SOCIAL EUROPE
POLICY PAPER NO.251

APRIL 2020

#SOLIDARITY
#COVID-19
#HEALTH
#EMPLOYMENT

SURE A WELCOME LYNCHPIN FOR A EUROPEAN UNEMPLOYMENT RE-INSURANCE

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This paper expands upon/ "The European Commission's SURE initiative and euro area unemployment re-insurance" by Frank Vandenbroucke, László Andor, Roel Beetsma, Brian Burgoon, Georg Fischer, Theresa Kuhn, Chris Luigjes and Francesco Nicoli, VoxEU, 6 April 2020.

The authors would like to thank Klervi Kerneïs for her work as research assistant.

Abstract

On 9 April 2020, the EU finance ministers of the enlarged Eurogroup (with the ministers of the eight countries which are not members of the euro area) agreed, at least in principle, to implement SURE, a pan-European support system for national short-time work schemes, proposed by the European Commission. We will discuss the relationship between this proposal and the idea of a European unemployment re-insurance scheme, to which the Commission also refers in its communication on SURE. Rather than an "unemployment (re)insurance scheme", in its first-order effect, SURE is above all a "job insurance scheme".

We will explain why, against the backdrop of the sharp contraction caused by the public-health response to the COVID-19 pandemic, collective European support for this type of measure is welcome and urgent, even though SURE can only constitute one component of a much broader European solidarity effort. The Commission's proposal has some important virtues, in particular the scale of the planned support, but we will also identify some questions and caveats that it raises. Systems which can prevent lay-offs for a limited time cannot be the only solution to combat unemployment. Establishing SURE is an important step forward in the organisation of European solidarity, but it does not dispense us of making progress towards a fully-fledged European unemployment re-insurance scheme for which SURE should act as a lynchpin. We will recap the main economic and political arguments in favour of the implementation of such a system and stress that, notwithstanding some national sensitivities, European citizens, regardless of whether they live in the North or the South, in "old" or "new" Member States, are in favour of this type of cross-border solidarity.

The timeline is a short one. It is urgent to implement SURE as quickly as possible. Failing this, the economic and social upheavals caused by the vital fight against the pandemic will grow.

INTRODUCTION

The current health and economic crisis is the biggest of the post-war period. All European Union (EU) Member States are facing this challenge, although they have not all been affected in the same way. As was the case ten years ago with the euro area crisis, solidarity between EU Member States is being put to the test. The European Commission has played its part by adopting a series of measures since the outbreak of the crisis – including the suspension of the stability pact – to support Member States' responses to the pandemic and has proposed new tools to limit the duration and scale of this crisis for the European economy, its companies and its workers. Yet the failure of the European Council meeting on 26 March, which, instead of providing an ambitious EU response to the COVID-19 crisis, only confirmed the divides between Member States, has fuelled fears of a new existential crisis for the EU. Against this backdrop, Jacques Delors warned that "the climate between heads of state and government and the lack of European solidarity pose a mortal danger to the European Union".[1]

The agreement obtained by the Eurogroup of 9 April on a joint economic response to the coronavirus, which includes a support plan of around €500 billion, allows us to hope that the European Union will rise to the challenge. This plan includes a new instrument proposed by the Commission, with a view to protecting jobs and workers affected by the coronavirus pandemic. The instrument has been named "SURE" (temporary Support to mitigate Unemployment Risks in an Emergency). SURE can grant financial assistance, in the form of loans granted on favourable terms from the EU to Member States, at a time when the latter are facing sudden increases in their public expenditure to preserve employment. With a firepower of €100 billion in total, SURE will act as the "second line of defence, supporting short-time work schemes and similar measures, to help Member States protect jobs and thus employees and self-employed against the risk of unemployment and loss of income".[2] SURE is presented as a form of temporary and emergency implementation of a "European unemployment re-insurance system", an instrument which the Commission had planned to propose at the end of the year. The idea of unemployment re-insurance is not new. It has been advocated by many experts since the euro area crisis as an essential instrument to complete the architecture of the Economic and Monetary Union (EMU). In fact, nearly all existing monetary unions are true 'insurance unions': they centralise not only risk management with regard to banks, they also centralise, at least to some degree, unemployment insurance. Historically, the Economic and Monetary Union (EMU) was the one exception. In the aftermath of the euro area crisis, the European Commission started arguing that the EMU needs both a fully-fledged Banking Union and automatic fiscal stabilisers.

