Covid-19's economic impact: €100 billion to keep people in jobs

The EU provides additional financial support to member states to protect jobs and workers affected by the coronavirus pandemic.

Many businesses are experiencing economic difficulties as a result of the Covid-19 crisis and have had to temporarily suspend or substantially reduce their activities and the working hours of their staff. To support employers and to protect workers and the self-employed from losing their jobs or incomes, the European Commission proposed a new temporary instrument called Sure (Support to mitigate Unemployment Risks in an Emergency), to complement national efforts to protect employment. The instrument was activated on 22 September 2020.
The initiative is part of a set of EU measures to help member states tackle the coronavirus pandemic.

Find out what other measures the EU has taken to combat the pandemic.

Protecting jobs during the crisis

During the crisis, the EU can provide financial assistance under the Sure programme in the form of loans granted on favourable terms to EU countries that request support. Assistance helps finance national short-time work schemes, unemployment benefits and similar job protection measures. Up to €100 billion is available to all 27 member states. The first instalments to member states were made on 27 October 2020.

Check out what the EU is doing to help Europe’s economic recovery from the coronavirus pandemic

Short-time work schemes

- Allow companies and businesses facing economic difficulties to temporarily reduce the hours worked by their employees, who then receive compensation for income loss from the member state

Short-time work schemes allow families to maintain their incomes and continue paying their bills, while firms are able to protect production capacity and employees, ensuring market stability. In the longer term, short-time work schemes can prevent more severe consequences on the economy and help businesses recover faster after the crisis.

Welcoming the creation of Sure and calling on EU countries to implement it quickly, Slovak ECR member Lucia Ďuriš Nicholsonová, chair of Parliament’s employment committee, said: "It is an important expression of EU solidarity and a helpful instrument to mitigate the socio-economic effects of the Covid-19 crisis. By supporting short-time work schemes and similar measures, Sure will help companies experiencing economic difficulties to keep people in jobs."

EU solution to support employment

While Sure is a temporary instrument designed specifically to tackle the consequences of the coronavirus pandemic, the European Commission is also working on a new proposal for a European Unemployment Reinsurance Scheme to support employment and protect workers who lose their jobs due to economic shocks.

The European Parliament has said that such a basic unemployment benefit scheme would contribute directly to stabilising household income, thus strengthening the social dimension of Europe. In a resolution adopted on 17 April, MEPs reiterated their call for a permanent European Unemployment Reinsurance Scheme to ensure that workers in Europe are protected from income loss.
A future European Unemployment Benefit Reinsurance Scheme aims to reduce pressure on EU countries’ public finances by providing support to national measures to preserve jobs and skills and to facilitate the transition back into work. The Commission is expected to present its proposal later this year.

Check out the latest news about the EU recovery plan

Find out more
Press release: MEPs call for massive recovery package and Coronavirus Solidarity Fund (17 April 2020)
Fact sheet
European Commission: SURE
Briefing: commitments made by the commissions for jobs and social rights
Briefing: EU-27 support for national short-time work schemes (April 2020)
Blog: temporary support to mitigate unemployment risks in an emergency (April 2020)
Check legislative progress: Unemployment Reinsurance Scheme