

# The Impact of the Corona Pandemic on the Revenues and Expenditures of the Jordanian General Government and the Gross domestic Product

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## Abstract

*The research aimed to know The impact of the Corona pandemic on the revenues and expenditures of the Jordanian general government and the gross domestic product. And reached the following results: The Corona Covid-19 pandemic is greater than being limited to a health crisis, it is a humanitarian disaster that led to changes and transformations that attacked the heart of societies and their economies, so it was imperative for countries to work on the continuity of economic activity and the preservation of the wheel of production in the country while limiting the spread of the disease. It led to a complete and total halt to any economic activity, which caused the cancellation of many capital expenditures scheduled in the context of strict measures, as the restrictions imposed on travel and trade resulted in a decrease in revenues and an increase in expenditures, and the Corona pandemic caused an increase in the deficit rate in the state's general budget, as a result of the large expenses incurred by the state, with a clear decrease in annual revenues, but the state was able in the years following the pandemic to reduce the deficit rate in the budget and cancel many capital expenditures and freeze the performance of some economic activities, which is considered a severe blow to the domestic product, considering that revenues and expenditures enable the state to play its role effectively, as the decrease in revenues and the increase in expenditures call for a review of the structure of government institutions and the duties assigned to them The services it provides, which calls for a mix of its services to ensure mitigation of the pandemic and any crisis that the country may be exposed to, which confirms the validity of the first hypothesis and in light of such crises, and practicing that pivotal role that links the actors in the economic sectors, which allows them to be stronger than before, which confirms the validity of the second hypothesis. They recommended the following: Establishing permanent centers for crisis and risk management at the state level and at the level of the various economic sectors, and activating coordination between them to deal with various crises and risks, and developing training programs for workers on how to deal with crises and how to deal with their effects, and appointing experts and specialists to monitor, analyze and prepare reports on the various crises that the various sectors are going through and building a comprehensive database to predict crises before they occur. 10- Strengthening relations between the various governmental, civil and economic sectors with the media institutions due to their importance in spreading awareness and participating in conferences and interviews that help spread knowledge, and the need to benefit from the experiences of other countries in how to overcome crises.*

**Keywords:** *Impact, Corona Pandemic, Revenues and Expenditures, Jordanian General Government, Gross Domestic Product.*

## Introduction

The state's public finances in all its aspects, whether in terms of taxes, public loans, or the rules for preparing the state's general budget, have become used as a tool for economic guidance and are no longer just a means of obtaining financial resources for the state's general treasury. Taxes, in addition to being a financial means to cover public expenditures, are also a means To protect national production, such as customs taxes on commodity imports and goods, as well as public loans that are considered state treasury resources, they are also for the purposes of creating economic prosperity or certain economic changes, such as withdrawing a quantity of money circulating in the market through public loan bonds that citizens subscribe to, as well as the general budget that has not been It is an accounting document for estimating revenues and public expenditures for a coming year, as it has become a tool for achieving economic balance.

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Countries seek to increase their sources of revenues and diversify mechanisms that help stimulate and revive the various economic sectors that contribute to the domestic product, local revenues and foreign currency, in addition to creating new job opportunities.

However, things do not go according to ambitions sometimes, as the Corona pandemic crisis, which is the emergence of the deadly virus in Wuhan Province, China in December 2019, and the speed of its spread in all countries of the world, and the attempts of these countries to control it and deal quickly and carefully at the same time with the various vaccines on the market. It was a major challenge, as it caused millions of people to be infected in the world in 2020 and 2021, and there is a fear that the situation will continue and the waves will continue and the number of infected people will double. This pandemic has had a major impact on all aspects of life: health, economic, social and sports policy... etc. And it has had negative repercussions on all sectors in the context of the strict measures taken by countries around the world to limit the spread of infection and control the increasing numbers of infections by closing borders between countries, imposing curfews between cities, closing institutions, businesses, services and hotels, banning flights, laying off workers, etc., and despite what the world has witnessed at different periods of complete and sometimes partial lifting of various precautionary measures, and their nature differs from one country to another, but the effects of the pandemic are still present and affecting the economies of some countries, and the activity of institutions, and it has affected production, supply and supply in the world more than the shocks that preceded it. The oil crisis in the 1970s, the Thailand tsunami, the 2001 Japanese earthquake, the events of September 11, 2001 in the United States of America, the SARS disease that affected countries around the world in 2002, the global financial crisis and the mortgage crisis that some countries were exposed to in 2008, all of which had a major impact on the affairs of... Public life in these countries. However, what distinguished the Corona pandemic was that it had a tangible expansion that included the entire world, and its geographical scope was not limited to some countries.

The world is experiencing the consequences of the spread of the Corona virus epidemic, which affected various sectors, and was one of the difficult health challenges that countries of the world faced, as it caused a major shock to the global economy, which actually led to global growth rates shifting towards sharply negative rates, especially in the year 2020, as it has proven The Corona virus is uncontrollable for some time, and it caused a crisis of major closure of various economic and productive activities, resulting in many economic effects. It has spread in all parts of the world, leaving a negative impact on most economies, and it also seemed as if there is no clear time frame that is likely to occur. During which this epidemic will end, like other crises the world has witnessed.

Countries have sought to develop the health and administrative strategies they have followed to deal with the coronavirus disease Covid-19, and have adopted various economic policies to deal with the economic crisis, and a number of economic indicators after the impact of the major closure due to the spread of the virus began.

The repercussions of the Covid-19 pandemic on countries' finances, revenues, and expenditures have become clear, given the costly measures countries have taken on their budgets to limit the spread of the virus or its negative impact, which may extend for long periods of time. While some sectors have been affected for a longer period, such as the labor market, tourism, and aviation sectors, Other sectors have achieved gains, for example, such as the pharmaceutical industry, the mask industry, and the digital economy. On the other hand, the environment is the biggest beneficiary of the repercussions of the crisis. Thousands of factories around the world have stopped pumping their toxic gases, and there were many economic sectors that recovered faster, such as the manufacturing sector, as a result of mitigation. Lockdown measures and some other measures taken by many governments and global economic organizations to limit the economic effects of the pandemic. It is also certain that the Corona pandemic has encouraged a change in the mechanisms of the global economic system to be flexible in the face of such circumstances.

It has been noted that some countries incurred a lot of expenses to spend on the procedures they took, while many were not able to save enough money to carry out such procedures, such as using artificial intelligence applications to confront the Corona virus in the medical field, whether applications for

detecting the disease using algorithms. GPS tracking systems for those infected with the virus, quarantine systems, diagnosis, telemedicine, and others

- A study (Nguyen, Buder, Geisler, Fore, 2023) entitled *The Economic Costs of COVID-19 in a Rural State in the Western United States*. The study aimed to estimate the economic burden of COVID-19 in the state of Idaho by evaluating direct medical costs and indirect costs for the years 2020-2021. It indicated that the impact of the Coronavirus Disease 2019 (COVID-19) pandemic was being felt around the world. While the United States appears to be on the road to recovery, the economic burden and increased medical care expenses associated with the pandemic remain in the trillions of dollars. The study used data from the US Department of Health and Human Services, and total direct medical hospital costs associated with COVID-19 among adults were estimated as the sum of hospital costs associated with inpatient visits. The results showed that in 2020, the direct and indirect costs associated with COVID-19 amounted to more than \$608 million and increased to more than \$1.3 billion in 2021 for the state of Idaho, with the possibility of the emergence of new variants and mutations, leading to higher costs and imposing a heavy burden on many... Idaho residents, who often already face disparate health outcomes and access to health care.

