

FISCAL-BUDGETARY RESPONSIBILITY AND IMPLICATIONS ON THE EUROPEAN BUDGETARY FRAMEWORK IN THE CONTEXT OF THE COVID-19 CRISIS

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Abstract

The aim of this paper is to analyse fiscal-budgetary responsibility and the implications for the European budgetary framework in the context of the COVID-19 crisis. The study incorporates retrospective analysis of the European institutional framework, presentation of concepts and typologies of institutional organization in direct relation to the fiscal responsibility. The research hypotheses are based on the demonstration of inconsistency in the European working framework, regarding budgetary fiscal responsibility, as well as on the foundation of the institutional levels of organization and the demonstration of the existence of warning indicators regarding the vulnerabilities of the budgetary framework. The results of the study confirm the working hypotheses. Therefore, there is a need to establish responsibility mechanisms, which allow the replacement of arbitrary rules with clear directions to be followed by policy makers, so that interference between different institutional levels directly impacts the coordinates of fiscal risk management. The path of combating an economic crisis caused by the COVID-19 pandemic involves coordination, responsibility and common frameworks for action, so that the test of European unity to be passed successfully. The study exemplifies the importance of perceiving fiscal risk in relation to specific vulnerabilities and reveals a number of challenges to fiscal responsibility in the context of the COVID-19 crisis.

Keywords: fiscal-budgetary responsibility, fiscal risk, European budgetary framework, COVID 19 pandemic, economic crisis, fiscal institutions, policy makers.

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