a more adapted framework. Not only the technical aspects like internet, notebooks etc. has to be considered, but also the working environment should be taken care of.

In Austria a common regulation for home office has been defined by the government in January 2021. The regulation includes on the one hand aspects of tax law and on the other side labour law components. The regulation will be valid for the upcoming two years and will be evaluated afterwards. It contains the following parts:

- Working from home is still a voluntary method of working, the basis is an agreement between employees and employers.
- Employers should offer the technology for home office (for example a notebook or a mobile devise). If they offer monetary support (for example for electricity, internet or heating costs), these expenses will also be free of tax and social insurance up to 300 Euro.
- Expenses for ergonomic furniture by the employee can be written of taxes up to 300 Euros a year.
- In the event of a work accident, employees are also health insured during the home office.

Details (for example as working hours, communication standards, high of expense allowance...) have to be regulated in agreements within the companies.<sup>3</sup>

Regardless the sector or industry, the key factor is the active involvement of the employees. Projects often fail because the employees lack commitment. Employees should be encouraged to shape and participate within the decision process.

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<sup>3</sup> Compare [Arbeitsminister präsentiert neue Regeln fürs Homeoffice \(bmafi.gv.at\)](https://www.bmafi.gv.at) & [Weiter nur freiwillig: Einigung auf Homeoffice-Regelung - news.ORF.at](https://www.orf.at) & [Einigung erzielt: Das sind die neuen Homeoffice-Regeln \(msn.com\)](https://www.msn.com) (dl: 2021-01-28)



## Leadership<sup>4</sup>

The actual (working) world has to deal with challenging conditions. Many people will call the situation and time as VUCA (volatile, uncertain, complex and ambiguous). Within these circumstances it is necessary that the leadership changes. It is necessary to coach the employees more than to lead them. Further, a supportive leadership is more important than to instruct the employees and additionally, the empowerment is a crucial factor in leading. The most important point for leadership, especially for remote leadership is TRUST. The trust has to be given and received from both sides, the management and the employees.

Organizations cannot change themselves, but people can. Every successful transformation therefore starts with the managers.

Good leadership is essential in times of transition and beyond as well within crises - but also when everything is going as usual. If a leader knows his or her behavioural patterns and their effects on his or her teams, this can improve motivation and significantly accelerate change.

Leaders are supposed to define their new normal with a special focus on leadership (e.g. trust, personal responsibility, results orientation). But only by integrating the new roles, processes and measures into a sustainable and lived culture will (leadership) changes become effective and sustainable.

Especially during the Corona Lockdown, the topics of home office, remote solutions and digital collaboration have come into focus. Which new challenges does this bring for managers and how do they build up the necessary competences to optimally deal with issues such as "de-spatialization", "digital communication" and new trust concepts? One of the greatest challenges of leadership is to lead the organization through transformational change. This requires every leader to take the time to understand how they need to change their personal leadership style and how they will work with their teams to successfully navigate the organization through transformation.

Dealing with constantly changing conditions requires new qualities from people with managerial responsibility: Courage, transparency and serenity are qualities that are valuable in this time. A successful leadership is the main point for successful companies. Future challenges will be how to manage the different teams, how to show the necessary agility and focus on strengths and solutions. From the sight of the employees a future leader should be empathic, communicative, professional and competent.

Furthermore, it is necessary for future leaders to increase their willingness to accept and perceive the situation and focus on tiny changes as well as draw conclusions from good times. Next to the already mentioned qualifications it is important that the leadership allows resilience.

Leadership needs to be more specific and increase the level of trust within the teams. Trust should be one of the exemplified values. Trust leads to more creativity and the employees are able to work more flexible within the changing conditions. Good leadership is able to guide in both situations, digital and presence.

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<sup>4</sup> Compare Die digitalisierte Arbeitswelt verlangt nach neuer Führung; [Die-digitalisierte-Arbeitswelt-verlangt-nach-neuer-Fuehrung.pdf \(greatplacetowork.at\)](#)



## Changes within behaviour

According to the above mentioned topic of remote work the pandemic may lead to a major change in the society. There is a possibility that society will drift apart and that a two-class society will be created by the increased home office. Therefore, it is necessary to introduce broad social rules to increase the acceptance within the different fields of workers. It will be important that leaders work in a transparent way and guide all the people. For blue-collar workers it would be really helpful to see that the people working remotely, really work. Further support measures could be considered. Companies can think about some kind of compensation or changes in monetary or time terms for blue-collar workers. Furthermore, it generally will be useful to adopt the working conditions.

Besides the sensitive issue of “equal treatment” of blue-collar and white-collar workers, there could also be changes in tolerated business norms. People will no longer need a business trip for short meetings, but rather resort to a virtual exchange. Further some points of learning will change and it will be tolerated and frequented to do eLearning.

Another change will take place in business etiquette. Before Covid19 it was very important to consider the correct business dress code as appearance and presentation is very important in business. As the time has changed and a lot of meetings have been transferred to virtual it also can be possible to adapt the business clothing. Some people have changed their dressing habits within Covid. It seems that it is ok (as you already show somebody something of your home) to wear also less formal clothing.

## Re-boarding and the return to work

Workforce management strategies that proved successful in the period before or during COVID-19 will no longer work fully after returning from short-time work or home office. Especially in the critical transition period, two priorities need to be reconciled: Companies need to give their employees more control over schedules and work allocation while meeting economic demands. The return of employees to the workplace is a challenge for companies in all sectors that should not be underestimated. New staff needs have to be considered and efficiency / workload has to be optimized in some places.

There will probably be a lot of distractions when returning to work, for example when colleagues meet for the first time after a long time. Adjusting to the new working environment after short-time work or home office can also have an impact on the so-called "time-to-productivity". The employees depend on the support of managers. For the re-boarding process (i.e. reintegration after absence) to succeed, it needs sensitivity and a well-conceived plan.

The process of returning to work has to be planned and implemented in a careful way. Within in the HR department it is important to plan and define work processes, regulations and procedures as concrete as possible. Further, the employees should be involved in the process of returning, for example there can be meetings and conversations about the re-boarding process. The longer an employee has not been in the companies' premises or even on a longer maternity/qualification leave, the more extensive these measures should be. As in every change process the most important point is the communication.



In general, managers should find out what their employees expect from work and whether there are any uncertainties about the new work structures. It is also important to motivate employees, especially when the order situation is bad and employees are worried about their jobs.

Here also the LSOs and BSOs can support the companies, for example they can offer some checklists or consultancy support.

## Technological Change<sup>5</sup>

In the past months it has been important that companies rethink their use of different technologies at the workplace. For example, the companies had to equip the team for remote work, and this also meant to introduce new (software) tools for working, training and also for internal processes. For example, digitization can be used more frequently and new technologies as e.g. virtual reality for training apprentices or blue-collar workers on specific machines and plants. eLearning has been established as a common training tool. There are already some practical experiences, how VR can facilitate the work. As example Fisher Sports can be mentioned, the company uses virtual reality in their cross-national production for working on prototypes without travel there. In general, it can be mentioned that trainings with gamification aspects will increase, as gamification elements will increase the motivation of the participant to learn and take part in the training.

Artificial intelligence will help to transform companies and simplify process structures. Artificial intelligence processes will lead to competitive advantages and can also be used within the support chain.

Also, within the HR process it is necessary to consider digitalization. At first a lot of recruiting happens already with the support of technologies, but it is still necessary to see the candidate in person and to talk to her/him. Further, in the onboarding process it is the part of the HR department to settle the new employee. Therefore, it is also necessary to think how a digitized process can be durable and not easily forgotten.

During the pandemic it was also necessary to rethink the ways of employer branding. For a successful future it is an important task, to implement a good digital employer branding strategy as some virtual and digital formats will exist longer. In the future there will also be some digital methods of personnel development.

## Digital distribution channels<sup>6</sup>

The current Covid-19 crisis has underlined the importance of basic digital skills for companies. Especially for many small and medium-sized companies these skills have even become a utterly important factor for the survival of the enterprise, e.g. by introducing new digital sales channels. Due to several lockdowns and shutdowns of companies it was necessary to find different ways to support the customer and to deliver goods. Not only the digital distribution channel on customer's side was increasing, also the digital B2B channels have searched for further or

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<sup>5</sup>compare [Neue HR Praktiken für die Post-Corona-Zeit • HRlab](#) and [Checklist\\_HR-Trends-HR-Technologie 2020 DE.pdf \(talentsoft.com\)](#) (2021-01-28)

<sup>6</sup> Compare [Warum der digitale Vertrieb krisenfest ist | Visable](#), (2021-02-05)



alternative suppliers. Procurement professionals now have to break new ground and find short-term replacements for long-term suppliers (if they weren't able to deliver).

As normal trade fairs weren't possible, new customers and suppliers had to be found digitally. The situation has led to more traffic on digital distribution channels, which also will be used in the future. The purchase process will become even more digitized in the future.

In general, it can be mentioned, that it is suitable for companies to enlarge their digital distribution channels. If a company offers a digital distribution channel it also can deliver goods if the stores are closed and this helps to make profit.

Fast and agile thinking, being creative and thinking outside the box, are more important success factors than ever. In the digital age it is not necessarily the big one who swallows the small, but rather the innovative or the fast swallows the slow ones.

The Upper Austrian Chamber of commerce launched 2020 a funding program to foster digitization within SMEs. It has been called "Digital starter upgrade" and has funded the establishment of digital distribution channels. Within Modul 1 of the funding program it was necessary to set up a digitization project with several steps (prepare the digitization project, have a realization concept, and be able to take the first steps of implementation and last but not least to use the solution in daily business). The funding scheme supported the development and the realization of e-commerce solutions and web shops. This enables the SME for a direct interaction between the company and the customer. The funding covered up to 75% of the project's costs for the implementation of the web shop, up to a max. amount of 4.500 Euros.<sup>7</sup>

## The change in wellbeing<sup>8</sup>

As already recognized during the crisis the health and wellbeing of the employees has got a higher priority. The main question for companies is, how to support the healthcare of the workforce to the best.. Further questions: What will be necessary to consider if everybody will be back in the office/production? Which kind of hygiene standards do we have to introduce?

Healthcare also has to be covered by the company's strategy. The management staff have to consider how the organization will get resilient also on behalf of the customers. Some questions can be: Is it possible or even important for us, to serve healthy food? Can the management support the employees with offering possibilities for sports? Do all employees receive the vaccination, especially the ones who have to travel abroad? How do these healthcare topics affect the economical stability of the company?

It is for sure that these strategic questions will change the work life in 2021 and beyond.