One of the options for establishing automatic fiscal stabilisers, suggested by the Commission, would be the re-insurance of national unemployment benefit schemes at the euro area level.[3] Faced with divides between national governments, the Commission also formulated a second option: a scheme that supports the Member States' public investment capacity when they are hit by a crisis and have to cope with reduced revenue and increased spending on unemployment benefits.[4] In fact, both options share a common insight, to wit, that Member States' automatic stabilisers should play their role in times of crisis whilst simultaneously protecting their public investment capacity. While no progress has been made regarding the implementation of these proposals, the Commission's new instrument, SURE, seems to be a third variant of the same generic idea, namely that a monetary union must act as an insurance union when confronted with severe economic or financial shocks. However, SURE applies

1. Jacques Delors, Le manque de solidarité, « danger mortel » pour l'Europe, *AFP*, 28 mars 2020.
2. European Commission, Proposal for a Council Regulation on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak, 2 April 2020.
3. European Commission, Reflection paper on the deepening of the economic and monetary union, 31 May 2017.
4. European Commission, "New budgetary instruments for a stable euro area within the Union framework", Communication from the Commission to the EP, the European Council, the Council and the ECB, 6 December 2017.

to the EU as a whole and not only to euro area countries. In this paper, we will explain why the logic behind SURE is indeed applicable to the entire Single Market.

We will first return to the debate on a euro area re-insurance of national unemployment benefit schemes (part 1), then position SURE within that broader debate (part 2). In order to avoid any misunderstanding, our argument is not that SURE or the re-insurance of unemployment benefit schemes can be the main component – let alone, the only component – of the EU's response to the COVID-19 crisis: a much broader and massive intervention is needed. But risk-sharing in the domain of unemployment should be part and parcel of a more encompassing European relief initiative. Hence, the question is to what extent SURE fits the bill in the short term and how it relates to further work on a European unemployment re-insurance scheme.

1 ■ EUROPEAN UNEMPLOYMENT RE-INSURANCE: RATIONAL ARGUMENTS AND PUBLIC OPINION

Unemployment insurance supports purchasing power of citizens in an economic downturn, and is therefore an automatic stabiliser par excellence. It is therefore not surprising that unemployment insurance is one of the key elements of the debate on automatic fiscal stabilisers for the euro area. Existing monetary unions either opt for a downright centralisation of unemployment insurance, as was historically the case in Canada or in Germany, or they demand some convergence in the organisation of unemployment insurance and provide a degree of re-insurance and centralisation when the need is particularly high. This is the case in the US, which combines centralisation and decentralisation in unemployment insurance, notably when a deep recession hits. Economic arguments and arguments related to political legitimacy are both relevant in the debate on the need to endow the EMU with an unemployment re-insurance system (1.1.).[5] In addition, while Member States are divided on the idea of a European unemployment re-insurance, this idea might be more popular than many hesitant European leaders have thought (1.2.).

1.1 ■ Economic and political arguments

From an economic point of view, re-insurance is a rational policy option for more than one reason. Two major arguments stand out.

i) Without automatic fiscal stabilisers implemented ex ante *and functioning in an automatic way, a monetary union is inherently fragile.*

Without automatic fiscal stabilisers, a monetary union is inherently fragile. This fragility is mainly due to the fact that, in a severe economic crisis, the Member States of the EMU – as it currently functions – can be confronted with an escalating loss of trust and even so-called 'sudden stops' in the financial markets on which they have to rely to issue public debt. The analysis of this fragility, developed in particular by Paul de Grauwe,[6] includes lessons which are especially important in the current situation.

5. ANDOR L. 2016. "Towards shared unemployment insurance in the euro area", *IZA Journal of European Labor Studies*, vol. 5, n° 10. VANDENBROUCKE F. 2016. "Automatic stabilizers for the euro area and the European social model", *Other document*, Jacques Delors Institute, 22 September 2016. RAGOT X. 2019. *Civiliser le Capitalisme. Crise du libéralisme européen et retour du politique*, Paris: Fayard.

