Never on Sunday: Retail Therapy Not the Answer to Greece’s Woes

Corinne Candilis

In the past six years, international media outlets have not been shy about covering the forceful, even riotous, political demonstrations in central Athens. Since the severe economic downturn of 2008, exacerbated by harsh austerity measures, the Greek people have been left with few political strategies to address soaring unemployment. Amidst the turmoil, a new controversy has arisen over the past year: Sunday sales laws.

In the fall of 2013, Antonis Samaras’s New Democracy coalition passed a law for 10 tourist regions that increased the number of Sundays that stores could remain open from two to seven per year. Instead of remaining closed on all Sundays except the two before Christmas, businesses would be permitted to operate during the Easter holiday and certain other sales periods. The law caused uproar. The Greek Orthodox Church objected to the interference with religious services and observances. Small business owners followed suit, and joined their workers in asserting that the law would only benefit large corporations while tightening the budgets of already strapped small businesses.

The coalition government had unveiled the proposal as a part of its greater agreement with the International Monetary Fund and European Central Bank to liberate the heavily state-controlled economy. New Democracy, the largest member of the ruling coalition, argued that increasing the number of retail Sundays would create 30,000 jobs. In a country plagued by 27% unemployment, the political leadership hoped that the change would boost sales, especially since those who worked during the week would now have greater access to goods and services on the weekend.

To commentators in the United States, the move seems like an obvious step towards a free-market economy. However, in an economy still suffering from a severe lack of demand, this particular freedom could hurt more than it helps. Small business owners argue convincingly that only larger companies would have the capital to pay workers for Sunday shifts. Many small stores are still struggling to keep open even during a regular week. Consequently, they are forced to pick their poison: small businesses may remain closed on Sunday, losing their customers to the larger stores, or they may remain open and lose

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revenue by paying additional wages and overhead costs. Without the assurance of increased sales, they lose revenue either way.

The human cost would be significant as well. Unable to afford new personnel, many stores that opened on Sundays would be forced to press their staff into longer hours. For families juggling multiple full or part-time jobs, the disruption could be dramatic.

The success of smaller businesses hinges on the hopes for increased purchases from newly energized Sunday shoppers. It is conceivable that a less structured economy with more consumer demand would provide exactly the employment and revenue surge the government and its international monitors hope for. Unfortunately, the Greek economy has shown neither of these characteristics. The president of the National Confederation of Greek Commerce (ESEE) notes that while shoppers came out during the first Sunday opportunities, few actually made purchases. When surveyed by the ESEE, 75% of shopkeepers reported the additional sales day was “totally ineffective” in increasing revenue. In fact, in a regional analysis, shopkeepers from Larissa to Piraeus reported sales drops between 10 and 20 percent on the holy days.

There is no question that the Greek economy requires serious modernization to regain its competitive stance on the world stage. Years of bloated job rolls, toothless tax policies, and less than transparent dealings with international regulators call for substantial change. However, in the current economic and political climate, it is not advisable to persist with the Sunday initiative.

In fact, there is a more palatable measure that can immediately help liberate the economy: the basic regulation of sales days. In Greece, large stores can only hold sales legally during certain periods of the year, resulting in significant retail activity during those times. By formally permitting businesses to hold sales whenever they choose, legislators would encourage Greeks to shop year-round. This would bolster store revenue in the off-sale season with fewer detrimental effects.

The vast majority of Greece’s monetary woes stem from excessive government involvement. While the government should and will lessen its involvement in the coming years, easing the Sunday sales ban before an economic recovery is only exacerbating existing hardships.