## Strategies and measures for digitization

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<sup>7</sup> Compare: [DIGITAL STARTER UPGRADE - WKO.at](#) and [https://www.wko.at/service/oe/innovation-technologie-digitalisierung/Programmdokument-DIGITAL-STARTER-UPGRADE\\_end.pdf](https://www.wko.at/service/oe/innovation-technologie-digitalisierung/Programmdokument-DIGITAL-STARTER-UPGRADE_end.pdf), dl 2021-02-05

<sup>8</sup> Webinar of [karriere.at](#), 26 January 2021, "Das Jahr der Entscheidungen: Was die HR 2021 erwartet" [Die 5 wichtigsten HR-Themen 2021: Mehr als nur Trends! | karriere.at](#)



## Digital Action plan Austria (exemplary for the project regions)

With the initiative „digital action plan“ the Austrian government sets up several measures for Austrian inhabitants to improve their digitization skills and use the opportunities offered by digitization. Digitization is the key success factor for overcoming difficult times. With several different activities the number of employees should grow to reach the pre-crisis level and beyond. Furthermore, there are projects to increase the life quality of people within different regions and ages. Digital empowerment and qualification of all people is an important growth factor for the economy.<sup>9</sup>

- With the establishment of the “Alliance for digital skills and professions”, Austria is laying the foundation for a strong and future-oriented business location that enables people to benefit from digitization. This alliance should be especially used for SME to establish digital competences within the companies. Furthermore, this should facilitate the implementation of digitized processes and projects within the companies.<sup>10</sup>
- To increase the digital skills within the Austrian population, the ministry for digitization and economy offers an initiative called [www.fit4internet.at](http://www.fit4internet.at). On this platform everybody can test the own digital abilities. Apps for different aspects of the digital world offer further learning opportunities. From Cyber Security Quizzes, malware to online fraud to data protection everything can be learned with a short, interactive and playful surface.<sup>11</sup>
- Within the last few years Austria introduced some new digital apprenticeships for different economies. They have been started successfully and have got well used in the companies. For further transformation in digitization it is necessary to enlarge the job assignments and use the possibilities within digital apprenticeships. In future there should be an offensive for building new digital apprenticeships. Together with the chamber of commerce, the ministry for economy and digitization will assess the needed changes of apprenticeships.<sup>12</sup>
- Value creation due to data economy  
In the future it will be more important to use data to enable innovative business models and generate new value. As the economy will increase in the future and new settings of working, business and shopping will enhance it will be more necessary to use the data for economical reasons. Data analyses, algorithm, artificial intelligence will be necessary to keep up to date. Due to the change after the crises the usage of data will be more important to find new possibilities in sales.<sup>13</sup>
- The current Corona crisis has shown the importance of basic digital skills for companies, especially for SMEs. This has become a relevant factor for business success. In the future it will be necessary that digitization skills have to be increased to survive crises enlarge the business value.

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<sup>9</sup> <https://www.bmdw.gv.at/Themen/Digitalisierung/Strategien/Digitaler-Aktionsplan.html> (2021-02-05)

<sup>10</sup> <https://www.bmdw.gv.at/Presse/AktuellePressemeldungen/Allianz-digitale-Skills-.html>, 2021-02-05

<sup>11</sup> <https://www.digitalaustria.gv.at/initiativen/wirtschaft/projekte-wirtschaft/digitale-kompetenzen.html>, 2021-02-05

<sup>12</sup> Digitale Lehrberufe, [dia\\_aktionsplan\\_wirtschaft\\_wachstum\\_RZ](https://www.digitalaustria.gv.at/dam/jcr:0db5d185-8927-4830-8041-9ed3d5c5cdc7/dia_aktionsplan_wirtschaft_wachstum_RZ.pdf); [https://www.digitalaustria.gv.at/dam/jcr:0db5d185-8927-4830-8041-9ed3d5c5cdc7/dia\\_aktionsplan\\_wirtschaft\\_wachstum\\_RZ.pdf](https://www.digitalaustria.gv.at/dam/jcr:0db5d185-8927-4830-8041-9ed3d5c5cdc7/dia_aktionsplan_wirtschaft_wachstum_RZ.pdf), S. 34; dl 2021-02-04

<sup>13</sup> [Daten & Fakten \(digitalaustria.gv.at\)](https://www.digitalaustria.gv.at)



- Digitization will also change the labour market and have positive effects on the growth of newly created jobs. The change affects the type of activity and the associated required skills. New Jobs will be created and some traditional jobs will be replaced. The processes within working procedures also will change, as there will be a shift within the organization.

## Broadband Internet connection <sup>14</sup>

Home-schooling, home office, video telephoning with the family, online-shopping, official online channels - the Corona crisis has massively increased the demands on our digital infrastructures for all of us, at a stroke. In order to be prepared for these challenges, the rapid and effective expansion of the broadband infrastructure with fixed and mobile technology is necessary.

In close cooperation between the federal ministry for digital and economic affairs with other federal ministries, the technical basis for the Austrians digital future is being expanded. In the area of communications infrastructure, the nationwide availability of gigabit connections is to be strived for.

Due to the extraordinary importance of broadband connection for both the business location and the Austrian population, the draft of the Broadband Strategy 2030 was launched recently.

With the "Digital Offensive", the Austrian federal government is pushing the competition-oriented and technology-neutral expansion of nationwide high-performance broadband infrastructures based on the objectives of the "Broadband Strategy 2030":

- ultra-fast high-speed broadband access (i.e. a download rate of at least 100 Mbit/s) available in metropolitan areas (about 70 per cent of households).
- By 2030, the aim is to achieve almost nationwide coverage of the population with ultra-fast high-speed broadband access.

Supporting the economic sector with best practice examples of digital transformation, introducing a digitalization-friendly legal framework and providing appropriate funding schemes will create the conditions for establishing Austria's credentials as an attractive and digital place to do business in the future. A future-proof broadband infrastructure is the backbone of our economic and social life

Successful broadband expansion is characterized by a large number of actors acting in a coordinated manner at local, regional and national level. The goal of the "Platform Internet Infrastructure Austria 2030" - "PIA 2030" for short - is to coordinate the interaction of the federal government, the provinces, municipalities, cities, citizens as well as public authorities and the private sector in the best possible way as a task force of all relevant stakeholders. The Federal Ministry of Agriculture, Regions and Tourism, the regulatory authority RTR and the funding agency FFG will operationally coordinate and support the platform.

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<sup>14</sup> Compare: [Breitbandausbau - 5G Strategie \(bmdw.gv.at\)](https://www.bmdw.gv.at) and [Breitbandgipfel: Plattform "PIA 2030" koordiniert Breitbandausbau, bmlrt.gv.at](https://www.bmlrt.gv.at), 2021-04-06



## Financial Support

The government of Upper Austria will fund the region on different aspects with 1.2 billion Euro for the upcoming 4 years (until 2024). This funding should help to foster the growth of the economy and to lead to further workplaces. (Upper Austrian Plan)

In general, it can be mentioned that the Upper Austrian industry looks ahead in a positive way, as nearly a quarter of all applications for the investment fund of the Austrian government has been submitted from Upper Austrian companies. The investment fund of the Austrian government supports investment costs with 7% and if a company invests in the area of digitization, green technologies or healthcare it is possible to get 14 % refunded. According to the government around 711 million Euro will be funded – this means that around 7.4 billion Euro will be invested by Upper Austrian companies in the near future. This is a positive sign for the location and future workplaces.

The high unemployment rate has been a major challenge during the pandemic situation in Austria. Therefore, it has been more important than ever to get the labour market back on track and to fight for every job. Through different measures from the policy level (e.g. national and regional government), from Labour market support organization (LSOs), Business support organizations (BSOs), and further stakeholders, different target groups are supported.

Until September 2021 it is possible to send the labour force in short work. This can save work places during difficult times. This method is used by a lot of companies, to prevent from releasing the (experienced) staff. This measure has been introduced by the Austrian Ministry of Labour and the companies receive financial support for paying up to 80% of the wages of the employees.

## Qualification support

After the crisis it is evident that qualification is of crucial necessity for entering and/or returning to the job market. Therefore it is essential that beyond the crisis qualification will be supported. Qualification is also a key measurement to reduce the skilled workforce shortage in specific sectors. In the following years it will be necessary to spend money in education and training, this will on the one hand increase the chances of new jobs and on the other hand secures already existing jobs.

The COVID-19 pandemic has accelerated changes in how and where we work. For many organizations the crisis brought to the fore the discrepancy between the skills people have and those needed for jobs in the digital world, i.e. digital upskilling is needed.

The most important questions for LSOs and companies, resp. are:

What new job profiles and skills will be demanded in the future?

How can you plan and adapt your workforce accordingly?



Since job profiles will become individualized and even more specialized in the medium term, it will become increasingly important for companies to train missing skilled workers their selves (internally if available, or externally) and to control the process through appropriate prospective, strategic personnel planning.

Upskilling the global workforce to bridge the digital divide is a complex problem that requires business leaders, governments and educators to work together to make the world a more resilient, more capable and more inclusive place. Upskilling is about preparing people for a technological based future. It has both to do with enhancing the skills people have in the digital world and increasing their capacity to be good leaders and manage it effectively. One needs to be able to work with technologies in a way to make it more meaningful. It is important to learn new skills and adapt the mindset. It is necessary for employees to make oneself relevant for the future and improve continually. It is necessary to support the companies with the right technical and financial support to upskill their people according to their own strategy.<sup>15</sup>

In Upper Austria there will be several different support measures to increase the qualification level.

- An already known funding programme is called “innovative skills”. The aim of the programme is to support trainings in digitization, technology, innovation, export and foreign languages. A SME can request the funding for the costs of trainings. 60% of the training costs will be refunded for microenterprises. SME gets 50% of the costs reimbursed.
- In Upper Austria a qualification network exists, where especially trainings for digitization are subsidized. Furthermore, for SME it is possible to get a monetary support on IT security soft- and hardware installations. The company can get up to 10.000 € for the investment in IT security. Depending on the age of the training participant either the government of Upper Austria or the Labour support of Upper Austria will subsidies the training. The biggest benefit of the qualification network is, that there are many different companies included. In this network it is easier to fix a specific training, as the training can be offered for all enterprises. For example, there is company A which has three employees who need a specific training. Normally they will decide to skip the training as it is way too expensive. But within the qualification network there are also companies B, C and D which have similar needs for trainings and the four companies decide to implement a common training. So, the benefit is, that the training can be held and it will get cheaper for each company.
- “Educational leave plus” is a special funding model, where companies are able to retain their employee(s) during a training period. The employees are able to qualify themselves with different classes. The training can last between two and twelve months. During the training the employment relationship will not be terminated, the employee takes an educational leave and receives money from the regional employment service. The advantage for the companies within this funding model is, that they do not have to cancel the contract with their employees and at the end of the training they will continue working with their well-known employee with higher qualification level and additional skills. The Upper Austrian Government offers a funding for the training costs. The

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<sup>15</sup> Compare: [New world. New skills. Upskilling for the digital world: PwC 2021-03-31](#)



funding will be up to 3.000 Euro for each person in educational leave (up to 50% of the training costs)<sup>16</sup>

- The Upper Austrian government's location agency (dept. of Business Upper Austria) offers a brochure with support measures for training and development. Within the brochure all labour market relevant funding for the region Upper Austria are displayed. There are different themes for funding, for example man and women, apprentice, disabled people and companies. There are also included the new supporting measures after the COVID 19 crises. It is updated each year and offers the companies' HR departments a booklet with comprehensive information.
- There are different kind of measures for qualification, on the one hand on site training in the company will be possible and on the other side there also will be a focus on individual qualification. The Labour Support of Austria offers different kind of vocational orientation and central training locations. For example, the CODERS.Bay should be mentioned where people can get a quick (and shorter than normal) training on digital jobs (IT expert).

In general, it is necessary that (young) people have the possibility for free and good education, as educated people don't suffer so often from unemployment.