6. DE GRAUWE P. 2018. *The Economics of Monetary Integration*, 12th edition, Cambridge: Cambridge University Press, p. 140.

The advantage of risk pooling in the face of asymmetric shocks has often been the main argument in support of automatic fiscal stabilisers (to the extent that risk pooling allows an interregional smoothing of such shocks and therefore limits their scale). However, an effective European scheme that organises interregional smoothing must also be able to organise intertemporal smoothing, that is, the scheme to be implemented must be able to issue debt at the euro area level. Interregional smoothing and intertemporal smoothing must be combined.[7] Moreover, it is crucial that the system is set up *ex ante* (rather than negotiated *ex post*, when a crisis has hit) and functions in an automatic way: its mere existence should change the expectations of all economic agents with regard to the fall-out of an economic shock, when a shock occurs. In a nutshell – and leaving aside all the technicalities – the *ex ante* commitment of re-insurance means that Member States are assured that they will receive budgetary support from a European fund when they are confronted with a sudden and severe increase in unemployment.

ii) It is a matter of common concern that all Member States have an effective stabilisation capacity

While the arguments based on the fragility of an incomplete EMU are essential, there is in addition a second reason why a degree of centralisation of unemployment insurance is useful for countries that are economically highly integrated. This second argument is based on trade and production integration, and therefore goes beyond the issue of the euro area. It can be compared to well-known arguments about the 'positive externalities' of vaccination. National unemployment insurance systems create a positive externality: a country that properly insures itself also helps its neighbours by stabilising consumer demand and therefore its imports (similarly, individuals who vaccinate themselves against infectious diseases create a positive externality for their neighbours by protecting them too). Because of that positive externality, it is a matter of common concern that all members of the Single Market have an effective stabilisation capacity, just as it is in the common interest that vaccination against infectious diseases is a widespread practice.

The effectiveness of the stabilisation capacity of Member States depends on a whole cluster of policy principles: sufficiently generous unemployment benefits; sufficient coverage rates of unemployment benefit schemes; no labour market segmentation that leaves part of the labour force poorly insured against unemployment; no proliferation of employment relations that are not integrated into systems of social insurance; effective activation of unemployed individuals; and the constitution of budgetary buffers in good times, so that the automatic stabilisers can do their work in bad times. Whether or not unemployment risks are shared at the euro area level, the implementation of such a set of principles in *each* State of the EMU and the Single Market would benefit all countries. This is a programme of "vaccination against economic instability" which is a matter of general interest.

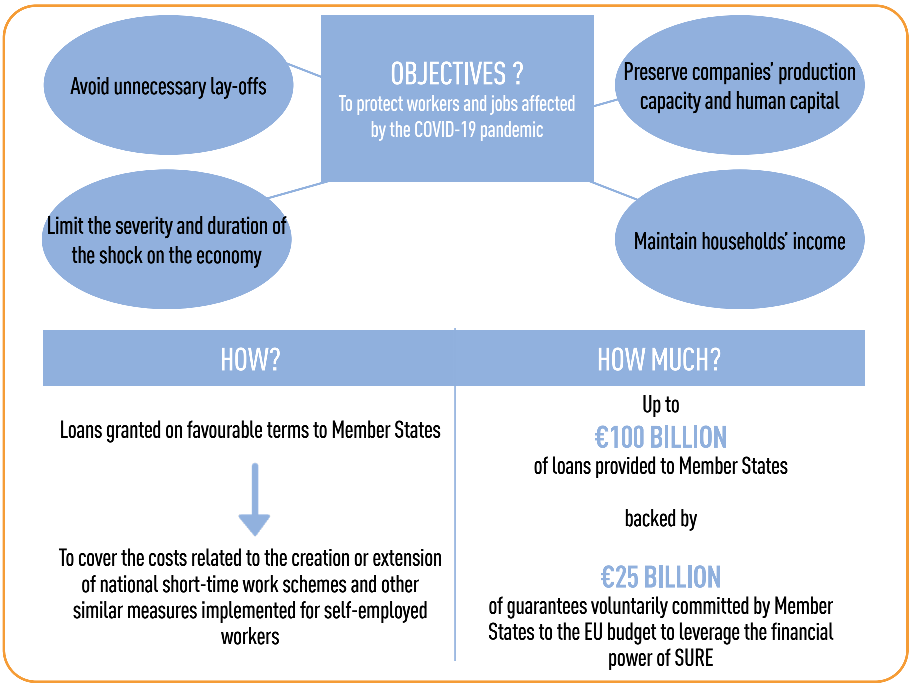
The argument in favour of EU support for national unemployment benefit schemes is that a European support scheme would contribute to the national implementation of these principles of appropriate stabilisation (think about the subsidisation of vaccination by public authorities[8]). Conversely, these *domestic* principles could well become *a fortiori* imperative should the euro area be equipped with a re-insurance of national unemployment insurance systems. European countries will not agree to support each other's unemployment benefit systems if national governments – in exchange for this support – cannot guarantee that their national system function adequately.

