

The COVID-19 pandemic is a global event that affects all spheres of economic and social life and will continue to do so for years to come. A return to the pre-crisis growth trajectory is expected to occur within a decade. Aside of the most immediate impact of lockdowns and restrictions resulting in a direct demand halt, the long-terms effects arise, among others, from changes in operating conditions and in consumer preferences due to shifting lifestyles in turn necessitating redefinition of existing business models in many industries. Additionally, they arise from increased State involvement in the economy, both through macroeconomic stimuli as well as through individual measures targeting specific COVID-stricken undertakings or sectors.

This research project seeks to determine how the European Union (EU) law of State aid should adapt itself to a post-COVID economy. Especially how to depart from temporary lifelines aimed at addressing immediate cash flow problems and ensure smooth transition from subsidization to economic self-sufficiency, taking into account that States can be expected to play a more active role in organizing economic activities through the recovery phase. The Author present a hypothesis that the EU should opt for a proactive adaptation of law, that is the adaptation that takes place before impacts are observed. Since the pandemic could not have been foreseen; the initial reactive approach was justified by the circumstances. However, as the post-pandemic economic trends are becoming increasingly visible and identifiable, the reaction should anticipate these upcoming developments as continuing on the path of a purely reactive adaptation will have detrimental effects for legal certainty and the effectiveness of State aid control. In this context, the Author will attempt to identify the areas – where the EU State aid rules apply – where such a proactive adaptation of law should take place, and what forms it should take.