

COVID-19 POLICY RESPONSES

UNDP Istanbul Regional Hub
Sustainable Development Team

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Empowered lives.
Resilient nations.

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

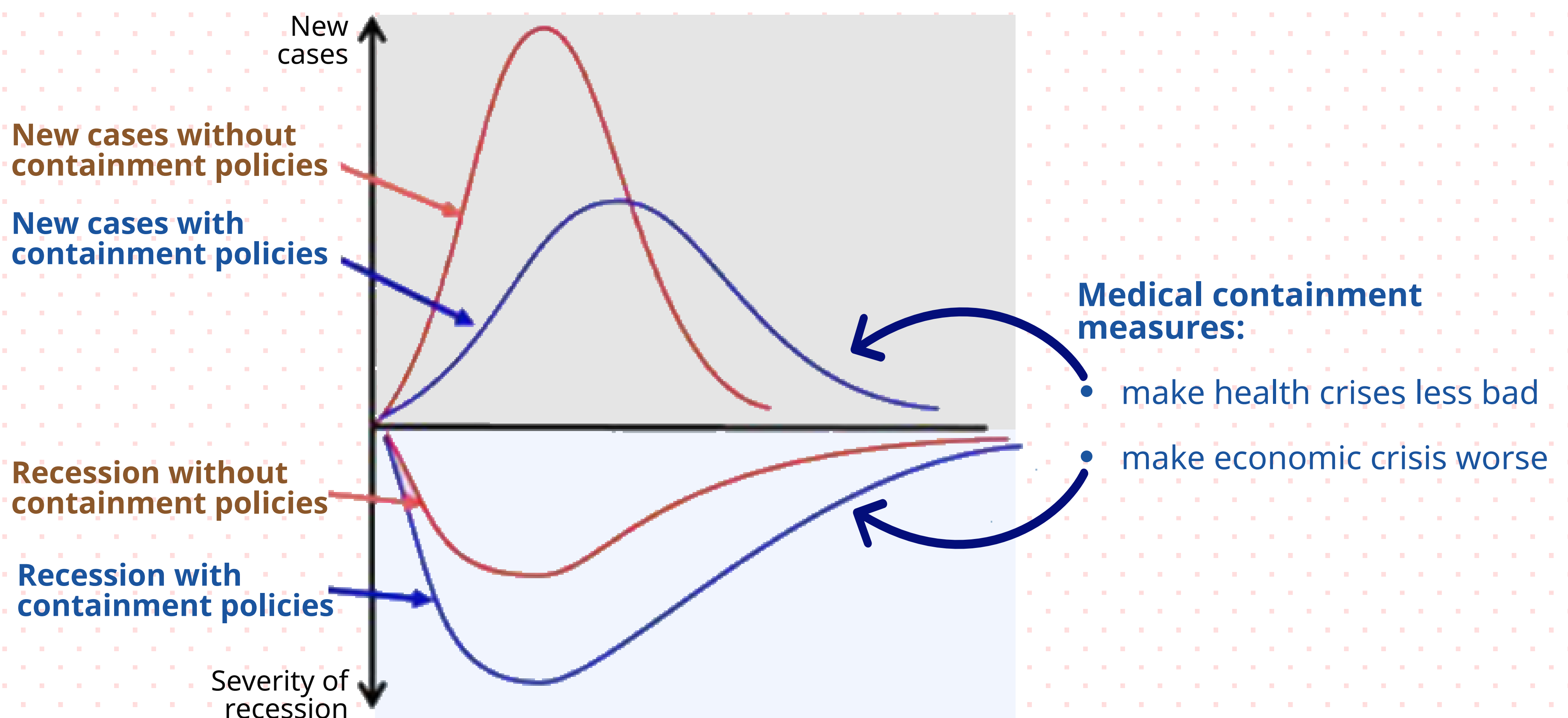


Business Support

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.



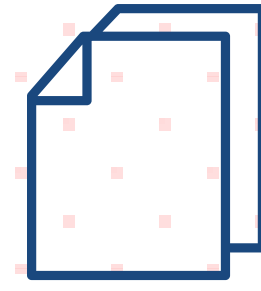
Expanding non-employment based social protection forms, increasing auxiliary social benefits, i.e. child benefits, disability/survivor pensions. 



Wage subsidies to cover full or portion of salaries for workers to stay employed, rather than being laid-off. **Minimum wage** support.