7. Regarding this issue, see also DOLLS M. 2019. An Unemployment Re-Insurance Scheme for the Eurozone? Stabilizing and Redistributive Effects, *EconPol Policy Report 10*, ifo Institute, Munich.
8. This is a well-known theorem in economic theory: for any good with a positive externality, there is a risk of insufficient, sub-optimal provision of that good, if it is not promoted or supported in one way or another.

1.2 ■ What do citizens think?

Our argument, as developed in the previous section, implies that the quality of domestic policies and cross-border risk sharing are intrinsically related, whereby the latter should support the former and the former conditions the latter. This premise is essential, not only for the development of risk sharing in the field of unemployment in the euro area but also to gather sufficient public support.[9] Indeed, such public support is crucial to any broadly democratic reckoning of EU initiatives. A survey experiment conducted by the University of Amsterdam focused on this issue. The aim of the survey, for which 19,500 people in thirteen EU Member States were polled, was to assess public support for the idea of a European unemployment re-insurance system.[10] The respondents had to judge different specific designs of such re-insurance. These specific designs varied in terms of the minimum generosity of unemployment benefits that Member States had to guarantee, in terms of conditions with regard to the education and training programmes provided to the unemployed and the conditions with regard to activation policies. The results of this survey show that fundamental opposition to cross-border risk-sharing at times of high unemployment is confined to a small segment of the European population, contrary to what one might think when listening to the political debate about this over the last ten years. **The strong North-South divisions between national governments on European solidarity for the unemployed are not at all reflected in public opinion.** Notwithstanding some national priorities, European citizens, regardless of whether they live in the North or the South, in “old” or “new” Member States, are surprisingly determined in their overall support for cross-border solidarity.

Box 1 ■ The SURE proposal in a nutshell



9. For a more in-depth discussion of the normative argument at play here, see VANDENBROUCKE F. 2020. *Solidarity through Redistribution and Insurance of Incomes: The EU as Support, Guide, Guarantor or Provider?*, *Amsterdam Centre for European Studies Research Paper*, No. 2020/013, February

10. VANDENBROUCKE F. & NICOLI F. 2019. "European unemployment insurance: what citizens really think", *Policy paper*, Jacques Delors Institute, 13 February. VANDENBROUCKE F., BURGOON B., KUHN T., NICOLI F., SACCHI S., VAN DER DUIN D. & HEGEWALD S. 2018. "Risk Sharing When Unemployment Hits: How Policy Design Influences Citizen Support For European Unemployment Risk Sharing (EURS)", AISSR Policy Report 1, December.

2 ■ PROTECTING EMPLOYMENT IN VIEW OF THE CURRENT CRISIS WHILE MAINTAINING A MEDIUM-TERM OUTLOOK

The SURE programme meets an urgent need: the sharp contraction caused by the public-health response to COVID-19 is **a textbook case for the use of short-time work** (2.1). Both the volume and the architecture of the SURE programme appear appropriate, even though there are a few questions raised (2.2). However, the current approach inevitably has some caveats, which must be remedied with a view to creating a genuine European unemployment re-insurance system (2.3).

2.1 ■ The role of short-time work schemes

Short-time work schemes provide a subsidy for temporary reductions in the number of hours worked in firms affected by temporary shocks. This allows employers who experience temporary drops in demand or production to reduce their employees' hours instead of laying them off. Employees receive from the government a subsidy proportional to the reduction in hours (for an overview of existing schemes, see the table in the appendix). Lay-offs and future hiring costs are reduced, production capacities and human capital networks are maintained and the loss of income for households is limited. Thus, the fall-out of a severe temporary shock can be significantly mitigated.