- A study (Syed, Nazir, Ullah, 2023) entitled *Covid-19 Lockdown in Pakistan: Estimating Economic Losses Using Input-Output Analysis*, and it showed that estimating economic losses resulting from an emergency always represents a challenge for researchers, especially in a country like Pakistan where the availability of data constitutes a challenge. An obstacle. The pandemic situation resulting from the coronavirus disease 2019 (COVID-19) is an example where inconsistent decision making – for example, whether to impose a full lockdown, a smart lockdown, or other restrictions on economic activity – increases the complexity of the problem, and that Guess estimates are usually offered for political and economic debate. However, it was done Test formal methodologies to obtain more meaningful results. The study estimated the economic loss using the input-output method to build a more realistic picture, according to a methodology that studied both the direct impact (in the form of losses in selected sectors through final demand) and the indirect impact (through total output). The study looked at a period of 46 days in 2020 when all economic sectors were shut down due to the complete national lockdown in Pakistan. The results showed that final demand fell by 19.0%, while total production lost approximately US\$75.6 million. The results concluded that the primary sector witnessed the largest losses (31.0%), followed by the secondary and tertiary sectors (18.0% and 16.4%, respectively).

- A study (Tawam, 2022) entitled *The Repercussions of the Corona Pandemic on the Government Finance Sector in the Arab Countries*, and it aimed to present the economic repercussions of the Corona Virus pandemic on the one hand, and to discuss and analyze the impact of this pandemic on public finances globally in general in general and in the Arab region in particular, and showed that The Corona pandemic had economic, social, and health repercussions on all countries of the world. It also caused the global economy to stagnate, which in turn affected tax revenues in light of the decline in consumption and investment rates and the movement of foreign trade in terms of goods and services. Petroleum revenues also declined as a result of the decline in global oil prices due to... Decreased demand for oil.

-A study (Akhtaruzzaman, Benkraiem, Boubaker, Zopounidis, 2022) entitled *The Covid-19 Crisis and the Implications of Risks on Developing Economies: Evidence from Africa*, which aimed to provide new evidence on how indirect effects of risks occur from the United States to developing economies in Africa during the Covid pandemic. -19. The results showed that exposure to downside risks in African markets, financial companies and banks increased in particular during the first phase (January 30 to April 30, 2020). The nature and extent of exposure to downside risks in African financial markets was similar to that in the United States. The study also showed that the United States is a net transmitter of risk spillovers, while Nigeria, South Africa, Egypt, and Morocco are net recipients. It provided some guidance for risk managers, policy makers and investors.

- A study (Arora, Monga, Sharma, 2022) entitled *Coordinating monetary and financial policies to achieve growth with price stability in the Indian economy in the post-Covid-19 stage*, and it showed that during the post-Coronavirus period, there was a need for policies to increase demand and were practiced by the Government of India. To prevent the Indian economy from falling into recession. Although they are

inflationary policies, high inflation has been observed in India. It showed that there is a need for an ideal mix of monetary and fiscal policies to achieve the goals of demand growth and price stability simultaneously. The study recommended combinations of the two policies based on the results of a sign-restricted vector autoregressive (VAR) modeling framework. The experiment is conducted using sign constraints on the target macroeconomic variables. Demand growth and inflation rate while leaving policy variables free to propose proposed positions to achieve the desired goals. On the basis of the empirical results, the proposed positions of the monetary and fiscal authorities were compared with the actual positions, and the required correction in policy behaviors in terms of improvements in the magnitude and frequency of contraction and expansion was suggested.

- A study (Lim, Nguyen, Robinson, Tsiaplias, Wang, 2021) entitled *The Australian Economy in 2020–21: The Covid-19 Pandemic and Prospects for Economic Recovery*, and it aimed to explain developments in the Australian economy in 2020. It describes the economic growth and labor market repercussions associated with the virus. Coronavirus (COVID-19), and the fiscal and monetary policies implemented to help counter its effects. The study showed that Covid-19 led to a significant recession in an economy that was weak before the pandemic. While current policies are appropriately focused on stimulating demand and supporting employment, existing challenges such as weak productivity growth, GDP and real wages are likely to remain relevant after the pandemic.

- A study (Kasim, Azad, Refeque, Maya, 2021) entitled *The effectiveness of public policy in reviving the economy struck by the Corona virus: Evidence from the state of Kerala, India*, and it aimed to demonstrate the effectiveness of the political intervention of the government of the state of Kerala in India in mitigating the risks resulting from the epidemic. , as the economic crisis caused by Covid-19 urgently required active political interventions to enhance strategies to revive the global economy, and the effectiveness of the policy was evaluated by analyzing data collected from a sample of 300 beneficiaries with the help of descriptive statistics, and it was concluded that state policies are effective in reviving The economy affected by the crisis because it primarily helped low-income groups and other marginalized communities, self-help group members, and social security beneficiaries rated government policies as very or somewhat effective. Although the policies are highly effective among those who have experienced income loss, the study did not find sufficient evidence to believe that government interventions are effective in helping those who have lost their jobs. The level of effectiveness is inversely related to age, education, and family size. The study results indicate that a broad financial package is needed to help people recover from the crisis.

-A study (ABODUNRIN, OLOYE, and ADESOLA, 2020) entitled *The Coronavirus Pandemic and its Impact on the Global Economy*. The study aimed to take a critical look at how the Coronavirus (COVID-19) has affected the global economy and identify some measures that can be adopted to limit the spread of the epidemic, as it showed that The COVID-19 pandemic, also known as the Coronavirus, is not only a health problem, but its effects extend far and wide It affects all levels of society, causing important consequences for social, economic, educational, political and humanitarian security. It was found that the epidemic caused a serious setback to economic growth and development globally, and the study recommended the need to put in place mitigating measures for everyone. To help reduce the economic hardships that have occurred as a result of this pandemic.

-A study (Porsse, de Souza, Carvalho, Vale, 2020) entitled *The Economic Impacts of COVID-19 in Brazil* based on the Interregional Advisory Group of Experts approach, and aimed to predict the economic impacts of the Coronavirus (COVID-19) outbreak on the Brazilian economy using the general equilibrium model. Calculable interregional dynamics and presentation of sectoral forecasts at the national and state levels, according to two scenarios. The first scenario involves two channels of transmission through the economic system: a negative shock to labor supply due to morbidity and mortality rates resulting from the pandemic, and a temporary shutdown of non-essential economic activities. The second scenario refers to the effects of the government financial package approved to confront the effects of Covid-19 on the economy. The results of the study showed a decrease of 3.78% in the growth rate of the national GDP in 2020, with 3 months of closure. After 6 months, the reduction was larger, 10.90% and 7.64% in the two scenarios, respectively, and there were declines in GDP for most Brazilian states in both scenarios. It

recommended that government fiscal stimulus partially mitigate the decline in expected GDP in light of the coronavirus outbreak.

-A study (Pan, Huang, Shi, Hu, Dai, Pan, Huang, Rongsheng, 2020) entitled Covid-19: The short-term impact on the Chinese economy considering different scenarios, and it aimed to develop three scenarios to analyze the impact of the epidemic on the Chinese economy, the first It is if the epidemic is controlled at home and abroad without recovery; The second is that it is mainly controlled locally, but the external situation is not effectively controlled; The third is that the epidemic situation in China is experiencing a serious recovery due to the impact of imported cases from abroad, which is devastating the economy again.