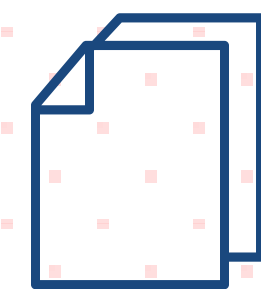
Labour market regulation, i.e. suspension of firing procedures 



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



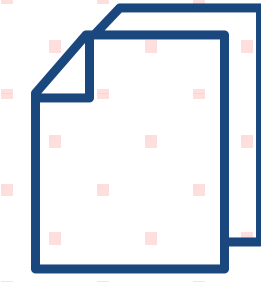
Expansion of unemployment benefit coverage: for employees who lost their jobs due to COVID-19 outbreak. Waiving certain eligibility criteria.



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



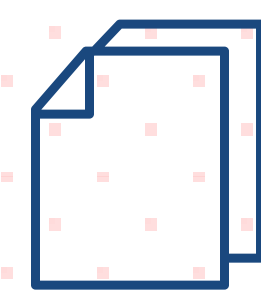
Continued benefits/wages payments to quarantined people, or people who have to take care of children or sick family members. 



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



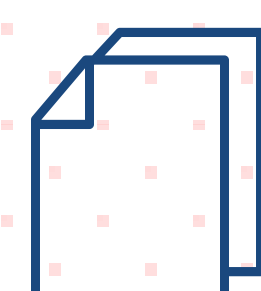
Special Covid-19 Funds created for public social assistance, or as blended fund pooling private donations. 



Shorter work time benefits, providing wage subsidies to employers for each employee to cover reduced working hours. 

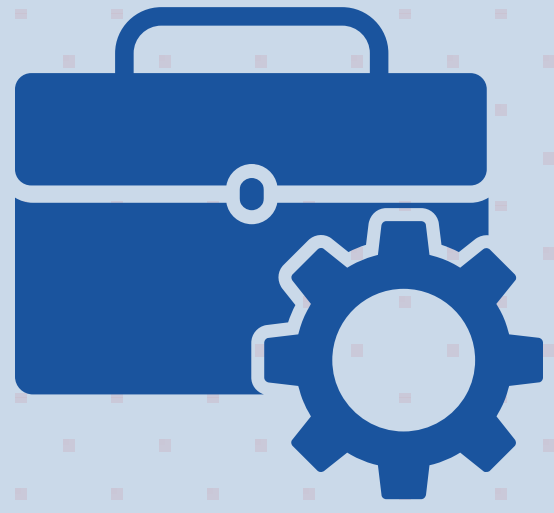


Paid sick leave benefits for employees, i.e. amount of sick leave / self-isolation support provided corresponds to net salary for extended time, etc.



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



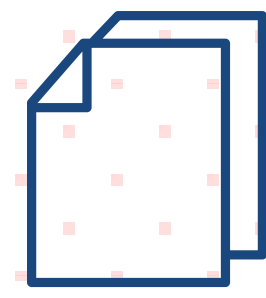
Setting up **loan facility** or similar guarantee funds, i.e. to allow affected company to receive loans. **Rescheduling existing loans.** 



Reducing tax rates – tax rebates to target sectors that are likely to be worst hit. **Not charging interest rates** for late tax payments 




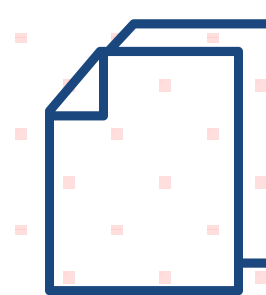
Speeding up tax/VAT reimbursements or expanding tax credits 



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 




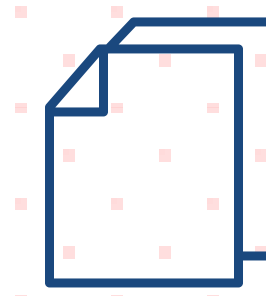
Social security contribution waivers/subsidies for worst-hit sectors and other affected companies for a period of time 




Governments cover sick leave pay, family and/or quarantine pay **from the first day of absence** 



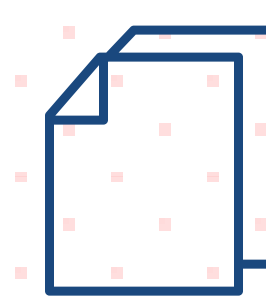
Co-finance and subsidize the interest rates of loans for companies that borrow national currency to pay salaries, taxes, bills and purchase raw materials 



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 



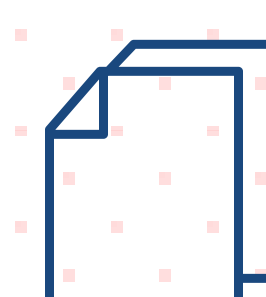
Providing cash grants for self-employed and SMEs. 



Suspending/deferring/waiving payments to public budget i.e. rents, water, electricity, other utilities. 



Allowing businesses to **delay their VAT payments** for several months. **Reduced VAT or cancelled VAT** (especially for medical equipment) 



Deferring income tax for self-employed people for several months 