Giupponi and Landais[11] explain convincingly why the sharp contraction caused by the public-health response to COVID-19 is a textbook case for the use of short-time work: in this context, short-time work can be much more effective than other forms of insurance such as unemployment insurance or universal transfers, and more efficient than other forms of wage subsidies. Moreover, the case for collective action at the EU level to support short-time work is very strong. Both reasons for collective action mentioned in the previous section apply (the fragility of a monetary union without fiscal stabilisers; and the positive externalities of adequate national unemployment benefit schemes, *cf.* the vaccination metaphor). The second argument, which is applicable to both the Single Market and the euro area, even gains in force. Admittedly, in the context of normal business cycle movements, the cross-border positive externalities of adequate unemployment benefit schemes might be relatively limited. Yet when economic disruption destroys existing matches of human capital and supply chains on a large-scale in some national economies, the external impact on other national economies can be huge. **Hence, 'vaccinating' national economies against such disruption is a matter of common concern for all economies in the Single Market.**

2.2 ■ The characteristics of SURE and the responsibility of Member States

For all the aforementioned reasons, the Commission's current focus on short-time work and schemes that avoid lay-offs is well-taken. In fact, **rather than an "unemployment (re)insurance system", the Commission's proposal is, in its first-order effect, above all a "job insurance scheme".** The distinction between an unemployment benefit scheme and such a job insurance scheme is meaningful, and the Commission might as well have labelled it as such. Nevertheless, it is likely to be true that if SURE helps to lower the number of actual unemployed, the national unemployment benefit schemes will cope better.

The scale of the effort is a key issue for stabilisation. It is therefore crucial that the Commission initiative promises a significant volume of support (€100 billion) to tackle the current situation. There is

11. GIUPPONI G. & LANDAIS C. 2020. *Building effective short-time work schemes for the COVID-19 crisis*, *VoxEU*, 1 April.

one limit to SURE's firepower: the share of loans granted to the three Member States representing the largest share cannot exceed €60 billion. An analysis of spending on unemployment benefits provides some indication to assess this figure. Over the last ten years, spending on unemployment benefits reached a record level of €193 billion in 2010 for the entire EU-27. In 2017, it stood at €174 billion. If we only consider Spain and Italy, their expenditure on unemployment benefits was equal to €58 billion in 2010 and fell to €49 billion in 2017.[12] It is clear that the measures envisaged by SURE may be more costly than unemployment benefits (both because support for people on short-time work arrangements is often greater than conventional unemployment benefits and because the measures' scope of application may be broad, including groups which do not usually benefit from unemployment insurance in some countries, such as the self-employed). However, these unemployment expenditure data cover an entire year. Yet, these figures show that, **although the amount promised is significant, should the lockdown continue for many months, additional funding would probably be necessary**.

A major asset in the SURE proposal is that the instrument is based on article 122 of the TFEU and is **funded as a European instrument – and not an intergovernmental instrument**. By not using the European Stability Mechanism (ESM) for this initiative, the Commission avoids interference with the (divisive) debate on whether or not the ESM should be the vehicle for European solidarity in the corona crisis. SURE will be able to borrow directly from financial markets; its underlying logic is therefore close to the functioning of the European Financial Stabilisation Mechanism (EFSM), but with almost double the firepower (€100 billion versus €60 billion). Another interesting feature of SURE is that it introduces intertemporal smoothing (*cf.* supra, the need to combine interregional and intertemporal smoothing).

One of the risks for this instrument is related to the decision-making process for its adoption and implementation. The adoption of the regulation which creates SURE only requires qualified majority voting by the Council. However, for the instrument to become available, all Member States must take part, on a voluntary basis (no legal obligation under EU law), in a national guarantee system to support the EU budget and increase the instrument's financial capacity (article 12 of the SURE regulation). **Unanimity is therefore required to make the instrument financially operational** (to "make the instrument available" according to the terms of the regulation). National contributions, which will be provided in the form of "irrevocable, unconditional and on demand guarantees" to the EU budget (article 11), will account for 25% of the total amount of loans (therefore €25 billion out of the €100 billion). The amount of guarantees to be allocated by each State will be decided according to the relative share of each State in the EU's gross national income. Although voluntary, the participation of all Member States in the guarantee system is highly desirable from a credit rating perspective (in order to guarantee lower interest rates). **A risk of veto cannot be ruled out, however, even if this practice would be clearly in breach of the principle of solidarity on which the EU is founded.** Member States have a key role to play in the financial construction of this new instrument and must shoulder their responsibilities in order to ensure that it enjoys the necessary firepower.