The study showed that most countries have entered the period of the outbreak of the new Corona virus epidemic, and this sudden outbreak has had a major impact on the global economy, which has led to an increase in the division of globalization and the stagnation of the global economy, and that although the epidemiological situation in China has gradually stabilized, the dangerous situation in The world still inevitably affects China's economy. Based on the uncertainty of the future epidemic, at the same time, it recommended some corresponding guidelines for the recovery of the economy, reducing economic losses and accelerating the pace of national economic recovery, in addition to the possibility of having a certain reference value for other countries.

-A study (Song, Zhou, 2020) entitled 'The Covid-19 pandemic and its impact on the global economy: What does it take to turn a crisis into an opportunity? It aimed to analyze the possibilities that the Coronavirus 2019 (COVID-19) will deepen the current distress in the global economy, What can be done to address these problems while managing economic recovery? The study showed that the Covid-19 pandemic came at a time when there was increasing uncertainty in the global economy, and that understanding these uncertainties provided an important background for analyzing the impact of the pandemic on the global economy, and evaluating the effectiveness of... Policy measures in combating the epidemic and reviving the global economy, and forecasting the path of economic recovery in the post-epidemic era.

It recommended emphasizing three basic factors that could lead to a strong recovery in the post-pandemic era: structural reform, new technology, and re-integration. It can be managed through the establishment of a new "global social contract", and supported by strong public policies at all levels, especially at the national level, as these three factors can lead to the rescue of the global economy as it recovers or recovers from the pandemic crisis.

- A study (Camous, Claeys, 2020) entitled 'The development of European economic institutions during the Covid-19 crisis, and it aimed to discuss the possibilities of developing a tool to contribute to improving the flexibility of the euro area, and showed that the incomplete economic and institutional integration of the euro area has exposed the monetary union to increasing economic divergence, which It could be exacerbated by the COVID-19 crisis. The study discussed how the monetary and financial measures that were implemented at the beginning of the pandemic contributed to mitigating the economic consequences of the closures, but these measures provided limited insurance to narrow the economic gaps between member countries, and showed that the European Union countries agreed on July 21, 2020 to develop, for the first time, Counter-cyclical financial transfers financed through the issuance of syndicated debt.

- A study (Bonet, Ricciulli, Pérez, Galvis, Haddad, Araújo, Perobelli, 2020) entitled 'The Regional Economic Impact of Covid-19 in Colombia: An Input-Output Approach. This study aimed to evaluate the regional economic impact of the closure measures ordered by the national government to prevent the spread of Coronavirus (COVID-19). The input-output model was used to estimate the economic loss resulting from the extraction of groups of formal and informal workers from various economic sectors. The results of the study showed monthly economic losses representing between 0.5% and 6.1% of the national gross domestic product, according to the scenario studied, and the sectors of accommodation and food services, real estate, administrative services, construction and trade were the sectors most affected.

*Study Contribution*

What distinguishes our study from previous studies is that it dealt with the repercussions and repercussions of the Corona virus (Covid-19) on the performance of the state's public finances in terms of revenues and expenditures, which had not previously been addressed directly through previous studies.

The study proposes a set of solutions and recommendations to overcome the effects of the pandemic

*Importance of the Research*

The Research gains its importance from a number of points, which can be summarized as follows:

-The effective role played by the state's public finances in its economies, and the contribution of revenues and expenditures to driving growth in the domestic product.

The impact of the Corona pandemic (Covid-19) on all sectors, especially the government sector and state finances

The necessity of reviewing the performance of public finances and taking precautions to confront any crises or consequences of the Corona pandemic

The weak contribution of the various sectors within the state requires the state and public finances to redouble their efforts to try to reduce the existing gap between needs and requirements on the one hand and demand and supply of services on the other hand.

*Objectives of the Research*

The Research aims to:

Showing the effects that the pandemic has had on the state's public finances in general and on its revenues, expenditures and budgets

Presentation of the health and administrative measures taken by the state to deal with the pandemic

Trying to submit proposals that may help the state overcome the crisis in the short and long term

Contributing to identifying missed opportunities for public finances in the country, especially in manufacturing

Emphasizing that the Corona pandemic (Covid-19) is an opportunity and not a crisis for the state to review many matters, such as organizational restructuring of institutions and providing a mix of services.

*Theoretical Framework and Previous Studies**Theoretical Framework**Basics About the State's Public Finances, Revenues and Expenditures*

The state exercises its financial activity through the financial system, which is considered one of the existing economic and social systems in countries. The nature of the financial system and its objectives differ according to the prevailing economic and social systems in society. When the economic system aims to satisfy public needs, the financial quantities of financial activity (public expenditures and public revenues) It is only a part of the total economic quantities represented by national income, national expenditure, and national production, and there are mutual relationships between them.

The importance of the state's public finances is that policies related to public spending, its size and distribution, as well as tax policy, credit policy, public borrowing, etc., are all financial tools that lead to economic results. The tools of economic analysis used in economic policies are considered important tools in financial analysis and financial policy. (Al-Asar, 2016)

The financial system in many countries, including Jordan, is based on the market system, which is considered the main engine of economic activity, as it allocates various resources to various economic activities. It is characterized by the dominance of the principle of individual freedom in production and consumption, private ownership of the elements of production, and the principle of consumer sovereignty, in addition to competition. The goal of achieving profit, and therefore the state's role in economic activity is considered limited and specific in carrying out direct facilities or projects, and achieving the appropriate climate to protect competition and the market system through It performs security, justice and defense functions.

### *Public Revenues*

Public revenues represent the deduction of part of individuals' incomes, and thus the deduction of part of the economic quantities represented in national income or national expenditure. (Al-Asar, 2016)

Sovereign revenues, which are represented in taxes, fees, and the net surplus generated by the state's economic activity, are considered among the most important resources for financing public expenditures. Taxes represent a compulsory contribution for individuals to the burdens of public services in accordance with the purposes that the state aims to achieve through its financial policy, so it can meet public expenditures that achieve a benefit. For all individuals without waiting for a special benefit, in addition to being a tool to protect local industries, achieve economic stability, and then allocate resources and collect the necessary funds for public expenditures.

The taxes imposed by the state vary between direct taxes, such as taxes on income and wealth, and taxes on capital, including real estate or movable property owned by individuals, and indirect taxes, such as taxes on consumption, sales, circulation, and customs taxes.

Therefore, tax revenues are not imposed arbitrarily, but rather according to the considerations of measuring tax capacity, which is done by subtracting the costs of minimum living or consumption from the total value of the domestic product, and the remainder represents the tax capacity of society, and the most important considerations that are taken into account to measure tax capacity are:

- The size of national income. Tax capacity increases as the size of national income increases and decreases as it decreases.
- The pattern of national income distribution: it increases as the distribution of income becomes less equitable, while it decreases as the distribution is more equitable.
- The extent of income stability. The greater the degree of stability in income, the greater the increase in tax revenue.
- The efficiency of the tax system, especially since it has multiple elements. The more efficient the technical structure of taxes and the efficiency of tax administration, the greater the tax revenue.
- The size and types of expenditures. The more public expenditures increase, especially non-productive ones, the tax revenues will increase as a result of the state resorting to imposing new taxes.

- The size of the non-monetary sector in the economy. The greater the monetary exchange, the greater the tax revenue, while it decreases if the exchange in kind increases, the smaller the production units are.
- The state of economic activity. The more inflation prevails in economic activity, the greater the monetary revenue from taxes, and the more deflation prevails, the lower the outcome.
- Free services provided by the state. The more these services increase, the greater the tax capacity that society can bear.
- Population size and growth rates. The increase in population leads to absorbing the increase in incomes, which leads to a decrease in the tax capacity of the community.

