Protecting jobs and workers: Final report confirms SURE was crucial in mitigating impact of pandemic and supporting recovery

Brussels, 2 June 2023

In 2020, the Commission’s nearly €100 billion SURE instrument designed to protect jobs and incomes affected by the COVID-19 pandemic supported about 31.5 million employees and self-employed people and over 2.5 million businesses. SURE effectively encouraged Member States to set up wide-ranging and ambitious short-time work schemes and similar measures at national level, which allowed firms to retain employees and skills, and supported the self-employed.

Today’s final bi-annual report on the implementation and impact of the SURE instrument shows that it was crucial in both mitigating the impact of the pandemic in 2020 and facilitating the swift economic rebound in 2021, which was faster than in previous crises. SURE – the European instrument for temporary Support to mitigate Unemployment Risks in an Emergency – ended on 31 December 2022.

Overall, a total of €98.4 billion of SURE financial assistance was disbursed to 19 Member States (i.e. Belgium, Bulgaria, Cyprus, Estonia, Greece, Spain, Croatia, Hungary, Ireland, Italy, Lithuania, Latvia, Malta, Poland, Portugal, Romania, Slovenia, Slovakia and Czechia), close to the maximum SURE envelope of €100 billion. This included additional ‘top-up’ financial assistance of €5 billion that was granted to eight Member States in autumn 2022. Careful monitoring continued in the first months of 2023 to ensure the absorption of all SURE financial assistance, which is now confirmed.

To finance the instrument, the Commission issued social bonds on behalf of the EU, becoming the world’s largest social bond issuer.

Ursula von der Leyen, President of the European Commission, said: "SURE is the EU at its best. The programme helped save millions of jobs during the COVID-19 pandemic and, as importantly, it supported EU businesses retain their workforce. SURE set the path for our recovery plan NextGenerationEU, which broke new ground in a successful, unified, economic European response to the crisis."

The main findings of the report are:

In 2020:

- National policy support measures effectively protected around 1.5 million people from unemployment, with new illustrative simulations provided in this report suggesting that SURE-funded schemes accounted for the bulk of this impact.
- SURE supported almost one third of total employment (around 31.5 million employees and self-employed people) and over one quarter of firms (over 2.5 million firms) in the 19 beneficiary Member States.
- SMEs were the primary beneficiaries of SURE support.
- The most supported sectors were contact-intensive services (accommodation and food services, wholesale and retail trade) and manufacturing.

In 2021:

- SURE continued to protect employment in particular in the first half of 2021, when the pandemic continued to have a severe negative impact, supporting around 9 million people (15% of total employment) and over 900,000 firms (15% of firms) in the 15 beneficiary Member States that used SURE in 2021.

In 2022:

- There was a clear phasing out of national support measures. In the four Member States that extended support measures until early 2022 there was continued support under SURE for
350,000 people and 40,000 firms.

To date:

- All public expenditure under SURE has now been spent.
- Almost half of total expenditure was allocated to short-time work schemes, and almost one third allocated to similar measures for the self-employed. Wage subsidy schemes and other similar measures accounted for 12%, while the remaining 5% was spent on health-related measures, which included preventive measures against COVID-19, additional labour costs to recruit and support healthcare workers, and the purchase of healthcare equipment and medication, including vaccines.
- Member States have saved an estimated C9 billion in interest payments by using SURE, thanks to the EU's high credit rating. This adds to the positive effects on social and employment outcomes.

Background

SURE has been a crucial element of the EU’s comprehensive strategy to protect jobs and workers in response to the coronavirus pandemic. SURE provided financial support in the form of loans granted on favourable terms from the EU to Member States to finance national short-time work schemes and other similar measures, in particular for the self-employed, as well as health measures.

The Commission proposed the SURE Regulation on 2 April 2020, as part of the EU's initial response to the pandemic. It was adopted by the Council on 19 May 2020 as a strong sign of European solidarity, and became available after all Member States signed guarantee agreements on 22 September 2020. The first disbursement took place five weeks after SURE became available.

All of the financial assistance granted under SURE has now been disbursed and spent and no further financial assistance can be granted. Today's fifth bi-annual report on SURE is therefore also the final monitoring report on SURE. The Commission will continue monitoring the repayment of the loans until all outstanding loans have been repaid.

The Commission issued social bonds to finance the SURE instrument and used the proceeds to provide loans to beneficiary Member States. Borrowing under the SURE programme was instrumental for the growth of the EU into the large scale-sovereign style issuer. The report on SURE also provides the relevant reporting under the EU Social Bond Framework. Further information on these bonds, along with a full overview of the funds raised under each issuance and the beneficiary Member States, is available online here.

For More Information

Fifth bi-annual report on the implementation of SURE
SURE website
Factsheet on SURE
SURE Regulation
EU as a borrower website

Quotes:

SURE is the EU at its best. The programme helped save millions of jobs during the COVID-19 pandemic and, as importantly, it supported EU businesses retain their workforce. SURE set the path for our recovery plan NextGenerationEU, which broke new ground in a successful, unified, economic European response to the crisis.
Ursula von der Leyen, President of the European Commission - 02/06/2023

It is thanks to the SURE scheme to support Europe’s workers and businesses that we succeeded in cushioning the blow of the COVID-19 pandemic. Through the darkest months of the crisis, this unique measure provided a lifeline to keep millions of people employed with an income, and many thousands of firms afloat by helping them to retain employees. As a short-time social safety net, SURE has now run its course – but as today's final report confirms, it leaves a tremendously positive legacy. At a time of immense hardship, SURE was a real EU success story, assisting quickly when it mattered most and also underpinning our post-pandemic economic recovery. An outstanding example of European solidarity at its best.
Valdis Dombrovskis, Executive Vice-President for an Economy that Works for People - 02/06/2023
SURE has not only been a crucial instrument in strengthening the EU’s resilience in response to the coronavirus pandemic by supporting more than 30 million people and 2.5 million enterprises across 19 different Member States. It has also been instrumental for the growth of the EU into a large scale-sovereign style issuer. By implementing common EU borrowing the Commission sent a very important signal to financial markets during the pandemic: it showed EU solidarity and has generated confidence in the strength of the euro area.

Johannes Hahn, Commissioner for Budget and Administration - 02/06/2023

SURE provided solidarity to Member States at a critical time. The pandemic came as a shock, and thanks to the EU’s quick reaction, the SURE instrument prevented an even deeper socio-economic crisis from unfolding. Our priority now is to ensure workers have the skills required on today’s labour market and can seize new opportunities.

Nicolas Schmit, Commissioner for Jobs and Social Rights - 02/06/2023

We can be proud of the very strong impact SURE had in helping European workers and firms get through the pandemic crisis. This final report shows clearly how such common instruments can strengthen the resilience of our societies and economies in the face of shocks. SURE’s success derived from three key factors: its clearly defined purpose; its governance under the EU institutional framework, which ensured accountability and solidarity among Member States; and its robust financial construction. The success of SURE holds valuable lessons for the future.

Paolo Gentiloni, Commissioner for Economy - 02/06/2023

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