According to actual figures a person who finishes a compulsory school is 5 times more affected from unemployment as a person who has an apprenticeship.

## Long Term Unemployment

Since the first lockdown in March 2020 the number of long-term unemployed people has increased. In Austria around 17.7% of the unemployed people counts as long term unemployed. The Upper Austrian government will establish a taskforce which develops different solutions how to reduce long time unemployment and get into a dialogue with all different stakeholders. Furthermore, there will be a hardship fund for people who are in short-work or got unemployed during the crises. Each person (fitting into the criteria) receives 500 Euro in cash as a singular support.<sup>17</sup>

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<sup>16</sup> Compare: [Bildungskarenz plus | WIFI OÖ \(wifi-ooe.at\)](#) 20201-02-15

<sup>17</sup> Compare [Oberösterreich wieder stark machen: Qualifizierung stärken, um Beschäftigung zu sichern](#) (dl: 2021-01-20) & [Fristverlaengerung-bei-Investitionspraemie-hilft-Betrieben-und-sichert-Beschaeftigung.pdf \(markus-achleitner.at\)](#) (DI:2021-01-26)



## Measures within the project regions:

In the previous chapters many general aspects which belong (in a different way) also to all participating regions have been described. As basis for a common knowledge and comparability it was necessary that each region quote the actual support measures to react on COVID 19 impact on labour market and economy.

On the following pages the support measures of each country are described in detail. As already mentioned in the introduction the focus of the support measures has been clustered as follows: Financial Support, qualification support, HR measures and further (strategy or care).

To elaborate an exhaustive list of support measures that have been introduced by the partner countries, the project partners consulted their local policy stakeholder, in particular their local DanubePeerChains advisory board members.

The most common change since the begin of the pandemic that was mentioned by all stakeholders was that remote work suddenly was necessary, tolerated and should be continued after the end of the crisis.

The bilateral meetings and discussions with board members showed following explanations and impacts in several countries (Slovenia, Austria, Romania, Germany, Bosnia and Herzegovina, Serbia):

- A lot of meetings, communication and learning have been transferred to the virtual world.
- There is a trade-off regarding the increase of virtual meetings. On the one hand time can be saved as meetings are more efficient, if they are online (one saves travel times) but on the other hand, the schedules have got tightened, as there is a lack of breaks between the meetings.
- It has become very hard for employees to find a good way for a satisfying work-life balance.
- Increased usage of “new” technologies as virtual trade fairs or VR to enable online presentation of products.

Next to the fact of working remotely nearly every country offered financial support instruments. The most common funding was the support of wages and co-financing of salaries. Furthermore, a lot of regions offered different support in investments or have reduced taxes to stabilize the economy. Some countries (Germany, Austria, Romania, Slovenia) offered support for caring activities. For example, financial support for childcare, or supporting the possibility of extended spare time (holidays) for caring activities.

The board member of Hungary stated, that it necessary, that LSOs and BSOs support companies with introducing the remote working process, for example they should provide trainings on online communication.

Especially in Romania and Slovenia one interesting fact was mentioned: Within the last year (2020) the area of services and catering changed and introduced new ways of customer servicing. The companies started with different kinds of service for example “click and collect”, delivery by courier or carrier services and diversified their offer. Furthermore, some of the companies changed their production and enlarged their portfolio (if possible) by producing additional hygiene equipment.



According to the board members in Serbia, a lot of businesses had to reorganize themselves to keep track on the digital transformation process. It would have been helpful to the companies to receive information about free tools that can be used to improve their businesses. Furthermore, it is necessary to decentralize the decision-making system and raise awareness among companies to embrace digital transformation. As LSO/BSO it is possible to organize trainings for managers and employees on different topics related to digital transformation.

In general, it was mentioned that the pandemic was THE booster for digitization in all areas. In different regions it was mentioned that there were support measures necessary to react on the new needs. For example, Austria offered free software tool usage for SMEs for three months. In Romania supported activities on ICT Hardware and software for SMEs and micro enterprises has been offered. Slovenia implemented a digital marketing and digital strategy voucher to build up online shops.

According to many partners another important topic is the qualification of people. On the one hand it is important that the national governments offer possibilities to upskill people in their own job and on the other hand it is important to support people who are willing to change jobs for example to widen the skills for caring. The qualification should also help unemployed people to find new jobs if possible.

Important within the topic of leadership can be mentioned, that the boost of digitization also needs a rethinking within the leader's culture. For example, it is really important to work trustful and rise new methods of management. The skills in leadership have to be transformational and focused on the changes and new conditions. (Slovenia, Austria, Romania, Hungary)



## Support instruments to react on COVID-19 impact on labour market and economy in Austria

Instrument	Remote work	Qualification Alliance	investment fund	Digital Team Austria
<b>Challenge / Motivation</b>	For reasons of safety and well-being, many employees were sent to work from home (when possible).	Many companies have the problem to run special trainings for their employees. Sometimes there are necessary trainings for the staff, but there are too few interested people to hire a trainer. Due to the lack of interest and the high costs the trainings are then often not carried out.	Due to Covid-19 the common economy and the economy output decreases.	Due to the COVID-19 crisis many companies are forced to introduce home office, sometimes the necessary (software) tools are missing and the money for that purpose is short
<b>Solution</b>	As protection to the interest of employees and employers it is necessary to introduce some guidelines. On the one hand it is possible to make these guidelines within the company and on the other hand it is possible to use regulations from the governmental site.	The qualification network offers the possibility to train the employees in a cross-company way. In the network of different companies from different sectors trainings can be carried out jointly. The Qualification Alliance supports the companies in individual planning and joint implementation of in-company courses. The courses are supported by the regional employment service and the government of Upper Austria.	In order to support the Austrian economy to recover from the Corona crisis, the Austrian government designed a new funding program. It is called investment bonus, which creates an incentive for corporate investments and thus makes a significant contribution to securing business premises, creating jobs and training positions and strengthens the international competitiveness. In general, Investments are funded with 7% and investments in digitization, healthcare and green solutions are funded with 14% of the amount of investment. The investment has to be above 5000 Euros.	Within the Digital Team Austria well-established ICT companies offer their services 3 months for free to SMEs. The package of services includes, in particular, the support with tools for video conferencing, office licenses and security solutions for remote working, etc.
<b>Which issue can be solved?</b>	Different interests of the vested interests (labour union vs. employer representatives, a.o. chamber of commerce) and legal certainty within the new work situation	The lack of qualification within different topics and working fields can be decreased, as cross-trainings offers a new possibility to train employees.	Incentive for new entrepreneurial investments	More than 100 digital tool providers offer SMEs solutions for remote work.
<b>Supporting institution</b>	National government	Regional government and labour office	National government	Ministry for Economy
<b>Type of support</b>	Regulation of working conditions	Qualification support	Financial support	Economic support, particularly for SME
<b>Subject area</b>	HR, Organization	HR	Economy, secondary: HR	Organization, HR
<b>What is necessary to implement the measure?</b>	Common governmental regulation and works agreement between the involved parties	Settle up a qualification alliance (In Austria it is necessary to have at least 3 companies, 2 of them should be a SME)	There was a parliamentary decision necessary to determine the law. To get the support it is necessary to make an application at the aws before the investment starts.	The needed digital tools can be ordered directly on the website of the participating companies
<b>Timeframe</b>	Permanent, long-term solution (with a mid-term evaluation)	Permanent, long-term solution	Temporary, mid-term solution	Temporary, short time solution (valid and free for three months)
<b>Transferability to other regions</b>	yes, with adaptations to national regulations	It is transferable to other regions/countries if the local government and labour offices cooperate and finance this programme	It is transferable to other regions/countries	The support measure is transferable to other regions if in this region a sufficient number of well-established ICT companies exists and is willing to join this initiative



<b>Instrument</b>	<b>Brochure with support measures for training and development</b>	<b>Broadband internet connection</b>	<b>short term work</b>	<b>network of experience exchange (knowledge sharing)</b>
<b>Challenge / Motivation</b>	There are many different sources where one can find funding and support measures in the context of qualification and further training for employees and companies. Due to the many social partners, institutions and opportunities of trainings it is hard for companies to get a short and specific overview of funding possibilities.	Ultra-fast broadband networks form the backbone for economic, social and cultural activities. More powerful devices and falling prices are constantly leading to new applications and stimulating demand.	As some sectors are still strongly affected by the crisis, consideration should be given to how short-time work can be further developed.	Within the last year a lot of different experience in different companies arise. The level of sharing experience is different and a lot of people are interested in an exchange.
<b>Solution</b>	To bundle the information about different trainings and support measures a brochure has been created	With the help of broadband funding, the digital divide between rural and urban areas is to be closed by supporting those regions in which there would otherwise be no broadband coverage in the foreseeable future. The availability of broadband networks is thus an essential location factor and important for the development of all regions in Austria.	It is necessary to consider new ways of short term work. As the actual valid version is seen as very beneficial both for the company and for the workers/employees concerned. One possibility is that companies pay a deductible for hours not worked but subsidised. This would provide an incentive to employ staff as much as possible and use only short-term work when necessary.	Offer regional, industry-specific or mixed exchange rounds to exchange information about some common topics: for example Collaboration tools, documentation, interaction, how interaction between human and technique works...
<b>Which issue can be solved?</b>	The brochure offers the possibility to see the different fields of funding in qualification. The brochure is divided into support measures for men and women, entrepreneurs, handicap people and apprentices.	Broadband internet connection is the basis for economical growth and an investment to future generations. Furthermore it can lead to new learning- and working habits.	The distribution of funds would be made fairer, as the current system has high deadweight effects because companies also send employees on short-time work who they would otherwise have employed normally. In addition, companies that are not viable in the long term also benefit because the whole thing costs them nothing.	Different level of knowledge and common learning.
<b>Supporting institution</b>	Regional	Austrian Research Promotion Agency	public employment service Austria	LSO/BSO
<b>Type of support</b>	Information about Qualification and financial support	financial support for investments	financial support	interaction and support in learning
<b>Subject area</b>	HR	Economy, HR	Economy, Organization	Future development of Companies/people
<b>What is necessary to implement the measure?</b>	A research on the different funding possibilities and getting in contact with the responsible institutions	The commitment of different resorts for the need of future relevant ict solutions	Agreement between labour/employer representatives and the government, Legal regulations for short time work	Somebody organizing the exchange and learning pear groups
<b>Timeframe</b>	Short term, as there are new funding schemes every year	Midterm to long term. Midterm for the implementation and long term for the usage of broadband connection	short-term solution	midterm
<b>Transferability to other regions</b>	It is transferable to other regions/countries	As it is a common goal of the EU some broadband initiatives within the countries should be created to found a digital domestic market	There are already different short-term work solutions within different EU countries.	It is transferable to other regions/countries



