

Greece: measures to provide employment support

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On 18 March the Economics Minister announced a raft of measures providing support for SMEs and maintaining employment in the face of the isolation conditions being taken to combat the spread of the coronavirus. Greece has only just exited a decade-long economic crisis and at 16.8%, unemployment is the highest in the Eurozone, albeit lower than its 2013 high of 27%. On 18 March the government undertook measures to stem the spread of Covid-19, which to date has resulted in 418 mortalities. The measures include a total closure of shops, except for those selling basic necessities, and employees are being urged to resort to teleworking. The government has decided to pay an allowance of €800, at the start of April (in compensation for March, and this will probably continued to May) for all workers whose employment contracts have not been renewed, and for those being placed on partial unemployment (those on partial unemployment receive very low unemployment benefits). 500,000 are expected to benefit and the cost is estimated at €400 million. The State will cover social security benefits, pensions, and health care costs for these employees as well as their social contributions. For all those in quarantine and self-isolation, tax payments will be suspended for four months. All these measures will also apply to freelance professions and self-employed auto entrepreneurs. The European Bank of Reconstruction and Development will allocate the country €1.8 billion to keep businesses afloat, and loans of initially three-months will be available for companies in difficulties, which will be further extended if necessary. Outstanding business debts will be able to be deferred and repaid from September. Despite these measures Greece can expect a sharp economic slowdown, 'while previously growth for 2020 was expected to come in at around 2.8%, it will now be likely to come in at just over 0,' stated the Finance Minister Christos Staikouras on 18 March.

Par Marina Rafenberg