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The Impact of the COVID-19 Pandemic on Greek Policy

Maciej Pawłowski

The number of people infected by the coronavirus (SARS-CoV-2) in Greece is relatively small because of early and tough actions taken by the government, but the situation may change with increased migration from Turkey, a country with high incidence of COVID-19. At the same time, the government's ability to fight the economic crisis stemming from the pandemic is limited due to Greece's huge public debt. However, the current situation is a chance to implement its demands for eurozone reform, changes in EU migration policy, and relations between the EU and Turkey.

Crisis Management. The government decided not to introduce a state of emergency but took other actions to slow the spread of the coronavirus. The first cases of infection were registered in Greece on 26 February among residents returning from holiday in Italy. The next day, the government cancelled all pre-Easter carnival events. On 10 March, with 89 official cases, schools were closed all over the country. After the first death and with 190 infected, on 13 March the government ordered closed all cafes, bars, restaurants, museums, shopping centres, and sport venues. On 16 March, with 352 infected and four recorded deaths, retail shops and religious houses of worship were closed. On 22 March, with infections rising to 624 and 15 deaths, the government introduced restrictions on movement—leaving the house was possible only after obtaining a special pass by mobile SMS. Among the valid reasons to obtain a pass were commuting to work, going to a pharmacy, visiting a doctor, shopping for groceries, going to a bank for services not possible online, and assisting a person in need of help. Greek residents could also get permission to attend a funeral, baptism, or wedding, visit their children (divorced or separated parents), or move about near their house, such as going on a stroll, exercising, or walking their pets.

During Orthodox Easter from 12 to 20 April, religious services were allowed for at most four people. Simultaneously, police patrols to prevent holiday travel increased. As of 3 May, Greece reported 2,600 infections and 144 deaths, with 1,300 recovered. Thanks to limiting the spread of the pandemic in the country, the government decided to gradually end the restrictions starting on 4 May. This is expected to continue through 1 June.

According to opinion polls from 5 April, 87% of the Greek population evaluates the government actions as positive. Support for the ruling New Democracy party between 3 March and 15 April increased from 43% to 53%, and decreased for the opposition parties—Syriza dropped from 28% to 24%, centre-left KINAL fell from 8% to 6%, and the conservative Greek Solution slipped from 6% to 4%. The Greek Communist Party (KKE, 6%) and the left-wing Mera25 (3%) remained about the same. Despite the decline in polls, the majority of the opposition supports the government's ant-pandemic policy. They underline that, thanks to the government's quick action, rate of infection is lower than in other countries. Only KKE participated in protests of about several dozen medical staff on 7 April in front of hospital entrances in Athens. The protesters demanded the employment of additional healthcare workers and expropriation of private healthcare resources to cope with the pandemic.

Effects on the Economy. The economic crisis initiated by the pandemic will prevent Greece from continuing to reduce its public debt. In 2016–2018, the state budget had been generating surpluses. However, according to the International Monetary Fund (IMF), the Greek GDP in 2020 will decrease by 10% compared to 2019 and unemployment will increase to 22%. This will lead to a decrease in tax revenue, prompting a budget deficit of 5% of GDP and an increase in public debt to over 200% of GDP. The tourism sector, which generates more than 20% of GDP, as well as transport, logistics, trade, and heavy industry will suffer the most. The Hellenic Hotel Chamber estimates that losses due to cancelled hotel reservations alone will amount to €1 billion. The government says it will scale economic stimulation conditional on EU support. After obtaining the consent of Eurogroup countries to increase public debt, Greece has prepared a programme worth €10 billion, of which €3 billion comes from EU funds. The programme exempts payment of taxes and social security contributions from companies that commit to maintaining employment. However, the companies are allowed to suspend employment and temporarily reduce full-time contracts to even half-time ones. Workers who lose their source of income in this way receive a benefit of €800 per month. By 10 April, 560,000 companies had taken advantage of the programme, suspending the employment of 1.5 million employees. The government also introduced a benefit of €400 for the long-term unemployed. In terms of EU aid, Greece supports demands by Italy and Spain such as issuing special eurobonds ("coronabonds") and non-repayable EU subsidies for Member States.

The main opposition party, Syriza, wants the government programme to expand to €25 billion. It calls for an additional 4,000 doctors to be employed, prohibition of evictions and auctioning of seized real estate until the end of 2020, freezing of payments of taxes and loans for six months, subsidies for small and medium-sized companies, public works, and government subsidies of the full salary of suspended employees.

Migration. Greece also needs to control the pandemic in migrant camps, where about 40,000 people live, all over the country. In some camps, coronavirus cases have been detected. At the beginning of March, the European Commission asked the Greek government to reduce the density in the camps to minimise the risk of a wider outbreak. In response, the government proposed relocating about 1,600 migrant minors to other EU Member States and lifted the suspension of asylum procedures in force since 1 March. So far, only a few migrants have been relocated, to Germany (50) and Luxembourg (12). At the same time, as of 8 March the process of transferring migrants from islands to the interior of the country continues.

Another major issue to keep the pandemic in check is border protection, mainly against a new uncontrolled influx of people, among which may be those infected with the coronavirus. The government estimates that about 100,000 migrants may come to Greece in 2020 from Turkey, which has reported at least 110,000 cases. Since 2016, the Greece-Turkey dispute over access to natural resources in the Eastern Mediterranean continues. Turkey is using the threat of irregular migration to pressure Greece and the EU. At the turn of February to March, Turkey allowed about 20,000 people to cross to the Greek border. The Greek authorities accuse Turkey of allowing another large group of migrants to gather on the latter's west coast and planning to let them go to Greece. For this reason, the government appealed to the EU and NATO for special support to protect the border with Turkey.

Conclusions. Greece seeks anti-crisis joint eurozone bonds, the relocation of migrants, and EU and NATO support in the dispute with Turkey. The credibility of the government based on its effectiveness so far in the fight against the coronavirus and the subsequent strong public mandate may help it achieve these goals. Close cooperation with other Southern European countries may as well. However, if the government cannot accomplish any of its goals, Greece may plunge into a social-economic crisis, which will likely result in increased Eurosceptic moods in the country.

For the anti-pandemic efforts in Greece to continue to be effective, EU support to counter uncontrolled migration is required. A long-term solution to this issue won't be possible without the Greek-Turkish dialogue. Turkey is reluctant to EU mediation because it views the Union as representing the interests of Greece. For this reason, the role of mediator could be played by Germany, a country with close ties to both sides of the dispute.

It is in Poland's interests that the EU establish a special anti-crisis fund in its 2021–2027 budget. The funding will require an increase in Member State dues, but it may help the Union avoid the risk of differentiated integration between eurozone and non-eurozone states. It also may decrease the scale of the probable reduction of traditional EU structural funds, which are important for Poland.