As for tax exemptions, despite the generality of taxes and the obligation of all members of society to pay them, the state is working to approve some tax exemptions based on the ability to pay and an assessment of the circumstances of members of society and the burdens they bear, and providing the minimum standard of living that is sufficient to satisfy basic needs, or For economic reasons, such as granting tax exemptions to establish projects that help in economic development, expansion of economic activity, and to attract investors.

#### *General Expenses*

Public expenditures represent an addition to those economic quantities and work to create new additions to national income, national expenditure, or national output. (Al-Aasar, 2016)

And What is meant by it is that it is an amount of money spent by a public person with the intention of achieving a public benefit. The monetary form of public expenditure is what the state spends in order to obtain goods and services to satisfy public needs or what it may spend in the form of subsidies to individuals or institutions, while public expenditures issued by a public entity are With its functional idea that the state undertakes it while exercising its authority and responsibilities or by delegating this authority to others, and with its legal idea that its spenders are public legal persons and persons of public law, as for issuing public expenditures to achieve public benefits, it is the fulfillment and satisfaction of public needs such as security, defence, the judiciary, education, and others.

It is natural for public expenditures to increase for several reasons, including economic reasons, such as expenses for confronting periods of recession or increasing aid needed for growth and development, administrative reasons, such as expenses for increasing the volume of work in state institutions and increasing salaries and wages, financial reasons, such as expenses for financing the budget deficit and expenses for repaying loans and their interest, and social reasons, such as expenses for increasing the level of services due to... To increase the population, political and military expenses, such as meeting the requirements of the electoral districts of representatives, expenses for building defense networks and armaments, and technological expenses, such as expenses for technological and technical development.

The state's ordinary expenses must be covered by ordinary revenues, the most important of which are taxes, especially since these expenses are characterized by regularity and periodicity, like current expenses, and cannot contribute to the formation of in-kind capital, while extraordinary expenses, which the state resorts to in certain circumstances as a result of the expansion of its activity, are covered by loans due to insufficient regular budget resources. Such expenditures are not characterized by periodicity or regularity and can contribute to the formation of in-kind capital like capital expenditures.



### *General Government Finances and The Financial System in Jordan*

The general government represents all units that implement general economic policies by providing primarily non-profit services, and works to redistribute income and wealth (General Government Finance Bulletin, Volume 24, Issue 12, January 2023) and includes:

The central government within the Budget Law includes the ministries and government departments that work within the central authority agencies in the state and whose data appear within the General Budget Law.

Government units that perform central government functions include the units listed within the Government Units Budget Law that perform major non-profit economic functions for the government, which are the Constitutional Court, the Independent Election Authority, and the Health Insurance Fund.

The local government represents all municipalities in the Kingdom, including the Greater Amman Municipality and the following local councils: the Petra Region Authority and the Aqaba Economic Region Authority.

Social Security Funds, which include the General Social Security Corporation and the Social Security Funds Investment Fund.

### *Development of Public Finance in Jordan*

It is noted that public finance is no longer concerned with expenditures, revenues, and public debt only, but rather directs its attention to tracking the economic and social impacts and following the financial policy that achieves the desired effects in the national economy. While the financial system in Jordan, as in many countries, aims to:

Obtaining the necessary public revenues for public expenditures, which must be at the minimum possible while applying the principles of justice when imposing taxes and distributing public burdens.

Achieving a balance in the budget between public expenditures and public revenues without the need, if possible, to resort to loans that are used to cover consumer expenses that harm investment or increase taxes collected from individuals who could have invested, or issuing cash that may lead to inflation and a rise in prices.

However, it is noted that the financial system in Jordan was affected by the economic changes that support the idea:

Maintaining economic stability and using financial and monetary tools that compensate for the decline in private consumer and investment spending.

Achieving optimal use of economic resources by directing them towards economic activities that achieve the greatest possible total return.

Adopting the idea of redistributing national income among different social classes so that the greatest degree of justice is achieved in the distribution of national income and reducing differences between classes and social groups in a way that does not conflict with individual freedom to own property and make profits.

Maintaining a moderate growth rate of national income by following compensatory financial policies and Researching the effects of the investment multiplier and benefiting from it to achieve the required growth rates.

### *Objectives Of the Financial System in Jordan*

The Jordanian economy is characterized by its lack of size and low level of income. The problem facing the state is how to revitalize its economy as quickly as possible, which entails reform and development policies that sometimes aim to change the form of its institutions, infrastructure, and economic and social structures, which requires constantly mobilizing and directing all available economic resources. To achieve the best results to raise the standard of living, we find that the objectives of the financial system are directed towards:

Mobilizing all financial resources, whether in the form of savings or stored, and directing them towards investment activities that achieve the highest possible social or economic productivity.

Financing the processes of building the national economy, and rebuilding structures and infrastructure such as public facilities such as transportation, roads, airports, ports, electricity, water, etc. These are projects that satisfy social needs and are characterized by achieving savings, and which private economic activity cannot afford.

Sometimes indirect intervention in private investments by directing them, using financial instruments, towards desirable activities and keeping them away from undesirable activities.

Paying attention to social capital, represented by investing in human resources in cases of education, training, health, housing, etc., and providing the requirements for the formation of these investments.

The role and duties of public finance in Jordan:

Therefore, we find that the government's role consists of two basic groups of activities:

The first: organizing and developing the private sector

This is done through the government establishing and developing a set of rules that regulate the economic activity of the private sector, and performing appropriate functions for this, such as:

Providing a stable economic environment: through laws that help facilitate the production, distribution and consumption processes of various goods and services, followed by defining the concept of property rights, organizing and protecting contracts concluded between individuals, arbitrating disputes, and establishing the monetary system and monetary policy and its objectives.

Granting and guaranteeing economic privileges: by diversifying the types of support, customs tariffs, taxes, and others in order to protect consumers, producers, and other economic elements.

Protecting competition and preventing monopoly: through the rules it sets to regulate economic activity, as it established the Competitiveness Directorate in the Ministry of Industry and Trade.

Protecting public welfare: by setting standards for public health and safety standards in industry, setting the minimum wage, and determining the retirement age and post-retirement benefits.

Achieving efficiency, justice, stability and raising the rate of economic growth: through its endeavor to raise the rate of employment and operation, and justice in the distribution of services, achieving economic stability and raising the rate of economic growth.

Second: Providing public social goods:

They are divided into two parts: public goods and semi-public goods:

Public goods:

What is meant is those goods that are characterized by the inability to exclude and the lack of competition in consumption. These goods include defence, security, justice, roads, bridges, airports and ports.

The inability to exclude means not depriving or excluding any individual from benefiting from or obtaining the benefits of these goods, whether he has the ability to pay the price or not, such as security, defense, and justice services, as it is difficult for the private sector to implement this matter due to the presence of some members of society who They cannot pay their prices, so the government is obligated to produce these goods or some of them.

While non-competition in consumption means that one individual's use of a public good does not prevent another individual from using it at the same time, because the benefits of these goods are indivisible and are provided to satisfy a general need whose benefits are given as an indivisible whole, such as combating environmental pollution, combating epidemics, and public health programs. Defence, security and justice.