SURE will not be an automatic instrument; once the system of national guarantees is in place and SURE is therefore available, the decision for implementation regarding granting a loan to an applicant Member State (article 6) will be adopted by qualified majority voting in the Council, upon proposal by the Commission.

12. EUROSTAT, ESSPROS data, viewed on 7 April 2020.

2.3 ▪ SURE: short-term limits and medium-term perspectives

Having identified a range of reasons to support the core features of SURE and having underscored the responsibility of Member States, we will now discuss some limits of the proposal; a genuine European unemployment re-insurance system would have to overcome such limits.

First, the Commission proposes support to Member States in need in the form of loans – and not grants. Support in the form of soft loans is preferable to no support: it addresses immediate funding needs and ensures that the countries in need benefit from low interest rates, protecting them against the risk of increasing interest rate on their own bond issues. However, without a broader EU initiative that avoids sharply increasing levels of public debt in countries like Italy and Spain, **soft loans will do little to reduce the looming risk of debt unsustainability in those countries**.

Second, Giupponi and Landais list a number of concrete guidelines for the best implementation of short-time work schemes in the current context: payments must be timely, the use of the scheme should be made conditional on the obligation for firms to retain their workers, eligibility should be extended to temporary workers, sufficiently generous replacement rates should be established, notably in non-vital sectors,[13] working hour reductions should be flexible, the programme's duration should cover the entire confinement period. These guidelines are well-taken, but they also highlight the difficulty of the urgency the European Commission must deal with. On the one hand, the current situation and the policy legacies in the Member States are very heterogeneous, and there is no time to lose: **hence, it is understandable that the Commission does not try to impose detailed conditions on how short-time work schemes are implemented.** The Commission rightly allows a broad range of measures: SURE will cover "the costs directly related to the creation or extension of national short-time work schemes, and other similar measures they have put in place for the self-employed, as a response to the current crisis".[14] On the other hand, if time allows, it would be useful to learn from national best practices in order to provide guidance to Member States. As already said in the previous section, the quality of domestic policies and cross-border risk sharing should support each other. Discussing and imposing relatively detailed conditions will imply delays, which one cannot afford in this emergency context. But in the longer term, any mutual assistance scheme needs both delineation and conditionality, based on best practice, in order to be maximally efficient and politically sustainable.

Third, schemes that avoid lay-offs for a certain period of time cannot be the only solution in the domain of unemployment, as Giupponi and Landais also underscore. Inevitably, workers are already and will be laid off: hence, in all Member States, there should be sufficiently generous unemployment insurance for the laid-off and for those ineligible for short-time work. The number of unemployed is also bound to rise given the significant number of people with temporary contracts in many of the affected sectors: if these contracts are not renewed, people end up in unemployment without being dismissed either *de facto* or *de jure*. On a more general note, **the lacunae in the coverage of self-employed workers and precarious workers in many Member States underscore the urgent need to establish universal access to adequate social insurance, including unemployment insurance, to all workers in the EU**, in whatever type of employment relationship, sector or activity they earn their living. This is one of the key principles of the European Pillar of Social Rights (EPSR), which was proclaimed in 2017. A (non-binding) Council Recommendation on access to social protection for all was agreed in 2019; its effective implementation is badly needed. Implementing this principle in all Member States should feature prominently in a roadmap towards an effective euro area unemployment re-insurance scheme. **Establishing SURE is an important step forward in the organisation of European solidarity, but it does not dispense us of making progress towards a fully-fledged European unemployment insurance scheme.**[15]

13. GUIPPOINI G. & LANDAIS C. (*op. cit.*) add that vital sectors should be incentivised through wage subsidies.
14. European Commission, *The Commission proposes SURE, a new temporary instrument*, Questions and answers, 2 April 2020.
15. Council Recommendation of 8 November 2019 on access to social protection for workers and the self-employed.