## Support instruments to react on COVID-19 impact on labour market and economy in Bosnia & Herzegovina

Instrument	Tax Aspect	Salary co-financing	Start-up Support	Economic Stabilization Fund
<b>Challenge / Motivation</b>	Due to the large number of sick workers and the long recovery period, production processes are stopped. For this reason, it is necessary to qualify workers (new and existing) so that the processes do not stop.	Companies have faced large financial losses due to both reduced workload and reduced exports of products or imports of materials needed to produce their products. For this reason, they are faced with having to lay off the workforce due to the inability to pay salaries and all necessary contributions.	Due to the COVID 19 pandemic and uncertainty, people find it harder to decide to start their own start-ups.	All business sectors are affected by losses due to covid-19, both financial and short-term and long-term labor losses. The revenues that the companies had were significantly reduced, which slowed down the work of these companies in general and there is no progress in the long run.
<b>Solution</b>	Deadlines for filing income tax returns, Annual income tax returns, Income tax returns and contributions specifications, and Declarations of calculated salary, paid income tax and contributions have been extended.	At the state / entity / cantonal level, funds have been provided to co-finance the salaries of workers in various companies so that the companies themselves would not have to lay off labor. This instrument is further enhanced by the fact that no company that laid off labor during the covid-19 pandemic has the right to co-finance wages, thus securing both workers 'rights and securing jobs.	Support for start-ups has not been lacking before, but now a greater focus has been given to giving people the opportunity to self-employ and create innovative products that can grow into big business. Therefore, it is necessary to support start-ups in all possible segments, because everyone's goal is to get out of the recession caused by this virus as soon as possible.	Establishment of a special fund for economic stabilization with the aim of supporting exporting companies that are facing business problems due to the consequences of the spread of coronavirus in export markets. In addition, this fund would support companies from other sectors, especially transport and tourism, and others.
<b>Which issue can be solved?</b>	More time to settle obligations due to difficult business circumstances. In this way, borrowing for the purpose of settling debts and additional interest payments is avoided.	Companies can continue to operate at full capacity in terms of manpower, redirecting funds to other needs such as purchasing equipment, work materials, enabling shift work and from home, etc.	Start-ups always start as an idea and the most common obstacle faced by those who decide to start a start-up is to provide funds to start creating a business plan and developing the idea of implementing the first prototype and placing it on the market. By providing financial and mentoring assistance to start-ups, they are given the wind in their backs to continue their work and bring a new product to the market, develop their business, create new jobs.	By forming a fund for stabilization of the economy and providing opportunities for companies to use that fund for their work, a long-term improvement of the economic situation is expected, which causes an increase in quality of life and living standards, participation in the global economy, increase in GDP.
<b>Supporting institution</b>	National / entity /cantonal government	National / entity /cantonal government LSO	National / entity /cantonal/ municipality government Donor Programs LSO/BSO	Federal /Cantonal government
<b>Type of support</b>	Economy Support	Financial support	Qualification support Financial Support	Financial Support Economy Support
<b>Subject area</b>	Economy	Economy, HR	Economy HR Future development of Companies	Economy Future development of Companies



<b>What is necessary to implement the measure?</b>	Adoption and harmonization of laws at the state level on extending the deadline for settling obligations to the state	It is necessary to adhere to the prescribed rules (only companies that have not had redundancies can count on this assistance)	It is necessary to provide funds at the state / entity / cantonal / municipal level, both financial and advisory in terms of providing mentors who will guide them through the process of establishing start-ups until the product is placed on the market.	A certain part of the funds must be redirected from other funds to the fund for stabilization of the economy, because at this time it is crucial to provide maximum assistance to companies so that they can continue working unhindered, which will eventually increase companies' share in exports, revenues, etc.
<b>Timeframe</b>	Short term solution	Mid-term solution	Permanent, long-term solution	Mid-term to long-term solution
<b>Transferability to other regions</b>	Yes, it is transferable to other regions/countries	Yes, it is transferable to other regions/countries	Yes, it is transferable to other regions/countries	Other European countries have probably already established different funds to support companies in their post-covid recovery.



<b>Instrument</b>	<b>Remote work/working in shifts</b>
<b>Challenge / Motivation</b>	To avoid the spread of COVID 19, most companies opted for remote work or shift work, in order to avoid meeting workers.
<b>Solution</b>	Employers who employ a larger number of workers they should reorganize the workplace time, if the work process allows, and work that takes place in one shift should arrange in two shifts, in order avoided concentrating more workers on one place. Also, possibility for parents of minor children up to 10 years of age, absence from work for one parent, in case both parents work
<b>Which issue can be solved?</b>	By reducing the concentration of workers in the workplace with all prescribed protection and safety measures and providing opportunities to work from home, the possibility of transmitting the infection and creating clusters in one company is reduced, which can cause the company itself to delay the recovery of infected workers.
<b>Supporting institution</b>	National / entity /cantonal government
<b>Type of support</b>	Regulation of working conditions
<b>Subject area</b>	HR, Organization
<b>What is necessary to implement the measure?</b>	It is necessary to redistribute work responsibilities and workers in groups so that it is possible to work in shifts (if there are key positions, they must always be filled with appropriate staff) or if it is work from home, it is necessary to provide all resources needed to work. from home unhindered and efficiently performed.
<b>Timeframe</b>	Permanent solution
<b>Transferability to other regions</b>	There are already different short-term work solutions within different EU countries.



## Support instruments to react on COVID-19 impact on labour market and economy in Croatia

Instrument	Salary support to preserve employment	Subsidies for entities that employ persons with disabilities	Reduction of reserve requirement	Loans, credit reprogramming and credit deferral
<b>Challenge / Motivation</b>	Employers who were closed or in any way prevented from working by the Decisions of the Civil Protection (national, county, local self-government units) and therefore had a drop in income, in order to preserve existing jobs and the existing level of employment CES gives salary support to business affected by the COVID-19	Ensuring payment of minimum wages for persons with disabilities with aim of employment retention, and deferral of payment of financial compensation for all employers of the quota for employment of persons with disabilities	Helping the Croatian banking system and economy to survive the crisis. By lowering the reserve requirement rate, more money will circulate and the liquidity of the banking system will be increased.	Assistance to economic entities whose business is threatened due to the COVID-19 pandemic in order to maintain the level of economic activity and liquidity
<b>Solution</b>	The allocation of cash benefits intended for the payment of wages to employers who record a decline in turnover- The amount of the subsidy is up to 4.000 kuna per employee, depending on the certain case	For a period of 6 months, the Government of the Republic of Croatia will co-finance the salary of a full-time worker and contribution for pension insurance to employers whose economic activity is threatened due the COVID 19 Entities that can apply are: Shelter workshops Integrative workshops Work units for the employment of people with disabilities They can apply regardless of the sector in which they operate. They must have a decrease of revenue of at least 50% in a month of using the subsidy	Croatian National Bank has reduced the usual reserve requirement rate from 12% to 9% This reduction of the reserve requirement rate is aimed at freeing additional liquidity which should make it easier for the banking system and, ultimately, for the Croatian economy as a whole to weather the crisis we have found ourselves in.	All companies (d.o.o, j.d.o.o., trade businesses, family farms) whose business is endangered due to the coronavirus crisis can apply for loan and credit measures through FINA (Financial agency) to preserve the level of economic activity and liquidity: Liquidity and working capital loans; Credit reprogramming; Credit deferral
<b>Which issue can be solved?</b>	retaining jobs, preserving liquidity and preventing a significant increase in the number of unemployed	The main objective is to ensure the payment of the minimum wage for persons with disabilities due to retention in employment.	The reduction of the reserve requirement rate will lower the overall amount of the reserve requirement by HRK 10.45bn and the Croatian National Bank will return the excess of the allocated kuna component of the reserve requirement, totalling HRK 6.33bn, to banks on 27 March 2020. By reducing the reserve requirement rate, the Croatian National Bank will also bring its reserve requirements system closer to the European Central Bank's minimum reserve requirements system that Croatia will transfer to once it adopts the Euro.	Preservation of economic activity and liquidity
<b>Supporting institution</b>	Croatian Employment Service	Government of the Republic of Croatia	Croatian National Bank	Government of the Republic of Croatia
<b>Type of support</b>	Financial support	Financial support	Economic support	Financial support
<b>Subject area</b>	Companies, employees	companies	Banks (indirectly companies)	companies



<b>What is necessary to implement the measure?</b>	Employers need to prove that they had a drop in income in a certain period compared to the period of one year before based on the submission of the VAT form	They must have a decrease of revenue of at least 50% in a month of using the subsidy.	Adoption of the Decision on amendments to the Decision on reserve requirements	Economic entities - companies, crafts, family farms whose business is endangered or completely disabled due to the coronavirus epidemic submit a request to the credit institution
<b>Timeframe</b>	temporary	temporary-6 months	permanent	mid-term solution
<b>Transferability to other regions</b>	Measure is applicable on the national level	Measure is applicable on the national level	Measure is applicable on the national level	Measure is applicable on the national level



<b>Instrument</b>	<b>Deferment of public contributions</b>	<b>State support for tourism and sports sector</b>
<b>Challenge / Motivation</b>	The government has decided to take a number of measures in the area of public benefits, especially taxes on income, profits and contributions intended for entrepreneurs who have a drop in annual income by more than 50 percent	Enable easier access to liquidity at financial institutions in order to preserve the continuity of economic activity in the tourism and sports sector.
<b>Solution</b>	<p>Entrepreneurs with an annual income of less than 7.5 million kuna, who have a drop in income or more than 50 percent, will be completely exempt from paying tax liabilities - income tax, income tax and contributions.</p> <p>Those companies that generate more than 7.5 million kuna in revenue per year will be partially exempt from paying taxes in line with falling revenues.</p> <p>This package also includes a measure according to which in the future everyone, including large companies with an income of more than HRK 7.5 million, will pay VAT only after the collection of issued invoices, i.e. the collected realization.</p>	Provide financial support to entrepreneurs with the approval of favorable liquidity loans by the financial sector, for working capital loans in the tourism and sports sector
<b>Which issue can be solved?</b>	This measure can ensure liquidity and to retain employment	Due to the pandemic, the tourism sector is under unprecedented pressure and SMEs are facing a serious liquidity crisis. Unless urgent action is taken and financial resources are allocated to overcome this period until the resumption of tourist flows, many companies in the coming weeks or months could bankrupt.
<b>Supporting institution</b>	Government of the Republic of Croatia	Ministry of Tourism and Sports, in cooperation with HBOR, HAMAG-BICRO and commercial banks
<b>Type of support</b>	Economic support	Financial support
<b>Subject area</b>	Private entrepreneurs, self-employed, and freelancers	companies
<b>What is necessary to implement the measure?</b>	<p>The proposed measures of the Government of the Republic of Croatia were accepted by the Ordinance on Amendments to the Ordinance on the Implementation of the General Tax Law. Exemption from payment of tax liabilities and other public benefits will apply to the taxpayer:</p> <ul style="list-style-type: none"> <li>- who has submitted a request for the use of tax payment measures,</li> <li>- whose work is disabled or significantly hindered and has a decrease in income / receipts of at least 50% in the period until 20.3.2020. to 19.6.2020, compared to the same period last year</li> </ul>	Entrepreneurs may be eligible for the support if they are affected by a lack of liquidity and business losses caused by the economic consequences of COVID 19, or if their business activity is reduced or completely suspended during a pandemic and they are therefore faced with business difficulties
<b>Timeframe</b>	temporary	temporary
<b>Transferability to other regions</b>	Measure is applicable on the national level	Measure is applicable on the national level