### *Semi-Public Goods*

These are goods and services that deserve to be produced due to the need of society and whose production can be distributed between the public sector and the private sector, such as education, health, housing, means of transportation, etc., and which the government is obligated to produce in order to provide solutions to some social problems, such as the necessity of providing housing whose prices suit those with limited income, or providing a source of income. New sources of revenue to obtain resources that help cover increasing government expenditures, or the need to protect consumers from rising prices by providing goods that only cover their production cost, and so on.

### *Coronavirus (Covid-19) And the Most Important Measures Taken to Limit Its Spread*

In early December 2019, the first cases of pneumonia of unknown origin were identified in Wuhan, located in Hubei Province, China, but the number of cases and infections quickly spread to affect countries around the world, which was then identified by Chinese laboratories, and it was called the Corona virus. Covid 19 (w.Guan et al, 2020) According to the World Health Organization, the Corona virus has commonalities with SARS. We can say that it is from the same family. SARS appeared significantly in China from 2002 to 2004, where it infected more than 8,000 people in 26 countries, and the World Health Organization estimates that more than 700 people have died in the outbreak (Salah, 2020)

For further clarification, we will address giving a definition of the Coronavirus (Covid-19) and the most important procedures and measures taken to limit the spread of the pandemic:

### *Definition of Coronavirus*

It is a group of viruses that can cause diseases such as the common cold, severe acute respiratory syndrome (SARS), and Middle East respiratory syndrome (MERS). Signs and symptoms of Corona (Covid-19) may appear two to 14 days after exposure to it, and the period following exposure and preceding the appearance is called Symptoms "incubation period", and common signs and symptoms can include high temperature, sore throat, shortness of breath, cough, headache, and loss of sense of taste (Mayo Clinic Staff, 2020), and people can become infected by other people infected with the virus, as it is transmitted from person to person. Another is when an infected person coughs (More & Suryawanshi, 2020) and the main ways of transmission of infection are transmission of droplets through the respiratory system and transmission of infection through direct contact of a hand contaminated with the virus to the oral cavity, nose, eyes, and other mucous membranes (Comprehensive Guide to the Novel Coronavirus - Ma'arif General - Prevention Methods - Respiratory Care - Rumors - 2020, page 5), and the World Health Organization has classified the outbreak of the Corona virus as a "global epidemic and also a pandemic" and said that the organization will use this term for two main reasons: the rapid spread of the infection and its wide scope, and the strong concern about the shortcomings of infection. The approach taken by some countries regarding the level of political will necessary to control this outbreak of the virus (Coronavirus: Why the World Health Organization classified it as a global pandemic, 2020).

### *The Most Important Measures and Procedures Taken to Limit the Spread of The Pandemic*

The widespread spread of the Corona virus has prompted many countries to implement a closure of their borders in an attempt to limit this epidemic, between complete and partial closure, (<https://cdn.statcdn.com/Infographic/images/normal/21326.jpeg>)

The majority of countries resorted to the complete closure of borders, causing damage to all productive, economic and social sectors. The public finances of these countries were the most affected economic sectors, especially revenues, which decreased, and expenditures, which increased in the context of the strict measures taken by countries around the world to limit the spread of infection and control the spread of infection. The increasing numbers of infections through the imposition of curfews, closure of institutions, flight bans, and widespread closure of businesses and services, which resulted in layoffs of workers (Madoui and Ben Jarwa, 2020, p. 53)

With the significant increase in infections and deaths in the world, it was necessary for countries to work to ensure the continuity of economic activity and the maintenance of production in the country while limiting the spread of the disease by mitigating its severity. Therefore, most countries have taken some preventive and precautionary measures, the most important of which we mention (Al-Harsh, 2020, Page 120)

Imposing strict restrictions based on what was recommended by the World Health Organization regarding the necessity of adhering to social distancing and the obligation to wear masks and sterilize hands, especially in public places, while approving instructions, regulations and laws to deal with urgent economic and social developments due to the virus crisis.

Closing all land, air and sea borders except for the transport of goods, commodities, medical supplies, etc., with the closure of some cities and regions, as countries prevented their citizens from moving between cities to reduce the spread of infection, and applied a complete quarantine policy to them, especially those in which the virus had spread.

Suspension of prayers in mosques Churches, only calling to prayer, and closing all schools, universities, and all private and public educational and cultural centers.

Suspension of work in many commercial, economic and service sectors, especially those that require direct contact with consumers, such as beauty salons, restaurants, sports clubs, museums, tourist facilities, airlines, etc., with the closure of major commercial markets such as malls, exhibitions and some stores. Commercial businesses for varying periods to avoid overlap and rapprochement between their owners and their customers.

Many countries have canceled sporting, cultural, and even religious activities and events with the aim of reducing friction between people.

The repercussions resulting from the Corona virus (Covid-19) on the performance of public finances in Jordan:

The repercussions of the Corona pandemic have had a profound negative impact on the Jordanian economy, which for the first time in decades recorded a contraction in real GDP amounting to 3% for the year 2020 compared to growth of 2.4% during the past ten years despite the tense regional environment and global financial and economic crises, which... It had ongoing negative repercussions on the Jordanian economy over the past decade, which indicates the magnitude of the heavy economic cost of this pandemic.

The government has taken several measures to mitigate the repercussions of the pandemic on economic sectors and individuals. These measures relate in particular to:

Postponing the repayment of bank loans and loan installments granted to employees and citizens

Reducing tax collections, postponing the collection of some fees, and canceling others.

Granting loans to sectors affected by the quarantine that was imposed in order to limit the spread of the Corona pandemic

### *Impact On Public Revenues*

Local revenues represent all taxes, fees, royalties, profits, surpluses, aid, and any other money received by any department, while tax revenues are all types of revenues collected from taxes for the general government and include income tax, sales tax, real estate sale tax, and customs duties. Other revenues are all revenues receivable except Taxes, social contributions, and grants include property income revenues, sales of goods and services, and various other types of revenues.

Retirement deductions are revenues receivable to social security programs in order to monitor allocations for social security benefits payable. This item excludes contributions receivable under the work-related retirement system and other retirement systems that create an obligation for future benefits payable.

The local government revenues during the year 2020 amounted to 6,238 million dinars, compared to 6,965.9 million dinars during the year 2019, i.e. a decrease of 727.9 million dinars. This decrease in local revenues came as a result of a decrease in non-tax revenues by about 1,005.7 million dinars, and an increase in tax revenues by about 277.8 million dinars, and the main reason for the decline in local revenues is due to the period of closures to confront the Corona pandemic, which caused a decline in revenues by 826.9 million dinars during the month of March until the end of May of 2020, and then local revenues began to improve in the following months as a result of the measures taken by the government to confront pandemic until the total decline reached 727.9 million dinars. (Financial Bulletin, Vol. 22, No. 12, 01-2021).

The increase in tax revenues was mainly the result of an increase in the general tax on goods and services, amounting to 231.5 million dinars, or 7%, and an increase in the general tax on income and profits, amounting to 83.4 million dinars, or 8.2%. This increase is attributed to improved economic activity. After the end of the comprehensive ban period and the return of economic sectors to work, while the revenue from taxes on financial transactions (real estate sale tax) decreased by approximately 34.8 million dinars, or 42.7%, and taxes on trade and international transactions decreased by 2.2 million dinars, or 0.8%.

The decrease in non-tax revenues came mainly as a result of a decrease in the collection of various revenues by about 553.4 million dinars, a decrease in the proceeds of sale of goods and services by about 249.4 million dinars, a decrease in the collection of property income revenues by about 201.2 million dinars, and a decrease in the proceeds of retirement income by about 1.6 million dinars. The reason for this is that The decline is essentially a reclassification of oil derivatives revenues by transferring them from non-tax revenues to tax revenues.