Fourth, whilst SURE will be operated on the basis of requests by Member States and the disbursement of support will depend on bilateral agreements and discretionary decision-making in the Council, a European unemployment insurance scheme, for it to function effectively and to have impact on expectations, must be based on *ex ante* solidarity and entail as much automaticity as possible.[16] In a sense, **SURE can be seen as a complement to 'normal' unemployment insurance**: it adds 'job insurance' in the context of a specific temporary emergency, created by a large-scale and exogenous disaster. So conceived, it might one day be a specific 'plug-in' to an encompassing European unemployment insurance scheme, ready to be installed immediately in the context of such exceptional emergencies, not only for the euro area but for the entire Single Market.

CONCLUSION: NO TIME TO LOSE

SURE is not merely a timely initiative. For it to be able to play its role and have maximum impact – *i.e.* helping Member States to prevent as much as possible that workers are laid off and that the self-employed must give up their businesses –, the agreement obtained in the Eurogroup on 9 April 2020 must be implemented as soon as possible. There is no time to lose: **reticent Member States must be aware that additional hesitations will only increase the damage to be repaired**. At the same time, SURE must be a lynchpin for the development a true European unemployment re-insurance system.

16. Even with regard to short-time work schemes, there are publications which underscore the need for automaticity (with regard to the limited effects of discretionary decision-making); see BALLEER A., GEHRKE B., LECHTHALER W. & MERKL Ch. 2016. 'Does short-time work save jobs? A business cycle analysis', *European Economic Review*, May 2016, Vol.84, pp.99-122 ; and GEHRKE B. & HOCHMUTH B. 2019. "Counteracting Unemployment in Crises: Non-Linear Effects of Short-Time Work Policy", *The Scandinavian Journal of Economics*, 22/8/2019.

APPENDIX

Table 1 ▪ Comparison of short-time work schemes and support measures for the self-employed in the EU

	SUPPORT GRANTED BY NATIONAL SHORT-TIME WORK SCHEMES	MEASURES FOR THE SELF-EMPLOYED
Austria	Compensation representing: *90% for salaries lower than EUR 1,700 *85% for salaries lower than EUR 2,685 *80% for salaries lower than EUR 5,370 *100% for apprentices	*Eligibility for the credit guarantee programme and the emergency fund
Belgium	*70% of the gross salary, supplemented by a lump-sum benefit of EUR 5.63 per day	*Replacement income of EUR 1,291.69 per month (EUR 1,614.10 for self-employed workers with dependants) *Deferrals of social security contributions and loan repayments * Extension of deadlines for withholding taxes
Bulgaria	*100% of salary maintained, co-financed by the State and the company	n/a
Czech Republic	Compensation representing: *60% of the wage for employees with short-time work arrangements due to quarantine *100% of the wage for employees with short-time work arrangements due to the total stoppage of company operations by order of the government *Between 60% and 100% of the wage for employees of companies experiencing supply problems or significant drops in sale volumes	*Daily allowance of CZK 424 (≈ EUR 16) for at most 31 days – i.e. at most EUR 500 – for all self-employed workers *Postponement of health and social insurance payments *Eligibility for a one-off financial assistance of CZK 25,000 tax-free (≈ EUR 930)
Denmark	*For salaried employees: compensation of the monthly salary of 75%, limited to DKK 23,000 (≈ EUR 3,000) *For non-salaried employees: compensation of the monthly wage of 90%, limited to DKK 26,000 (≈ EUR 3,500)	*Self-employed and freelance workers experiencing a loss in turnover greater than 30% may receive compensation of 75% of lost income for three months, limited to EUR 3,100 per month
Estonia	*70% of the previous salary, limited to EUR 1,000 per month and covered by the State in addition to a minimum allowance of EUR 150 paid by the company	*Exoneration of advance payments on the social tax payable by the self-employed for the first quarter of 2020
Finland	*Eligibility for unemployment benefits for hours not worked	* Temporary eligibility for unemployment benefits for entrepreneurs and self-employed workers (with no waiting period)
France	Compensation representing: *70% of the gross salary, i.e. roughly 84% of the net monthly salary, up to 4.5 times the minimum wage *100% for minimum-wage workers *100% for workers in training	*Lump-sum compensation – via a solidarity fund – corresponding to the loss of turnover over one year, up to EUR 1,500, for the self-employed, micro-entrepreneurs and liberal professionals suffering from a very sharp drop in turnover or subject to administrative closure