## Support instruments to react on COVID-19 impact on labour market and economy in Germany

Instrument	Home Office: Mandatory offer	COVID-"Bridging aid"	Short-time compensation	Public funding to fight against COVID-19 pandemic
<b>Challenge / Motivation</b>	Too many employees still have to work in their offices although home office would be possible and would support the fight against Covid-19	Numerous SMEs as well as solo self-employed and freelancers had to cease or severely restrict their business operations due to the pandemic	Due to the pandemic and resulting temporarily business closures there is temporarily short of work for many employees	Research and development of medication and therapeutics that can treat potentially life-threatening diseases caused by the COVID-19
<b>Solution</b>	Obligation for employers to offer home office to their employees where possible	Reimbursement of fixed operating costs in the event of pandemic-related sales shortfalls	Reimbursement of a part of the costs for compensation of the employees for the period of short-time work	Financial support for research, development and innovation projects that contribute to the research and development of medicines and therapeutics against COVID-19
<b>Which issue can be solved?</b>	Protection from infections at the workplace	Securing the economic existence of affected companies, solo self-employed and freelancers	Retaining valuable employees even if they are temporarily short of work	Support for research, development and innovation (R&D&I) projects that contribute to the research and development of medicines and therapeutics
<b>Supporting institution</b>	Federal government	Federal Ministry of Finance, Approval offices of the federal states	Federal government, Federal Employment Agency	Bavarian State Ministry for Economic Affairs, Regional Development and Energy
<b>Type of support</b>	Regulation of working conditions	Financial support	Financial support	Financial support for research projects
<b>Subject area</b>	Enabling employees to work from home where possible in Germany	Companies, solo self-employed, and freelancers up to an annual turnover of 750 million Euros in 2020, as well as non-profit companies and organizations from all sectors in Germany	Companies affected by the pandemic regarding a shortage of work in Germany	SME, corporates, research institutions, universities of applied sciences in Bavaria
<b>What is necessary to implement the measure?</b>	There was a parliamentary decision necessary to implement the obligation for employers.	There was a parliamentary decision necessary. Application via tax consultant, auditor, certified public accountant, lawyer.	Application every month via employment agency	Application via project proposal
<b>Timeframe</b>	mid-term solution	mid-term solution (October 2020- June 2021)	mid-term solution (max. 24 months)	mid-term solution (funding for three years)
<b>Transferability to other regions</b>	It is transferable to other regions/countries.	It is transferable to other regions/countries.	It is transferable to other regions/countries.	It is transferable to other regions/countries.



<b>Instrument</b>	<b>Training program on digital and e-commerce "Bavaria supports its retailers"</b>	<b>BayernFonds</b>	<b>Startup Shield Bavaria &amp; Equity Shield SMEs Bavaria</b>	<b>KfW fast credit</b>
<b>Challenge / Motivation</b>	Due to pandemic store closures, regional retailers face the challenge of digitizing their offerings	As the pandemic is existence-threatening for companies, Bavaria aims to strengthen their capital base and overcome liquidity bottlenecks	Supporting startups and small SMEs in Bavaria that have experienced liquidity difficulties as a result of the pandemic	Due to the pandemic companies got into financial difficulties and need a loan
<b>Solution</b>	free online seminars and coaching for retailers	BayernFonds is intended to mitigate the economic impact of the pandemic on those companies in the real economy whose threat to survival would have a significant impact on the economy, technological or economic sovereignty, security of supply, critical infrastructure, or the labor market in Bavaria.	Support with mezzanine and equity capital	quick credit availability for companies whereby the funding bank assumes 100% of the loan default risk from the house bank without asking for securities from the beneficiary
<b>Which issue can be solved?</b>	The lack of qualification regarding online retailing of regional SMEs is faced and decreased by online trainings	Liquidity bottlenecks can be overcome & the capital base of companies can be strengthened	liquidity difficulties in Bavarian SMEs	Liquidity for acquisitions such as machinery and equipment (capital expenditures) as well as all running costs such as rent, salaries or inventory (working capital)
<b>Supporting institution</b>	Bavarian State Ministry for Economic Affairs, Regional Development and Energy & ibi research at the university of Regensburg	Bavarian State Ministry for Economic Affairs, Regional Development and Energy, Bavarian Finance Agency	BayBG Bayerische Beteiligungsgesellschaft mbH	German funding bank (KfW)
<b>Type of support</b>	Qualification support	Financial support	Financial support	Financial support
<b>Subject area</b>	Regional small and medium retailers	Bavarian medium-sized companies	For innovative companies (corporations) with a high-growth and compelling business model	Self-employed persons & companies in Germany
<b>What is necessary to implement the measure?</b>	Creation & Providing of online training programmes	There was a parliamentary decision necessary. To get the support it is necessary to make an application.	There was a parliamentary decision necessary. To get the support it is necessary to make an application.	Application via house bank
<b>Timeframe</b>	mid term solution	mid-term solution	mid-term solution	mid-term solution
<b>Transferability to other regions</b>	It is transferable to other regions/countries.	It is transferable to other regions/countries.	It is transferable to other regions/countries.	It is transferable to other regions/countries.



<b>Instrument</b>	<b>Compensation for employed persons in the event of child care</b>
<b>Challenge / Motivation</b>	Due to daycare and school closures parents have to organize childcare for their children themselves and are unable to pursue their work to its full extent
<b>Solution</b>	With additional children's sick days and children's sick pay, the federal government is helping parents and single parents whose children cannot be cared for or cannot attend school due to the pandemic.
<b>Which issue can be solved?</b>	Parents do not face financial hardship if they have to care for their children due to the pandemic
<b>Supporting institution</b>	Federal Ministry of Labor and Social Affairs
<b>Type of support</b>	Financial support
<b>Subject area</b>	Employees who suffer a loss of earnings due to the closure of daycare centers, schools etc. and hence have to supervise their children themselves
<b>What is necessary to implement the measure?</b>	Additional paragraph in the federal Infection Protection Act as well as the provision of financial resources
<b>Timeframe</b>	temporary, short term solution valid until 30th of June 2021, max. 10 weeks / 20 weeks for single parents
<b>Transferability to other regions</b>	It is transferable to other regions/countries if the federal government finances the programme, no specific regional characteristics



## Support instruments to react on COVID-19 impact on labour market and economy in Hungary

Instrument	ReStart Program	Reduction the amount of local business tax	Release of parking fee	Taking over two-thirds of wage costs and waiving contributions
<b>Challenge / Motivation</b>	The pandemic of 2020 had a serious economic impact on the West-Transdanubian region, requiring a clear response from policy makers. The COVID-19 virus epidemic has resulted in a sharp decline of economic performance in most of the countries worldwide. The large multinationals closed down their facilities, while the local businesses had to freeze their operation, leaving them in a situation with limited or no reserves.	The local business tax is the most widely used and applied local tax. Business activities carried out on a permanent or temporary basis in the area of competence of the local government are taxable. Due to the COVID 19, the SME sector is in a difficult situation, and because of this obligation, the company is even more likely to be unable to pay its own employee	Reducing the citizens spending.	Businesses forced to close temporarily due to COVID 19
<b>Solution</b>	These facts led to launch local discussions to elaborate a supporting program helping to restart the local economy. Key focus areas were defined by the municipality together with large employers and representatives of local businesses.	The Hungarian government has halved the amount of business tax	Release of parking fee	These businesses will be supported by the government by taking over two-thirds of wage costs and waiving contributions. In addition to restaurants and hotels, this form of support will also be extended to privately owned "bus companies".
<b>Which issue can be solved?</b>	Three pillars of ReStart Program: a. Buy Local – market voucher program, support and promotion of local supplier relationships, utilization of local producers for the public sector, promotional gifts with ReStart visuals b. Be Online – financial support for SMEs to go online - webpage, webshop, social media representation, online invoicing software c. Spend Wisely – rent allowance for SMEs, public space usage fee discount for SMEs, discounted advertising in the municipal media for SMEs. Targeted for companies with employee protection.	With the money left in this way, the entrepreneur is able to pay his employees. As a result, there is an opportunity to prevent mass redundancies		With the above-mentioned discount, the entrepreneur has the opportunity to retain an employee and maintain his business.
<b>Supporting institution</b>	Many of the local business actors e.g. Chamber of Commerce and Industry of Vas County, Centre of Enterprises, representatives of multinationals, Szombathely Market Hall, municipal institutions, business entities and public utility companies, local universities were taking part in the conciliation process coordinated by the City.	National government	National government	National government
<b>Type of support</b>	Financial support, rental allowance	financial support, economic support	financial support	financial support, economic support
<b>Subject area</b>	economy, HR	organization, economy		organization, economy



<b>What is necessary to implement the measure?</b>		common governmental regulation	common governmental regulation	common governmental regulation
<b>Timeframe</b>	temporary	The discount is only for the year 2021	short term solution	short term solution
<b>Transferability to other regions</b>	It is transferable to other regions/countries	Yes, with the adaptation of national regulations	Yes, with the adaptation of national regulations	Yes, with the adaptation of national regulations



<b>Instrument</b>	<b>Free internet access</b>	<b>Community-Led Local Development</b>
<b>Challenge / Motivation</b>	For reason of safety many employees and students were sent to work and learn from home	A framework program to improve the digital maturity of workers.
<b>Solution</b>	To be able to work and learn from home it is necessary to have internet access. Therefore Telecom (telecommunication company) provides free internet access for primary and secondary school students and their family members.	The program offers an opportunity to educate employees. In the framework of this program PBN coordinating an educational project also. During this project PBN will organize digitalization trainings within the following categories 4-17 years old, 18-40 years old 41-65 years old and 65+ years old ones. These age categories can help us to provide tailor made training programs for the different age groups.
<b>Which issue can be solved?</b>	To provide better working and learning conditions	workforce training
<b>Supporting institution</b>	Telecommunication agency	National government
<b>Type of support</b>	financial support	qualification support
<b>Subject area</b>	HR	HR
<b>What is necessary to implement the measure?</b>		common governmental regulation
<b>Timeframe</b>	temporary	long term
<b>Transferability to other regions</b>	It is transferable to other regions/countries	It is transferable to other regions/countries



## Support instruments to react on COVID-19 impact on labour market and economy in Montenegro

Instrument	Support Vulnerable Population Categories	Support the economy through wage subsidies	Postponement and rescheduling of income taxes and contributions	Support for new employment
<b>Challenge / Motivation</b>	Financial support to vulnerable categories of the population due to the negative consequences of the epidemic to the standard of the citizens	preserving jobs and creating the preconditions for a faster economic recovery	Improving the liquidity of economic entities, easing the conditions for business planning	Support for new employment, suppression of the "gray economy" and economic growth
<b>Solution</b>	one-time assistance to maintain living standards	continued support through a wage subsidy	The support measure enables the postponement of the payment of debt for taxes and contributions on the basis of income	The employer is exempt from paying income tax and contributions for pension and disability insurance at the expense of the employer, for wages paid for a period of three years from the date of employment. The only condition that the employer should fulfill is that with the mentioned employment he increased the number of employees in relation to the day of December 31, 2020.
<b>Which issue can be solved?</b>	maintaining living standards	maintaining the number of employees in vulnerable activities	Illiquidity, difficult business planning conditions	new employment, suppression of the "gray economy" and economic growth
<b>Supporting institution</b>	Ministry of Finance and Social Welfare, Employment Bureau of Montenegro	Ministry of Economic Development	Ministry of Finance and Social Welfare and Tax Administration	Government of Montenegro
<b>Type of support</b>	Financial support	Financial support	Economic support	Economic support
<b>Subject area</b>	HR	Areas of: transport, production activities related to catering industry and additional activities operating within the manufacturing industry.	SME	Economy, HR
<b>What is necessary to implement the measure?</b>	Common governmental regulation and agreement between the involved parties	Common governmental regulation	Common governmental regulation	The implementation of the measure implies the adoption of the Law on Amendments to the Law on Personal Income Tax and the Law on Amendments to the Law on Compulsory Social Insurance
<b>Timeframe</b>	short time solution	short time solution (valid for three months)	short time solution (valid for three months)	midterm
<b>Transferability to other regions</b>	yes, with adaptations to national regulations	yes, with adaptations to national regulations	yes, with adaptations to national regulations	It is transferable to other countries of region