As for external grants, during the year 2020, they amounted to 790.8 million dinars, compared to 788.4 million dinars during the year 2019, that is, an increase of about 2.4 million dinars, or 0.3%, compared to the year 2019.

Accordingly, the total general revenues of the central government/budget during the year 2020 amounted to 7,028.9 million dinars, compared to 7,754.3 million dinars during the year 2019, i.e. a decrease of 725.4 million dinars, or 9.4%. (Government Monthly Bulletin, Vol. 22, No. 12, 01-2021)

However, in 2021, despite the repercussions of the Corona pandemic, and through the financial management it took and the structural, legislative and administrative treatment in combating tax and customs evasion and avoidance, the government was able to achieve the targeted estimates for local revenues in the General Budget Law for the year 2021, so that the actual collection rate reached about 100.4%, recording an increase of 1,086.8 million dinars compared to 2020 to reach 7,324.9 million dinars. This increase in local revenues for the year 2021 is attributed to the increase in tax revenues by 668.3 million

dinars and non-tax revenues by about 418.5 million dinars. (Monthly Government Bulletin, Vol. 23, No. 12, 2022)

**Table (1).** Economic Indicators: General Revenues of The Central Government/Budget

Public Finance	2017	2018	2019	2020	2021	2022
Domestic Revenue	6717.4	6944.9	6965.9	6238.0	7324.9	
Percentage of GDP	22.8	22.6	21.8	19.9	22.6	
Foreign Grants	707.9	894.7	788.4	790.8	803.3	
Percentage of GDP	2.4	2.9	2.5	2.5	2.5	
Total Revenue and Foreign Grants	7425.3	7839.6	7754.3	6238.0	8128.2	
Percentage of GDP	25.3	25.5	24.3	19.9	25.0	

While local revenues of the central government and government units were also declining, reaching 8,242.7 million dinars in 2019, decreasing to 7,318.7 million dinars in 2020, and then rising again in 2021 and 2022, including fees for licenses, reaching 8,102.3 million dinars in 2021, while taxes were increasing, it is noted that the decrease was at the level of revenues, especially license renewals and others, which are among the measures that the government worked to reduce fees on to ease the burden on citizens during the pandemic period (Table 2).

**Table (2).** General Revenues of The Central Government/Budget and Government Units

Revenues	2017	2018	2019	2020	2021
Local Revenues					
-Taxes	4350.9	4543.2	4687.4	4963.0	5635.8
-Pension Deductions	11.6	10.9	9.0	7.3	7.5
-Other Revenues, Fees and Licenses	3622.2	3680.1	3546.3	2348.3	2459.0
Use of Reserves to Pay Obligations	523.5	329.0	296.9	0.0	0.0
Total	7984.7	8234.2	8242.7	7318.7	8102.3
Foreign Grants	737.6	918.6	814.9	808.3	824.8
Total Revenues and Foreign Grants	9245.8	9481.8	9354.4	8127.0	8927.1

### *Impact On Public Expenses*

Expenditures, according to the Ministry of Finance bulletin, represent all amounts allocated to meet the obligations achieved under applicable legislation, including current expenditures, which represent annual recurring government expenditures that aim to enable the government agency to perform the tasks assigned to it, including:

Workers' compensation, which represents the total cash rewards payable to the government employee for the work he performed during the specified accounting period.

Subsidies are ongoing, unpaid payments provided by government units to projects on the basis of the levels of their production activities or on the basis of the quantities or values of the goods or services they produce, sell, export or import.

Support is non-compulsory current or capital transfers from one government unit to another government unit or to international organizations.

Social benefits are cash transfers to protect the entire community or specific groups from social risks that could adversely affect families, either by reducing their income or placing additional burdens on them.

While capital expenditures are government expenditures that lead to an increase in capital formation, and include spending on infrastructure projects, maintaining and sustaining them, and purchasing devices, machinery, equipment, and other expenditures of a capital nature.

Total spending for the central government/budget during the year 2020 amounted to about 9,211.3 million dinars, compared to 8,812.7 million dinars during the year 2019, recording an increase of 398.6 million dinars, or 4.5%. This increase in total spending came as a result of the increase in current expenditures by 491.3 million dinars, or what by 6.2%, and a decrease in capital expenditures by approximately 92.7 million dinars, or 10.1%, in conjunction with the Ministry of Finance's commitment to redistribute spending priorities without delay or delay and to secure the necessary funding for basic and necessary expenditures, without compromising the quality of services provided to citizens, and spending what is necessary on Health care, protecting the livelihood of citizens, and taking a set of measures aimed at confronting the repercussions of the spread of the Corona virus and advancing economic growth, the most prominent of which is pumping the necessary liquidity into the economy by paying the arrears incurred by the government for the benefit of the private sector. (Financial Bulletin, Vol. 22, No. 12, 01-2021)

While in 2021, public expenditures increased by 647.4 million dinars to reach 9858.8 million dinars, or a rate of 7% compared to the year 2020, and this increase came mainly due to the increase in capital expenditures by a value of 315.4 million dinars compared to the year 2020, where the percentage Spending is in line with what was estimated in the general budget law, with the government's commitment to cover the financial allocations resulting from increasing the salaries of public sector employees and supporting the economic sectors affected by the repercussions of the pandemic, in addition to expanding the social safety net by increasing the National Aid Fund allocations to increase the number of families benefiting from programs. Fund, and extending the sustainability program to preserve job opportunities in the private sector (Government Monthly Bulletin, Vol. 23, No. 12, 01-2022)

**Table (3).** Economic Indicators: Central Government Public Expenditures/Budget

Expenditures	2017	2018	2019	2020	2021	2022
Current Expenditures	7113.0	7619.6	7897.2	8388.5	8720.6	8954.3
Percentage of GDP	24.2	24.7	24.7	26.7	26.9	25.9
Capital Expenditures	1060.2	947.7	915.5	822.8	1138.2	1512.3
Percentage of GDP	3.6	3.1	2.9	2.6	3.5	4.4
Total Expenditures	8173.2	8567.3	8812.7	9211.3	9858.8	10466.6
Expenditures	27.8	27.8	27.6	29.4	30.4	30.2

While the public expenditures of the central government and government units were also on the rise, reaching 10,258.5 million dinars in 2019, excluding the item on payment of obligations, rising to 10,372.7 million dinars in 2020, as the government also did not pay the scheduled obligations in order to be able to face the rise in current expenditures in 2020. 2020 as a result of the measures taken by the government to confront the Corona pandemic, and then the rise again in 2021 to reach 11,033.3 million dinars in 2020, as a result of the consequences that the pandemic had on the economy and society, so the government was obligated to increase current as well as capital spending by increasing the numbers of hospitals and health centers and their readiness and to reduce the consequences and burden. On citizens during the pandemic period and after it (Table 4).

**Table (4).** Public Expenditures of The Central Government/Budget and Government Units

Expenditures	2017	2018	2019	2020	2021
Current Expenditures	8081.1	8657.4	8926.2	9260.3	9593.5
Capital Expenditures	1533.6	1429.4	1332.3	1112.3	1439.8

Payment of Obligations	326.0	325.0	304.6	0.0	0.0
Total Expenditures	9940.7	10411.8	10563.1	10372.7	11033.3
Total Current and Capital Expenditures	9614.7	10086.8	10258.5	10372.7	11033.3

### *Impact On the General Budget*

General government primary deficit/saving means general government domestic revenues minus total general government spending excluding interest payments, while general government current deficit/saving means general government domestic revenues minus general government current expenditures.