Germany	Compensation representing: *60% of the difference in net monthly salary due to reduced working hours *90% for workers in certain sectors (in accordance with collective agreements)	*Fixed allowance for self-employed workers of up to EUR 15,000
Greece	*Compensation of 50% of the salary calculated on the basis of the average for the last two months *EUR 800 allowance for March 2020	*EUR 800 allowance for March 2020 *Social security, pension and other social contributions are covered by the State *Postponement of tax payments
Hungary	*Compensation of 70% of the salary for companies recording significant loss of business	n/a
Ireland	*Compensation of 70% of the net salary, subject to a maximum amount (tax-free) of EUR 410 per week	*Eligibility for the self-employed for an unemployment allowance of EUR 350 per week paid by the State
Italy	*Ordinary Wage Guarantee Fund (CIGO): covers 80% of previous income *Extraordinary Wage Guarantee Fund (CIGS): covers 80% of the total salary, for hours not worked *Solidarity contracts: cover between 60% and 75% of lost wages due to the reduction of working hours For the CIGO and CIGS schemes, a ceiling is set each year by the National Institute for Social Protection (INPS)	*Fixed allowance of EUR 600 for self-employed workers *An additional allowance of EUR 500 per month, for a maximum of 3 months, for self-employed workers in the municipalities most affected by Covid-19
Latvia	*Compensation of up to 75% of the monthly salary	*Exoneration of advance income tax payments for self-employed workers in 2020
Lithuania	*Partial compensation of the employee's salary, not exceeding EUR 700 per month and not below the minimum wage	*Fixed allowance of EUR 257 for self-employed workers who have paid their social contributions over the last three months
Luxembourg	*Compensation of 80% of the salary, which cannot be lower than the minimum wage or greater than 250% of the minimum wage	*6-month moratorium granted by banks for loans taken out by self-employed workers and liberal professionals
The Netherlands	Compensation representing: *22.5% of the salary for employees of companies recording a 25% loss in turnover *45% of the salary for a 50% loss in turnover *90% of the salary for a total loss of turnover	*Eligibility for self-employed workers and entrepreneurs for social assistance benefits for 3 months *Access to lower interest rates on loans *Monthly allowance of EUR 1,050 for three months (at most EUR 1,500 for married couples or couples with children)
Poland	*Compensation of 80% of the salary	*State subsidy of up to 80% the minimum wage (≈ EUR 455)
Portugal	*Compensation of 66% of the gross monthly salary and at most EUR 1,905	*Flexible tax payments for self-employed *Possibility to defer the withholding tax payment
Romania	*Compensation of at least 75% of the gross salary, and at most 75% of the average gross salary	n/a

Slovakia	*Compensation of 80% of the salary	*Allowance to self-employed workers of up to EUR 540
Slovenia	Compensation of salaries representing: *40% for workers subject to short-time work arrangements *80% in cases of force majeure *80% in the event of quarantine	*Replacement income of up to 70% of the net minimum wage guaranteed by the State *Exoneration of social security contribution payments
Spain	*Eligibility for unemployment benefits, for which the amount may not be below 75% of the minimum wage or above 220% of the minimum wage	*Extraordinary allowance paid to self-employed workers *3-month moratorium on mortgage repayments *Suspension of social contribution payments for 6 months *Option of postponing the payment of social security contributions for March 2020 (for days worked) with no penalty * Extension of lines of credit
Sweden	*Compensation of more than 90% of the salary	*Granting of standardised sick pay for 14 days for self-employed workers

Source: Table compiled using OECD data available at the following address <https://oecd.github.io/OECD-covid-action-map/> and viewed on 9 April 2020.

**For Germany, Denmark, Finland, Greece, Italy, Lithuania, the Netherlands and Spain, data was added on the basis of the ETUC briefing note dated 24 March 2020 entitled "Short Term Work Measures Across Europe"*

** No data available for Croatia, Cyprus and Malta.*

L'Europe pour les citoyens

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