<b>Instrument</b>	<b>Increasing the turnover limit from EUR 18,000 to EUR 30,000 EUR as a condition for mandatory VAT registration</b>	<b>Subsidizing tour operators</b>	<b>Travel vouchers for employees in the field of education and health and support issuers of private accommodation</b>	<b>Program of interventions on the market of agricultural products and fishery and aquaculture products</b>
<b>Challenge / Motivation</b>	creating better conditions for maintaining the liquidity of economic entities	creating conditions for organized coming of tourists from priority, emitting markets	mitigating the negative effect of the pandemic on the business of private accommodation issuers; support to educators and health workers (doctors, nurses, etc.), who in the period of health crisis belong to the category of directly exposed	maintaining the existing level of production, and maintaining market stability, both in terms of prices and in terms of quantities offered on the market of agricultural products, as well as fishery and aquaculture products, and maintenance income stability of farmers and fishermen
<b>Solution</b>	According to the provisions of the valid Law on Value Added Tax, small entrepreneurs, entities that in the last 12 months realize the turnover of products or services in a value not exceeding, that is, they are not likely to exceed the amount of EUR 18,000, they are not required to register for VAT. Therefore, the measure envisages an increase in the amount of turnover, according to which entities become taxpayers in terms of the VAT Act, from EUR 18,000 to EUR 30,000.	subsidizing tour operators in order to achieve an adequate level of the overall effect of the tourist season, and indirectly the entire economy, since tourism participates in a high percentage of national GDP.	All health and education workers are awarded tourist vouchers worth up to 200 EUR, which can be used until 01.07.2021. years. Tourist vouchers are valid only for registered private accommodation. The use of vouchers is one-time. The owner of the private accommodation will be paid money on the basis of a tourist voucher 10 days after the realization of the arrangement. Global travel platforms like Booking.com and AirBnB cannot be used in mediation.	Withdrawal and storage of surplus agricultural products and fishery and aquaculture products, and assistance in the distribution of products by economic entities that have adequate conditions for these purposes; - Support to agricultural producers, fishermen, fish farmers and processors due to market disruptions caused by a significant drop in prices, in order to maintain price stability and income stability; - Support for the income of agricultural producers, fishermen, fish farmers and processors due to the inability to market products, the creation of surpluses by losing the market for products that cannot be distributed or their decline; - Assignment of surplus products to public institutions (hospitals, social housing centers, etc.), the Red Cross and others, with compensation to producers of 100% of the production value of these products
<b>Which issue can be solved?</b>	employment, increased support to entrepreneurs and micro-enterprises that are currently in the most difficult business situation	level of economic growth, rise of entire economy, employment in touristic season	mitigating the negative impact of the pandemic on the tourist season	mitigation of supply problems maintaining balance in the market of agricultural products
<b>Supporting institution</b>	Ministry of Finance and Social Welfare	Ministry of Economic Development	Ministry of Economic Development	Ministry of Agriculture, Forestry and Water Management
<b>Type of support</b>	Economic support	Economic support	Financial support, Economic support	Economic support
<b>Subject area</b>	small and micro enterprises	Economy, especially tourism and catering industry	business of private accommodation issuers	agriculture, fishery, aquaculture
<b>What is necessary to implement the measure?</b>	The measure requires amendments to the Value Added Tax Act	Common governmental regulation	Common governmental regulation; the implementation of the measure implies updating the Central Tourist Register for the provision of household services	Common governmental regulation
<b>Timeframe</b>	midterm	short term	short term	midterm



<b>Transferability to other regions</b>	It is transferable to other countries of region	It is transferable to other countries of region	It is transferable to other countries of region	yes, with adaptations to national regulations
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## Support instruments to react on COVID-19 impact on labour market and economy in Romania

Instrument	Financial support for employees and employers	Social protection	Economic and fiscal measures for companies	Digitization of micro-enterprises and SMEs
<b>Challenge / Motivation</b>	The partial or total reduction of the activity in the critical sectors of the economy led to the increase of the unemployment. Therefore, support is needed to protect jobs and workers in order to increase employment in the context of the epidemiological situation caused by the spread of Covid19.	The suspension of classes or the temporary closure of schools has led to the need for children to be supervised by parents during this period. Therefore, support was needed for parents to be able to balance work and family life.	In the context of the COVID-19 pandemic, businesses of all types, especially SMEs, can face a severe liquidity shortage. This can seriously affect the economic situation of businesses and their employees..	The Covid 19 pandemic forced the digitalization of the workforce to adapt to the new conditions.
<b>Solution</b>	Employees temporarily laid off in firms affected by the outbreak will receive at least 75% of their gross salary (up to 75% of the average gross wage). Firms that either stopped their activity completely or partially due to the state of emergency and hold a certificate issued by the Ministry of Economy (available online, as of April 2020) or have reduced their revenues by at least 25% (compared to the average level of Jan-Febr 2020) can receive unemployment benefits, but for no more than 75% of the total number employees.	Granting paid days off to one of the parents for supervising the children in case of suspension of courses or temporary closure of the educational units where they are enrolled, in the amount of 75% of the salary corresponding to a working day but not more than 75% of the average gross salary. (for children up to 12 years old and up to 18 years old for children with disabilities and if the workplace does not allow work at home).	The state aid scheme for supporting SMEs and small enterprises with medium market capitalization - SME INVEST Romania is approved. The maximum cumulated value of the financiers for a beneficiary is 10 million RON, in a percentage of 80% of the financing value. SMEs can benefit from the extension of the payment term for utilities (electricity, natural gas, water, telephone and internet services) and rents. Penalties related to delays in the execution of public contracts are suspended during the state of emergency period. The government also announced tax relief measures, including the acceleration of VAT refunds, the suspension of most tax audits and of foreclosures on overdue debtors, amendments of the tax debt restructuring programme and of the calculation of the corporate income tax base.	The implementation of the National Program for the digitization of micro-enterprises and SMEs, financed within the Competitiveness Operational Program (COP), was adopted. Budget allocated 150 million Euros, of which 127.5 million Euros European funds. Supported activities: acquisition of ICT hardware and other related devices, including installation, configuration and commissioning costs; training of staff who will use the implemented / purchased products and staff who will maintain, purchase and / or develop software applications / licenses necessary for project implementation, configuration and implementation of databases, migration and integration of various existing data structures.
<b>Which issue can be solved?</b>	RON 4 billion have been allocated which could cover 1 million employees according to official estimates. Supports employees and employers in the context of the epidemiological situation. Helps employers to maintain their skilled workforce during the partial or complete cessation of activity.	It focuses on the real needs of the employee, supporting him during the pandemic to achieve a balance between professional and family life. It also helps employers keep their workforce motivated and attached to the company during the pandemic.	By adopting these measures reducing, the elimination from the market of a significant number of small and medium enterprises from all sectors of activity in Romania and the appearance of particularly important social effects, respectively the dismissal of a significant mass of employees in Romania who are currently employed in small and medium enterprises.	It prepares and facilitates the digitization of work to face the new challenges caused by Covid -19.
<b>Supporting institution</b>	National Government	National Government	National Government	National Government, Ministry of European Investments and Projects.
<b>Type of support</b>	Financial support	Economic and social measures	Financial and fiscal support	Financial support and training
<b>Subject area</b>	HR, Organization	HR, Organization	HR, Organization	HR, Organization



<b>What is necessary to implement the measure?</b>	Funds and common governmental regulation and work agreement between the involved parties.	Work agreements between the involved parties. (employer - employee)	Funds and common governmental regulation and work agreement between the involved parties.	Funds and common governmental regulation and work agreement between the involved parties.
<b>Timeframe</b>	Temporary, mid-term solution	Temporary, mid-term solution	Temporary, mid-term solution	Permanent, long-term solution
<b>Transferability to other regions</b>	It is transferable to other regions/countries	It is transferable to other regions/countries	It is transferable to other regions/countries	It is transferable to other regions/countries



<b>Instrument</b>	<b>Monetary policies</b>	<b>Remote work</b>	<b>Psychological counseling</b>	<b>Monetary policies</b>
<b>Challenge / Motivation</b>	The negative effects of Covid-19 on the Romanian population and companies.	In the context of the risk of illness with Covid-19, recommendations were made in order to ensure the safety and health of workers, but also to support employers in carrying out current activities.	Against the background of the prolonged pandemic of Covid-19, a parallel epidemic of mental health problems appeared. First came dissatisfaction, fear, sadness that can turn into anxiety and depression.	The negative effects of Covid-19 on the Romanian population and companies.
<b>Solution</b>	A package of measures was adopted (monetary policy, flexibility of the regulatory framework, on bank resolution, operational) to mitigate the negative effects of the crisis caused by the COVID 19 epidemic on the Romanian population and companies. Cut in the policy rate by 0.50 percentage points (to 2%); provision of liquidity to credit institutions through REPO operations (reversible securities transactions); purchase of government securities denominated in national currency on the secondary market. Credit institutions are allowed to temporarily reduce or suspend loan amortisation payments without applying the regulatory provisions on the level of indebtedness, the loan-to-value limit, and the maximum maturity of consumer credit.	It is recommended 3 measures to make labor relations more flexible in the context of suspending school courses: establishing individualized work programs, with his consent or at the request of the employee in question; temporary change of workplace at the employee's home; carrying out the activity through telework, following the conclusion of an additional act to the individual employment contract. Preventive occupational safety and health measures have also been established for employers.	Establishing a psychological support hotline for people affected by the pandemic, with a normal rate to share the fears and fears caused by the pandemic to a psychologist.	A package of measures was adopted (monetary policy, flexibility of the regulatory framework, on bank resolution, operational) to mitigate the negative effects of the crisis caused by the COVID 19 epidemic on the Romanian population and companies. Cut in the policy rate by 0.50 percentage points (to 2%); provision of liquidity to credit institutions through REPO operations (reversible securities transactions); purchase of government securities denominated in national currency on the secondary market. Credit institutions are allowed to temporarily reduce or suspend loan amortisation payments without applying the regulatory provisions on the level of indebtedness, the loan-to-value limit, and the maximum maturity of consumer credit.
<b>Which issue can be solved?</b>	Expected effects: decrease of credit interest rates for the population and companies; supply of liquidity to banks; the possibility for credit institutions to help companies and individuals with loans.	Maintaining normal and correct working relationships in safe conditions during the restrictions imposed by the COVID-19 pandemic by: ensuring the safety and protection of workers' health, preventing occupational risks, informing and training workers, providing protective equipment, etc.	Treatment of mental trauma caused by the covid-19 pandemic.	Expected effects: decrease of credit interest rates for the population and companies; supply of liquidity to banks; the possibility for credit institutions to help companies and individuals with loans.
<b>Supporting institution</b>	The National Bank of Romania	National Government, Ministry of Labor and Social Protection	Ministry of Health, Association of Cognitive Psychotherapies, Babes-Bolyai University si Vodafone Romania.	The National Bank of Romania
<b>Type of support</b>	Fiscal support	Regulation of working conditions	Psychological support	Fiscal support
<b>Subject area</b>	population, Organization	HR, Organization	Population Health	population, Organization
<b>What is necessary to implement the measure?</b>	Cooperation between the financial institutions	Common governmental regulation and works agreement between the involved parties	volunteers to provide these services	Cooperation between the financial institutions
<b>Timeframe</b>	Temporary, mid-term solution	Temporary, mid-term solution	Temporary, mid-term solution	Temporary, mid-term solution
<b>Transferability to other regions</b>	It is transferable to other regions/countries	It is transferable to other regions/countries	It is transferable to other regions/countries	It is transferable to other regions/countries