The central government's primary deficit/savings are the central government's local revenues, minus the central government's total spending excluding interest payments, while the central government's current deficit/savings are the central government's local revenues, minus the central government's current expenditures.

The developments that occurred during the year 2020 resulted in recording a financial deficit in the general budget of the central government/budget during the year 2020 after grants of about 2,182.4 million dinars, compared to a financial deficit of about 1,058.4 million dinars after grants during the year 2019, while the deficit before external grants amounted to about 2,973.3 million dinars during the year 2020, compared to a financial deficit amounting to about 1,846.9 million dinars during the year 2019. It is noted that the deficit continued to have an impact on the state's general budget, and despite its decline in 2021 and 2022, it remained much higher than the value of the deficit before the pandemic.

The decline in domestic revenues during the year 2020, amounting to approximately 727.9 million dinars (as a result of the closure that occurred in the Jordanian economy and the official holiday after mid-March due to the Corona virus crisis) contributed to the increase in the financial deficit to the levels mentioned above.

However, in 2021, without increasing any additional burdens on citizens, the government was able to reduce the budget deficit by 451.9 million dinars compared to 2020, and 239.7 million dinars compared to the deficit estimated in the general budget law. (Government Monthly Bulletin, Vol. 23, No. 12, 01-2022)

**Table (5).** Savings/Deficits at The Central Government/Budget Level

Public Finance	2017	2018	2019	2020	2021	2022
After Grants	-747.9	-727.7	-1058.4	-2182.4	-1730.6	-1552.5
Percentage of GDP	-2.5	-2.4	-3.3	-7.0	-5.3	-4.5
Before Grants	-1455.9	-1622.3	-1846.8	-2973.3	-2533.9	-2344.7
Percentage of GDP	-5.1	-5.3	-5.8	-9.5	-7.8	-6.8
Foreign Grants	894.7	894.7	788.4	790.8	803.3	792.2

As for the combined deficit of the central government and government units after grants in 2021, it amounted to 2,106.2 million dinars, compared to 2,245.7 million dinars during the year 2020, where the year 2019 had reached 1,208.6 million dinars, which means that the impact of the pandemic was significant on the government's finances in 2020, with an increase of 1,037.1 million. dinars, as well as in 2021 despite the decrease in the deficit in 2021 by 139.5 million dinars.

**Table (6)** Actual deficit/savings at the public finance level (general budget and government units)



**Table (6).** Actual Deficit/Surplus at The Level of Public Finance (General Budget and Government Units)

Years	2017	2018	2019	2020	2021
Domestic Revenues	7984.7	8234.2	8242.7	7318.7	8102.3
Foreign Grants	737.6	918.6	814.9	808.3	824.8
Total Revenues and Foreign Grants	9245.8	9481.8	9354.4	8127.0	8927.1
Total Expenditures	9940.7	10411.9	10563.1	10372.7	11033.3
Deficit/Surplus After Grants	- 694.9	- 930.1	- 1208.6	- 2245.7	- 2106.2
Ratio to GDP	-2.4	-3.0	-3.8	-7.2	-6.5
Deficit/Surplus Before Grants	-1956.0	-2177.7	- 2320.4	- 3054.0	- 2931.0
Ratio to GDP	-6.6	-7.1	-7.3	-9.7	-9.0

*Impact on GDP*

The Corona pandemic has clearly affected the gross domestic product. While the GDP growth in 2019 was 3.7%, it decreased to -1.8%. This increased the government's responsibility to increase current spending to confront the burdens to which society and citizens were exposed.

**Table (7).** Gross Domestic Product

Years	2017	2018	2019	2020	2021	2022
GDP at current prices	29542.0	30793.3	31945.7	31369.4	32478.4	33690.6
GDP growth at current prices	4.3	4.2	3.7	-1.8	3.5	5.2
Real GDP	29024.3	29581.3	30151.4	29678.2	30339.5	31032.1
GDP growth at real prices	2.5	1.9	1.9	-1.6	2.2	2.5

*Responsibilities Of Government and Public Financial Agencies to Overcome the Effects of The Pandemic*

To limit the repercussions of the pandemic, the government took rapid economic measures targeting the individuals and sectors most affected by the crisis, so that this temporary crisis would not cause permanent damage to the economy. The sudden developments forced the government to work to rearrange priorities and make the necessary adjustments to policies and programs to confront the repercussions of the pandemic. The most prominent measures taken by the government were to provide support to priority sectors, including tourism, health, food, agriculture, construction, and transportation. The following are the most prominent government measures taken:

*On The Public Financial Level*

Postponing the sales tax due until the amounts are received and not during the sale process (with the possibility of also postponing payment without interest as a subsequent gradual step).

Postponing the submission of tax returns for income and sales taxes until 06/30/2020 instead of 04/30/2020.

Allowing companies on the gold and silver lists to pay only 30% of customs duties and deferring 70% later on the condition of a non-bank pledge.

Pumping the necessary liquidity into the national economy to help the affected sectors continue production by paying a large portion of the balance of arrears and claims owed to the private sector.

Postponing the regulatory revenue fees imposed on the land sector until the sale or establishment of interest-free projects, and allowing separation transactions between heirs and partners in the same sector, while postponing the payment of the returns until they are transferred to the owners.

Settlement of the tax and customs status of outstanding issues between the Income and Sales Tax Department and the Customs Department between them and the taxpayers and enabling the taxpayers to pay their previous tax dues with the aim of alleviating the financial burdens on the private sector.

Reducing expenditures in the general budget law for the fiscal year 2020 by about 352 million dinars, distributed by 22 million dinars for current expenditures and 330 million dinars for capital expenditures.

Commitment to pay the salaries of public sector employees, loan interest, and public debt service.

The Ministry of Finance turned to global financial markets by issuing Eurobonds at competitive prices to finance part of the financing needs, reduce pressure on the local market, provide local liquidity to the private sector, and not compete with it in obtaining financing. (Financial Bulletin, Vol. 22, No. 12, 01-2021)

In terms of supporting economic sectors:

A set of measures have been taken to mitigate the repercussions of the pandemic on the most affected sectors, as follows:

Exempting tourism professions associations from licensing fees and fines for the years 2020 and 2021.

Installments of the amounts owed by the tourism sector for income tax for the year 2019 without fines or late interest.

Reducing the general sales tax for hotels and tourist restaurants to 8%, and reducing the service tax by tourist restaurants and hotels on the services provided by them to 5% instead of 10%, effective 07/01/2020.

Reducing work permit fees for non-Jordanian workers working in the agricultural and bakery sectors by 200 dinars out of 400 dinars.

Exempting the worker (non-Jordanian worker) and his family members who will leave the Kingdom permanently from all permit fees incurred by him, including the additional fees, allowances and fines incurred by them, until 05/31/2021

Exempting the employer from import stamp fees incurred on work permits.

Exempting everyone who registers for agricultural cooperative societies for the first time from service fees and audit fees for a period of one year, and new cooperative societies from fees for a period of one year, and agricultural owners in the plant and animal production sectors and farm owners from all registration fees as an individual institution for one time, and exempting farmers and companies. Production of seeds and agricultural consignments exported from laboratory examination fees for one year.

#### *Research Methodology and Procedures*

The inductive approach was used to review the largest possible amount of reports, statistics, and data provided by the state on a number of economic indicators after the impact and spread of the virus began.

