Social and economic support measures
Selected examples of government Covid-19 responses across the globe

Employment and Social Protection
Measures for individuals and household level

Business Support
Financial stimulus for workers, fiscal and monetary policy targeting business

RECESSIONARY DYNAMICS

The pandemic containment policies come with an unprecedented economic cost: a concurrent contractionary supply and demand shock. Inequalities and incidence of poverty are likely to increase. Insofar as monetary and fiscal space allows, countries respond to the pandemic with a range of employment, social protection and business support policies to minimise possible impact. Examples are contained herein.
## Employment and Social Protection

### Main challenge
Stemming unemployment hikes and support laid-off workers with comprehensive social protection during the suppression stage of Covid-19 responses.

### Expected impact
- Increased unemployment, lower productivity, congestion in safety nets, increased socioeconomic vulnerabilities.

### Suggested action
- Enact employment retention measures, use safety net as a springboard for the job market.

### Expanding non-employment based social protection forms
- Increasing auxiliary social benefits, i.e. child benefits, disability/survivor pensions.

### Wage subsidies
- To cover full or portion of salaries for workers to stay employed, rather than being laid-off.

### Minimum wage support
- Support.

### Labour market regulation
- Suspension of firing procedures.

### Public sector employees on paid compulsory leave with long-term job security ensured.

### Expansion of unemployment benefit coverage
- For employees who lost their jobs due to COVID-19 outbreak. Waiving certain eligibility criteria.

### Moving all offices and state agencies to remote work (capitalizing on e-services). All employees encouraged to work from home.

### Continued benefits/wages payments to quarantined people
- Or people who have to take care of children or sick family members.

### Administrative/delivery simplifications
- I.e. reducing the administrative time required for sick-leave and unemployment benefit payments.

### Special Covid-19 Funds
- Created for public social assistance, or as blended fund pooling private donations.

### Shorter work time benefits
- Providing wage subsidies to employers for each employee to cover reduced working hours.

### Paid sick leave benefits
- For employees, i.e. amount of sick leave/self-isolation support provided corresponds to net salary for extended time, etc.

### Activation (training) measures
- For unemployed and employers.
## Business Support

### Main challenge
Economic activity halt and supply chain disruption during suppression stage of Covid-19 responses

### Expected impact
Enterprises shutdown, spillover in sector and value chains.

### Suggested action
Fiscal subsidies, liquidity support for debt solvency, and tax relief programmes

<table>
<thead>
<tr>
<th>Action</th>
<th>Description</th>
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<tbody>
<tr>
<td>Setting up loan facility or similar guarantee funds, i.e. to allow affected company to receive loans.</td>
<td>Rescheduling existing loans.</td>
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<td>Reducing tax rates — tax rebates to target sectors that are likely to be worst hit.</td>
<td>Not charging interest rates for late tax payments.</td>
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<td>Speeding up tax/VAT reimbursements or expanding tax credits</td>
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<td>Subsidizing labour cost for businesses that had to halt/reduce all activities: direct subsidies to the wage cost or allowing for shortening of hours of labour</td>
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<td>Social security contribution waivers/subsidies for worst-hit sectors and other affected companies for a period of time</td>
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<td>Governments cover sick leave pay, family and/or quarantine pay from the first day of absence</td>
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<tr>
<td>Co-finance and subsidize the interest rates of loans for companies that borrow national currency to pay salaries, taxes, bills and purchase raw materials</td>
<td>Providing liquidity for SMEs in the form of guarantees and loans. Interest-free loans for the payment of wages to employees of business entities that have been affected</td>
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<td>Providing cash grants for self-employed and SMEs.</td>
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<td>Suspending/deferring/waiving payments to public budget i.e. rents, water, electricity, other utilities.</td>
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<td>Allowing businesses to delay their VAT payments for several months. Reduced VAT or cancelled VAT (especially for medical equipment)</td>
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<td>Deferring income tax for self-employed people for several months</td>
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