## Support instruments to react on COVID-19 impact on labour market and economy in Serbia

Instrument	Remote work	Deferred payment of due tax liabilities	Minimum wage three months for entrepreneurs, micro and SMEs	Compensation in the form of 50% of the minimum wage for unpaid leave
<b>Challenge / Motivation</b>	To reduce the risk of spreading the pandemic and increase the safety of employees, many employees work from home.	Providing liquidity, maintaining economic activity, and employment	The goal is to encourage employers to maintain the existing level of employment.	The goal is for employers who have stopped (in full or in part) to keep their employees by keeping them on unpaid leave (furlough), with workers receiving a 50% subsidy from their state during that time.
<b>Solution</b>	Many companies have developed their internal solutions over time, but there are also Government recommendations.	This is a measure of the government, which assumes the postponement of the payment of due tax obligations, with later repayment in installments, at the earliest from the beginning of 2021.	The Government has increased public debt so that it can implement this measure.	The Government has increased public debt so that it can implement this measure.
<b>Which issue can be solved?</b>	The fact is that working from home is a complex type of work in which that previously requires the implementation of legal and other measures.	The goal is to increase the liquidity of all economic entities that pay salaries to employees.	employment rate	employment rate
<b>Supporting institution</b>	National Government	National Government	National Government	National Government
<b>Type of support</b>	Regulation of working conditions. The Home Work Guide of the Ministry of Labour, Employment, Veteran, and Social Policy is intended for employers and employees. It provides basic guidelines and recommendations to protect safety and health at work from home.	Financial support	Financial support	Financial support
<b>Subject area</b>	company, HR	Entrepreneurs, cooperatives, micro, SMEs.	Entrepreneurs, cooperatives, micro, SMEs.	all companies
<b>What is necessary to implement the measure?</b>	Legislative framework, internal acts of the company, the contract between the employee and the employer.	Government decision.	Government decision.	Government decision.
<b>Timeframe</b>	long-term solution	Short- term solution	Short- term solution	Short- term solution
<b>Transferability to other regions</b>	Yes, but, of course, it must adapt to the national regulations.	Such short-term solutions already exist in various European countries.	Such short-term solutions already exist in various European countries.	Such short-term solutions already exist in various European countries.



<b>Instrument</b>	<b>Favorable loans for procurement of working capital and for maintaining current liquidity</b>	<b>Direct assistance to all adult citizens of Serbia</b>	<b>Speed 1.0 and Speed 2.0 programs</b>	<b>Program of the Innovation Fund</b>
<b>Challenge / Motivation</b>	The main goal of the Program is to provide support to economic entities. It should help companies regularly settle their obligations to business partners, employees, and the state.	This measure aims to raise demand and use the money to buy goods and services to start the Serbian economy in the shortest possible time.	The goal is to improve the business of micro and SMEs.	The goal is to solve certain problems caused by the COVID pandemic 19.
<b>Solution</b>	The government is implementing this program in cooperation with the RS Development Fund.	The Government has increased public debt so that it can implement this measure.	The consultant will help selected companies. He will diagnose the current situation with the help of an online questionnaire. In this way, he will analyze their way of doing business, business processes, and models. And after that, he will propose a solution to improve their business.	The fund offers financial support to micro, small and medium enterprises. They must have a developed prototype, product, service, or technology that can become usable in the short term.
<b>Which issue can be solved?</b>	Procurement working capital and maintenance of current liquidity.	Falling demand for products and services	That companies effectively respond to the business challenges caused by COVID 19.	The fund will finance projects that can solve public health problems.
<b>Supporting institution</b>	The Government and RS development Fund.	National Government	Center for Digital Transformation, GIZ	Innovation Fund
<b>Type of support</b>	Financial support	Financial support	consulting support	Financial support
<b>Subject area</b>	Entrepreneurs, cooperatives, micro, SMEs.	adult citizens of Serbia	micro, small and medium enterprises	micro, small and medium enterprises
<b>What is necessary to implement the measure?</b>	Government decision.	Government decision.	All enterprises applying for the program will first have the opportunity to fill out two questionnaires- a digital immunity test and digital competitiveness. Through this self-evaluation, companies will gain insight into how ready they are for the challenges of doing business in an environment that has changed due to the COVID 19 pandemic and how competitive they are in the business era marked by digital transformation. Only selected companies will receive consulting services.	Innovative projects can be funded that offer solution to deficiencies and problems related to the health and well-being of the population (challenged by COVID 19).
<b>Timeframe</b>	Short- term solution	Short- term solution	long-term solution	Short- term solution
<b>Transferability to other regions</b>	Such short-term solutions already exist in various European countries.	Such short-term solutions already exist in various European countries.	Other countries may implement these programs. The support of their local governments is needed. They should also be adapted to their national regulations.	Such short-term solutions already exist in various European countries.



## Support instruments to react on COVID-19 impact on labour market and economy in Slovenia

Instrument	Remote work/ Working from home	Subsidized part-time work; Subsidized waiting for work (for employees, self-employed, farmers, religious officials etc.); Financial assistance to carriers, firefighters etc.	Wage compensation for quarantined workers and compensation of salaries for the care of quarantined children	Exemption from contributions for workers
<b>Challenge / Motivation</b>	For reasons of safety, well-being and due to limiting the spread of infection, most employees were sent to work from home (where possible).	The government wishes to preserve as many jobs as possible, preserve the current unemployment rate and to keep the economy as stable as possible.	If children are deprived of care or schooling or this is not provided because the child is unable to attend kindergarten or school due to the spread of new coronavirus infections and therefore parents or guardians are unable to perform work in accordance with the employment contract, such inability to perform work or such absence from the work of one of the parents may be judged within the institution of force majeure. A force majeure is an event that could not have been expected and could not have been avoided or deterred.	This is a financial help to the employers, self-employed, farmers etc., because the contributions to the state are quite high and employers can barely pay their workers salaries.
<b>Solution</b>	As protection to the interest of employees and employers it is necessary to introduce some guidelines. On the one hand it is possible to make these guidelines within the company and on the other hand it is possible to use regulations from the governmental site.	The guidelines for part time work can be made by the company or it is possible to use regulations from the governmental site. There needs to be control over actual working hours of the employees and regular reporting to the government.	A worker who is unable to perform work due to force majeure is entitled to a salary compensation in the amount of half of the salary to which he would otherwise be entitled if he worked, but not less than 70% of the minimum wage. However, in certain cases, the employer may also organize work at home for the employee. During this period, the worker is not absent from work, but still performs work and consequently receives a salary for this period.	This is another way to preserve the current jobs and help the economy to stay as stable as possible.
<b>Which issue can be solved?</b>	Different interests of the vested interests (labour union vs. employer representatives, a.o. chamber of commerce) and legal certainty within the new work situation. In accordance with the Employment Relationships Act, appropriate consent of the employer and the employee must be given for work at home, which is expressed in the conclusion of a special employment contract for work at home. The government has simplified home registration procedures to	This helps the employers and also the employees to preserve their jobs and still receive an income, despite the company's poor/zero revenues	Doctor or medical staff needs to inform the employer and the state about the quarantine. The employer and employee decide together, what the best solution would be and inform the state, if the parents can not work from home and need a wage compensation.	A law or another legal document needs to be passed by the parliament or the government. As for any financial help, there need to be a legal document behind the instrument.



	make it easier to organize work during an declared epidemic.			
<b>Supporting institution</b>	National government	Public employment service Slovenia	Public employment service Slovenia	Financial administration of the Republic of Slovenia
<b>Type of support</b>	Regulation of working conditions	Financial support	Financial support	Financial support
<b>Subject area</b>	HR, Organization	Economy, Organization	HR, Organization	HR, Organization
<b>What is necessary to implement the measure?</b>	Common governmental regulation and works agreement between the involved parties	New concellations between the social partners and new regulations of how short time work can be used	To obtain a certificate of quarantine at home, the employee fills out the form. The employee receives the quarantine certificate on the e-mail address specified in the application. The employee submits the certificate to the employer or files it in the necessary procedures for the reimbursement of income compensation.	Employers fill in a statement on eTaxes (web portal and mobile application) with which they obtain exemption from paying contributions for their employees.
<b>Timeframe</b>	Permanent, long-term solution (with a mid-term evaluation); depends how long the situation with COVID will last	Mid-term solution	Short-term solution	Mid-term solution
<b>Transferability to other regions</b>	Yes, with adaptions to national regulations	There are already different short-term work solutions within different EU countries.	It is transferable to other regions/countries	It is transferable to other regions/countries