The deductive and analytical approach was also used to identify the economic impact left by the Corona crisis, as well as deduce the paths of the post-Corona economy.

In order to answer the problem of the research paper and the sub-questions raised, the researcher relied on the deductive approach in both its descriptive and analytical styles, as it is the most appropriate approach that helps us describe the variables of the Research and analyze them through the reference review and relying on research, books, previous studies, and reports issued by the Ministry of Finance for the purpose of presenting the reality of finance. The public in light of the Corona pandemic and highlighting the effects that the pandemic has had on revenues and expenditures in general, in addition to presenting proposals that may help the state overcome the crisis in the short and long term so that we can finally present the most important results and provide appropriate recommendations.

### *Research Hypotheses*

The first hypothesis: The Corona pandemic (Covid-19) could contribute to pushing the government to the necessity of reviewing the mix of services it provides

The second hypothesis: Public finances in Jordan can return stronger than before after overcoming the Corona (Covid-19) pandemic

## **Results and Recommendations**

### **Results**

The following are the most important findings of the Research

The Corona Covid-19 pandemic is more than being limited to a health crisis. It is a humanitarian catastrophe that led to changes and transformations that attacked the heart of societies and their economies. It was necessary for countries to work to ensure the continuity of economic activity and keep the wheel of production in the country running while limiting the spread of the disease.

The Corona virus pandemic led to a complete and total cessation of any economic activity, which caused the cancellation of many capital expenditures scheduled in the context of the strict measures. The restrictions imposed on travel and trade resulted in a decrease in revenues and an increase in expenses.

The Corona pandemic caused an increase in the percentage of the deficit in the state's general budget, as a result of the many expenses incurred by the state, with a clear decrease in annual revenues. However, in the years following the pandemic, the state was able to reduce the percentage of the deficit in the budget.

Canceling many capital expenditures and freezing the performance of some economic activities is considered a painful blow to the domestic product, given that revenues and expenditures enable the state to exercise its role effectively. The decline in revenues and the rise in expenditures calls for a review of the structure of government institutions, the duties assigned to them, and the services they provide, which calls for... The combination of its services ensures alleviation of the severity of the pandemic and any crisis that the country may be exposed to, and this confirms the validity of the first hypothesis

The awareness of those in charge of the various economic sectors of the importance of transformation and digital business in the work of their sectors has helped them overcome difficult stages in light of the circumstances the world is experiencing as a result of the Corona virus.

The Corona pandemic can contribute to pushing public finance to play a very important role in giving importance to various economic sectors such as industry and investment in raw materials and minerals as an alternative to other sectors such as tourism and imports in light of such crises, and exercising that pivotal role that connects actors in the economic sectors, allowing them to be stronger than before, and this confirms the validity of the second hypothesis.

## Recommendations

The Research came up with some recommendations that may help mitigate the effects resulting from the pandemic and contribute to laying new foundations that can be used in the future to overcome such crises:

It is mandatory to implement the imposed preventive and precautionary procedures and measures and tighten the laws on those who violate the application of the recommended health protocols, given the importance of adhering to them in overcoming the crisis and any similar crises in the future, God forbid. It has become clear the importance of this in alleviating the severity of the complete closure of the air, land and sea space, which did not last long. .

The government is required to provide support to various sectors in such circumstances, which makes it concerned with finding continuous financing and resources to support the treasury and public finances with revenues to meet expenses that may increase, and the best form of support is financial, such as canceling taxes and fees, postponing the payment of bank installments, compensation, and others.

The necessity of establishing special crisis funds to confront various risks and provide possible aid to those affected by them, such as risks (epidemics, floods, wars, etc.) through a specific fee to replenish them, with all sectors participating in replenishing them in times of prosperity to benefit from them in times of crises, which will avoid resorting to the state treasury.

The government is required more than ever to restore consideration to the agriculture and livestock sector as one of its most important activities and programs as a very important alternative to the practices that were before the Corona pandemic, and this supports the idea of the first hypothesis on the necessity of expanding the mix of public sector services.

The various economic sectors, including the state's public finances, are required to employ technology and intensify electronic services in their activity in a large and effective manner, and at the same time to create contingency plans that guarantee the course of life in the event of a disruption of technology and the occurrence of crises that require traditional work.

All sectors must be required to take precautions for any emergency health situation after the Corona pandemic. The gradual return to economic activity and overcoming the risks of Corona does not mean the end of the matter. Depending on the health developments, it is very important to respect preventive and health measures by establishing a strict health protocol and making sure and ensuring that... Respect him, so that there is no return to point zero and an increase in the injury curve

Everything related to the governmental and non-governmental economic sectors, including the founding and regulatory laws and their work mechanisms, must be reviewed, with the aim of enabling them to exercise their role as a locomotive for the sectors concerned, especially in light of what the pandemic has brought about, and at the same time the lack of independence. There are many changes in prices that require emphasis on a local production system that helps control prices and markets in such crises.

It is very important for the government to look at handicrafts and traditional crafts because of their impact on alleviating the severity of crises such as the Corona pandemic crisis, and providing an important opportunity to advance this sector and return it to its original position as a source for securing many needs and requirements and at the same time securing society with the shortcomings of tools and number of production that may It is not available due to the circumstances of other countries that have it, which helps in providing societal wealth, especially if we know that the community had many skills and traditional handicrafts that would ensure the running of things.

Establishing permanent centers for crisis and risk management at the state level and at the level of the various economic sectors, activating coordination between them to deal with various crises and risks, holding training programs for workers on how to deal with crises and how to deal with their effects, and

appointing experts and specialists to monitor, analyze and prepare reports for the various crises that arise. Different sectors go through it and build a comprehensive database to predict crises before they occur

Strengthening relations between various governmental, civil and economic sectors with media institutions because of their importance in spreading awareness and participating in conferences and interviews that help spread knowledge, and the necessity of benefiting from the experiences of other countries in how to overcome crises.

Providing psychological and social support to workers in various sectors, as it is known that this pandemic has left them with a group of diseases, such as anxiety, depression, fear, etc., in addition to losing their jobs, and activating the role of social responsibility towards individuals and institutions in various locations and sectors.

### *Suggestions For Future Studies*

The Research addressed the effects of the Corona pandemic on the public finances of the Jordanian state, and included a scientific contribution to describe one of the most important sectors affected by the Corona pandemic, which is the state's general budget. This was by focusing on revenues and expenditures, and through our treatment of the topic we can say that there are many topics that we see as an extension of They are relevant to the title of our Research and we believe they are worth addressing. Below are some of them:

Requirements for upgrading and preparing various economic sectors to face similar crises

Possibilities of providing sustainable resources to the public treasury as an opportunity to maintain continuity of spending without deficits in such circumstances

Mechanisms and ways to revitalize economic sectors that ensure the safety and tranquility of life, such as the agricultural sector and livestock in Jordan

### **Conclusion**

At the conclusion of this Research , we have tried to review one of the economic sectors that has been affected very significantly, which is the state's public finances, by focusing on revenues and expenditures as they are the most important elements in the state's economic indicators.

We can say that the world has gone through many crises, but what happened in 2020 with the Corona Covid-19 pandemic will remain in history for a main reason, which is that all countries of the world were affected by the pandemic without exception. Governments suffered, and various activities stopped (economic, social, cultural, sports, religious, etc.) ...etc.), and the air, land and sea airspace between countries was closed for the first time, and it seems clear that the world will not recover easily from the effects of the pandemic in the short term, and at the same time it will not stand helpless in confronting it and waiting for its future repercussions.

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