

Poland: government presents its 'crisis shield'

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On 18 March and following a Council of Ministers meeting, Polish President Andrzej Duda alongside Prime Minister Mateusz Morawiecki announced a series of extraordinary measures to limit the impact of the coronavirus epidemic on the economy and jobs.

Despite the low number of confirmed coronavirus cases, Poland's government took radical measures as early as 11 March in deciding to close schools and then close cafés, bars, discos, casinos, and restaurants. Strict border controls were re-instated on 14 March 2020. As of 19 March, a total of 305 cases of Covid-19 and five deaths have been confirmed since the virus outbreak. On 10 March a fast track law was adopted to intend for specific work-related provisions during the pandemic (c.f. article [No. 11710](#)).

"We are fully aware that this epidemic will affect not only our health but also the health of our economy. We are delivering a bold as well as prudent plan to stave off job losses," the prime Minister announced, before continuing, "We need urgent action now. We are facing an unprecedented event. The coronavirus is ravaging many countries, impacting health care, the economy and production processes. Poland and Polish businesses have to find a way through this."

To this end the government has presented its 'social and economic shield against the crisis to keep businesses and workers safe and healthy in the face of the SARS-CoV-2 pandemic.' The package includes:

- The possibility for companies to defer the payment of or request averaging arrangements for social security contributions.
- Access for companies with fewer than 10 employees can to low-interest microcredit loans of up to PLN 5,000 (€1,099), repayable in a year and on the proviso that the company does not lay off any workers for the first six months.
- There will be a 6-month suspension for company bank loan repayments.
- Should business revenues fall, then the State will cover 40% of employees' gross salary amounts (up to the average salary level of PLN 2,113 (€464))
- The State will cover up to 80% (PLN 2,080, €455) of independent workers' incomes (with service provision contracts). 2.2 million workers are expected to be impacted by this measure.
- An additional 14 days of childcare allowance for parents looking after children if schools remain closed for more than two weeks.
- An automatic extension of visas and work permits for workers from Ukraine.

All these measures will be adopted in the form of a piece of legislation that will be voted on by the end of the week. Planet Labor will provide further details when the text becomes available. The cost of these measure is estimated at PLN 212 billion (€46 billion approx.), or the equivalent of 10% GDP.

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