Instrument	Subsidizing the minimum wage and relieving employers	Partial coverage of fixed costs to the most affected companies	Deferred and installment payment of VAT	Providing fixed-term employment due to urgent work needs during the epidemic
<b>Challenge / Motivation</b>	The Eighth Anti-Corona Act (# PK8) provides additional measures to preserve jobs and help the economy in the aggravated situation of the covid-19 epidemic, including extending subsidies for waiting for work and taking over the burden of raising the minimum wage by the state. Companies are still on the break of collapse and need financial help not to go broke and close.	The main goal of the instrument is to mitigate and eliminate the consequences of the impact of covid-19 infectious diseases on the economy, labor and labor relations in the most affected companies.	Since the state also takes VAT from companies it has helped them with options to do a deferral or to make installment payment of it.	Due to urgent work needs, the employer may conclude a fixed-term employment contract without announcing a vacancy. In this case, the employment contract may be concluded for a definite period, but no longer than for the period until 31 August 2021. An employment contract may also be concluded with a professional who has not yet passed the professional examination in the field of education, if he meets other conditions for holding a position in the program implemented by the educational institution and for which he is entered in the register as provider of publicly valid programs.
<b>Solution</b>	This is another way to help employers and the economy until the situation improves. And it is another way not to have an economical crisis in the country.	A lot of companies have been more affected than others. In particular production, sales, catering and tourism. This instrument is implemented to help the companies, the economy and the sectors of the economy that are important (crucial) for the state and do not want to be lost.	This is needed as the companies have zero or low income and need every Euro to survive. This makes it easier for companies to survive during the epidemic and economical crisis.	This instrument is meant to help companies or public institutions to quickly and with no public tenders (that take long) get the needed help in labour during the Covid crisis and for a specific period of time.
<b>Which issue can be solved?</b>	A law or another legal document needs to be passed by the parliament or the government. As for any financial help, there need to be a legal document behind the instrument.	A law or another legal document needs to be passed by the parliament or the government. As for any financial help, there need to be a legal document behind the instrument. There needs to be a constant dialog between the state, the CCIS and companies to receive feedback about the current instruments and information about the needs of the companies.	A law or another legal document needs to be passed by the parliament or the government. As for any financial help, there need to be a legal document behind the instrument.	During the Covid epidemic there is a larger need for workers in medical, social and public sector. Since the procedures of employing a person take a long time in normal times and the need for help in these sectors are urgent, the state helped with this instrument, where companies/public institutions do not need to do the whole employment process. But the employment can only be for a limited period of time.
<b>Supporting institution</b>	Public employment service Slovenia	Financial administration of the Republic of Slovenia	Financial administration of the Republic of Slovenia	National government
<b>Type of support</b>	Financial support	Financial support	Financial support	Economical support
<b>Subject area</b>	HR, Organization	HR, Organization	HR, Organization	Economy, Organization
<b>What is necessary to implement the measure?</b>	The state has information about minimum wages and will help the employers also with a small financial amount.	Beneficiaries submit to the Financial Administration a statement on the estimated loss of sales revenue in the eligible period and on the estimated loss in that period, and will then receive a payment next month.	The company fills in the form available in eTaxes. The tax authority approves the deferral or installment payment of tax for all tax liabilities related to the performance of activities, regardless of the form in which they are paid (such as final tax, tax advances or withholding tax). A payment benefit may also be granted for unpaid contributions (for compulsory pension and disability	Common governmental regulation and work agreement between the involved parties



			insurance, for compulsory health insurance, for employment and for parental care).	
<b>Timeframe</b>	Mid-term solution	Short-term solution	Mid-term solution	Short-term solution
<b>Transferability to other regions</b>	It is transferable to other regions/countries	It is transferable to other regions/countries	It is transferable to other regions/countries	It is transferable to other regions/countries



Instrument	Deferral of payments on bank loans	Government guarantees for corporate liquidity loans; Guarantee scheme for new loans (liquidity loans for SMEs; guarantees for bank loans with an interest rate subsidy)	Tourist vouchers for 200 € per citizen (50 € per underaged children)	Rental exemption (tenants), if the owner is the state or local municipalities
Challenge / Motivation	Because of the Covid crisis, zero or low income, many companies have problems paying the bank loans that they acquired before the crisis. This is a way to help the companies survive and to think about the future, how to change their way of doing business and how to get income to survive and to pay back the bank loans. So that the companies do not need to worry also about the bank loans but just how to make money in this new situation.	The government provides liquidity assistance to companies by providing soft and fast loans, while upgrading it by boosting investment. The government is also paying close attention to helping the economy to launch new investments, which would revive other service activities in addition to the construction sector. Thus, at the same time as the third package of anti-crown measures, an intervention law was adopted to remove obstacles to the implementation of important investments to boost the economy after the COVID-19 epidemic, on the basis of which the government will run and help start the economy.	Tourism has been one of the most affected sectors in all countries. And this includes not only accommodation providers, but also tourist companies, caterers, providers of tourist activities, carriers, guides, airlines, and so on. Because we all needed to stop the infection of spreading, foreign tourists also had to stop entering our country. That had the biggest affect on tourism.	Businesses have among other financial issues also problems paying for the rent. Normally it is difficult to arrange for a deferment of payment to the state or local municipality.
Solution	The instrument provides for a new deferral of payment of obligations from concluded credit agreements as well as newly approved loans in order to mitigate as much as possible the negative consequences of the second covid-19 epidemic on the economy and some other categories of borrowers.	The aim of the law/instrument is to enable companies to revive their investment activity and thus preserve jobs.	This is one way to help the national and local tourism. Since foreign tourists can not enter our country, we can help the tourism with national/local guests.	The state want to help its tenants, as they are having problems with paying their rents to the state or local municipality. This is another way to help businesses that are currently in financial trouble and are having issues with payments in general.
Which issue can be solved?	The government needs to discuss this new instrument with the banks to convince all of them to adopt it. The government proposes the law, the Parliament adopts it and the banks inform the companies about the new law and its rules.	The state needs to have a legal document to implement the measure. 1. Ensuring the liquidity of companies through public funds by providing financial resources already provided in the budget of the Republic of Slovenia for fast and very favorable liquidity loans through The Slovene Enterprise Fund and The Slovenian Regional Development Fund. 2. Definitions of a foreign investor in accordance with an EU regulation, definition of a foreign direct investment, notification procedure and review of a foreign direct investment. 3. Temporary withdrawal of conditions for granting incentives regarding the number of new jobs and the value of the investment. 4. Additional financial incentives, namely state aid in the form of grants and repayable	The state has issues a voucher for every citizen to use it for accommodation in Slovenian hotels, apartments, rooms etc. Each guest needs to fill out a form at the accommodation location, sign it and hand it out to the staff. The voucher is issued with citizen tax number. You can use it more times until you use the full amount of the voucher.	The state or local municipality has a list of its tenants and can send them a note of this decision and state for how long this lasts.



		funds, to ensure the digitalization and digital transformation of companies and for development projects in the process or with the possibility of rapid start-up.		
<b>Supporting institution</b>	National government	National government (The Slovene Enterprise Fund and The Slovenian Regional Development Fund)	National government	National government and local municipality
<b>Type of support</b>	Economical support	Economical support	Economical, financial support	Economical support
<b>Subject area</b>	Economy, Organization	Economy, Organization	Economy, accommodation facilities	Economy, Organization
<b>What is necessary to implement the measure?</b>	Deferral of payments on bank loans	Government guarantees for corporate liquidity loans; Guarantee scheme for new loans (liquidity loans for SMEs; guarantees for bank loans with an interest rate subsidy)	Tourist vouchers for 200 € per citizen (50 € per underaged children)	Rental exemption (tenants), if the owner is the state or local municipalities
<b>Timeframe</b>	Because of the Covid crisis, zero or low income, many companies have problems paying the bank loans that they acquired before the crisis. This is a way to help the companies survive and to think about the future, how to change their way of doing business and how to get income to survive and to pay back the bank loans. So that the companies do not need to worry also about the bank loans but just how to make money in this new situation.	The government provides liquidity assistance to companies by providing soft and fast loans, while upgrading it by boosting investment. The government is also paying close attention to helping the economy to launch new investments, which would revive other service activities in addition to the construction sector. Thus, at the same time as the third package of anti-crown measures, an intervention law was adopted to remove obstacles to the implementation of important investments to boost the economy after the COVID-19 epidemic, on the basis of which the government will run and help start the economy.	Tourism has been one of the most affected sectors in all countries. And this includes not only accommodation providers, but also tourist companies, caterers, providers of tourist activities, carriers, guides, airlines, and so on. Because we all needed to stop the infection of spreading, foreign tourists also had to stop entering our country. That had the biggest affect on tourism.	Businesses have among other financial issues also problems paying for the rent. Normally it is difficult to arrange for a deferment of payment to the state or local municipality.
<b>Transferability to other regions</b>	The instrument provides for a new deferral of payment of obligations from concluded credit agreements as well as newly approved loans in order to mitigate as much as possible the negative consequences of the second covid-19 epidemic on the economy and some other categories of borrowers.	The aim of the law/instrument is to enable companies to revive their investment activity and thus preserve jobs.	This is one way to help the national and local tourism. Since foreign tourists can not enter our country, we can help the tourism with national/local guests.	The state want to help its tenants, as they are having problems with paying their rents to the state or local municipality. This is another way to help businesses that are currently in financial trouble and are having issues with payments in general.



<b>Instrument</b>	<b>Public tender for financing incentives for restarting the operations of companies in border problem areas - COVID19</b>	<b>Financial help for companies to perform quick tests</b>	<b>Digital Marketing and Digital Strategy Voucher</b>
<b>Challenge / Motivation</b>	Due to Covid-19 the economy outputs of small enterprises based in border problem areas, which have manufacturing as their main activity, have even higher decreases as before.	The main challenge is how to keep healthy employees away from the infected ones. Companies also need money to test all of the employees on a daily or weekly basis.	Because of Covid most of the business is done online. A lot of companies do not yet have online stores or websites ready for digital business.
<b>Solution</b>	The purpose of the public tender is to support the restart of companies and enable the preservation of existing jobs as in the period before the COVID-19 crisis in the border problem areas in the Republic of Slovenia.	The goal is for the company to continue to operate and generate profit. And to have as little infected employees in the business premises and also to lower the number of infections.	The state would like to help companies that have none or bad websites and online stores, to get started with the sale or to improve their business. The purpose of the voucher is to introduce digital marketing in the company (creation of new websites, new mobile applications with testing, own online store, own reservation platform) which will increase their competitiveness, added value or. Revenues from sales.
<b>Which issue can be solved?</b>	Financing incentives for restarting the operations of companies	The state needs to have a legal document to implement the measure. Legal entities organized as companies, sole proprietors and cooperatives are entitled to assistance for carrying out rapid tests in the amount of EUR 40 per employee on the day of submitting the application.	The state needs to have a legal document to implement the measure. The state has given the money to The Slovene Enterprise Fund to distribute it to companies that apply for it.
<b>Supporting institution</b>	Ministry of Economic Development and Technology	Financial administration of the Republic of Slovenia	National government and The Slovene Enterprise Fund
<b>Type of support</b>	Financial support	Financial support	Economical, financial support
<b>Subject area</b>	Economy, secondary: HR	HR, Organization	Economy, Organization
<b>What is necessary to implement the measure?</b>	There was a government and Ministry decision necessary to determine the tender. To get the support it is necessary to apply for the tender.	There must be a law about this instrument that is passed by the parliament. The application must be submitted via eTaxes. Financial administration of the Republic of Slovenia pays the aid in a lump sum.	There must be a law about this instrument that is passed by the parliament. To get the support it is necessary to send an application.
<b>Timeframe</b>	Temporary, short-term solution	Short-term solution	Long-term solution
<b>Transferability to other regions</b>	It is transferable to other regions/countries	It is transferable to other regions/countries	It is transferable to other regions/countries



## Conclusion

The pandemic and in particular the lock-downs have heavily affected the daily business in all Danube countries and beyond, with:

- Change in working procedures
- Remote Work and new office concepts
- Leadership
- Changes within behaviour
- Re-boarding and the return to work
- Technological Change
- The change in wellbeing

All partner countries have established a huge variety of support measures and strategies to cope with the pandemic and in order to stabilize the economy. For that purpose financial support, as e.g. co-financing of wages, short-time work, vouchers; HR and qualification support as well as further support measures, in particular regarding the health of the people, were introduced.

In this report the most important measures of all project regions have been listed. The project partners have put also emphasis on the transferability aspect of the measures to other regions and countries. This will serve a.o. as basis for the development of the regional actions plans in work package T4.

