

COVID-19 and ENTERPRISES

Briefing Note [No. 10]

Published: 9 April 2020

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The COVID-19 pandemic has been affecting enterprises of all sizes and types in unprecedented ways. This brief aims to highlight key information resources available on the functioning of enterprises in the crisis, including its impact on enterprises, responses by enterprises and policy measures to support affected enterprises.

Disclaimer: Due to the rapid evolution of the situation around the COVID-19, there has been a large and growing amount of information resources related to enterprises and the pandemic. Therefore, this brief contains not only the resources of the ILO, but also those from external organizations. Reference to those external resources does not constitute an endorsement by the ILO of the opinions expressed in them.

Visit the ILO website for regular updates on responses to the COVID-19 crisis.

► ilo.org/global/topics/coronavirus

1. Resources for enterprise response

[ILO Monitor 2nd edition: COVID-19 and the world of work](#) | 7 April 2020

The brief updates an ILO research note published on 18 March with sectoral and regional information on the effects of the pandemic. More than 81% in the global workforce of 3.3 billion are currently affected by full or partial workplace closures. Working hours will decline by 6.7% in the second quarter of 2020, which is equivalent to 195 million full-time workers. Approx. 38% of the global workforce (1.25 billion workers) are employed in hard-hit sectors (retail trade, accommodation and food services, and manufacturing). Particularly in low- and middle-income countries, hard-hit sectors have a high proportion of workers in informal employment and workers with limited access to social protection.

[ILO - Five things SMEs need to survive COVID-19](#) | 3 April 2020

The COVID-19 outbreak has hit Small and Medium Enterprises and their workers hard. So what do SMEs need and what has worked in previous calamities to help them survive? Here are our top five policy options.

[ILO Standards and COVID-19 \(coronavirus\)](#) | 27 March 2020

This compilation answers most frequently asked questions related to international labour standards and COVID-19 and aims at supporting governments, employers and workers' responses to the pandemic.

[ILO & UNICEF - Family-friendly policies and other good workplace practices in the context of COVID-19: Key steps employers can take](#) | 02 April 2020

Authored by UNICEF and ILO, with contributions from UN Women, this document offers (interim) recommendations for employers to mitigate the negative consequences stemming from COVID-19.

[UN COVID-19 Response and Recovery Fund](#) | 31 March 2020

The Multi-Partner Trust Fund is a UN inter-agency fund mechanism established by the UN Secretary-General to help support low- and middle-income programme countries overcome the health and development crisis caused by the COVID-19 pandemic and support those most vulnerable to economic

hardship and social disruption. The Fund has three aims, with a finance window for each one: 1) stop transmission of the virus; 2) protect the most vulnerable from its socio-economic impacts, and 3) make countries more resilient to future health crises.

[Business & Human Rights Resource Centre - Guidance on responsible business practices to protect garment workers during COVID-19 pandemic](#)
| 7 April 2020

Multi-stakeholder and industry initiatives such as Better Buying, Ethical Trading Initiative, and Fair Labor Association are producing guidance for apparel and textile companies on responsible human rights due diligence practices to protect garment workers from the economic fallout of the pandemic.

[Better Buying - Guidelines for “Better” Purchasing Practices Amidst the Coronavirus Crisis and Recovery](#) | **2 April 2020**

Suppliers from 39 countries have responded to Better Buying’s survey about the supply and demand challenges they are experiencing due to the coronavirus crisis, and how their buyers’ purchasing practices are further impacting business and workers. While best practices can be difficult to discern, some suppliers reported ways their buyers are helping them wade through this difficult time. The guidelines provide a roadmap for brands and retailers to follow for short-term crisis management that aims to support supplier cash flow and additional steps that provide a foundation for crisis recovery in ways that support mutually beneficial sustainable partnerships.

[IOE & Worldwide ERC - Digital conference on global mobility and COVID-19: impact for businesses](#) | **14 April 2020, 14:00 (Europe CST)**

IOE is mobilising its network to provide information on business and employer organisations’ efforts to support members with safety and health measures, preventive actions to minimise disruption to productivity, mitigation of financial losses, and overview of government initiatives. Details of the conference will be available on the IOE portal on COVID-19.

UN Global Compact - Webinar: How Business Can Support Women in Times of Crisis | 14 April 2020, 10:00 AM (ET)

From immediate relief efforts to longer-term recovery strategies, all sectors of society, including business, have a responsibility to ensure actions taken to combat COVID-19 are responsive to the unique and unequal impacts on women. This special Academy session will cover steps business can take to respect and support the rights and lives of women and girls during the COVID-19 pandemic.

Ethical Corporation - Webinar: Company Purpose in the Wake of COVID-19 | 15 April 2020 9:00 AM (EST)

The current global crisis has required businesses to react and alter practices in an unprecedented way. COVID-19 is a tipping point on what a responsible business should look like. In the words of Paul Polman, this is “an acid test of stakeholder capitalism” and the ‘purpose’ that companies now espouse.

Global Goods Forum - Webinar: CEOs from NTUC Fairprice and IGA Share Their Retail Experience | 14 April 2020 1:00 PM (CEST)

CEOs from NTUC Fairprice (Singapore) and IGA share their retail experience during the COVID-19 crisis: Collaboration with stakeholders and suppliers, communications, supply chain challenges, changes in store operations and staff welfare.

IOE & ITUC - Joint Statement on COVID-19 | 23 March 2020

The joint statement by the International Organisation of Employers (IOE) and the International Trade Union Confederation (ITUC) calls for urgent action in the following key areas: 1) Business continuity, income security and solidarity; 2) Social dialogue and the role of social partners; 3) Policy coordination and coherence; 4) Strong and functioning health systems; and 5) Critical elements in the 2019 ILO Centenary Declaration for the Future of Work for long-lasting and sustainable response to pandemics including the COVID-19.

2. Government support to enterprises

[ILO platform on country policy responses](#) | 7 April 2020

In this platform, you can search a country or territory to find out the measures implemented by governments, employers' and workers' organizations, and the ILO. More countries will be added as new information is made available.

Content can be found in one of the ILO official languages (English, French and Spanish) depending on the country.

[Commission and European Investment Fund unlock €8 billion in finance for 100,000 SMEs](#) | 8 April 2020

The European Commission has unlocked €1 billion from the European Fund for Strategic Investments (EFSI) that will serve as a guarantee to the European Investment Fund (EIF), part of the European Investment Bank (EIB) Group. This will allow the EIF to issue special guarantees to incentivise banks and other lenders to provide liquidity to at least 100,000 European SMEs and small mid-cap companies hit by the economic impact of the coronavirus pandemic, for an estimated available financing of €8 billion.

[Cambodian Govt. offers \\$70 per month for each laid-off garment worker as more factories suspend operations due to Covid-19](#) | 8 April 2020

The government decided that factories would pay \$30 and the government would pay \$40 for laid-off garment workers, considering the financial capacity of the employers.

[Malaysia announces US\\$2.3 billion third stimulus package for economy](#) | 6 April 2020

The [package](#) is aimed at SMEs – which make up 98% of Malaysia's economy, according to government data. It consists of 7.9 billion ringgit that has been earmarked for an expansion of wage subsidies for employers based on the size of their workforce, while the other 2.1 billion ringgit is for a special grant of 3,000 ringgit for all registered micro-SMEs – SMEs with a turnover of less than 300,000 ringgit or fewer than five employees.

[Japan stimulus plan strengthens safety net, but experts split on handouts](#)

| 7 April 2020

The third batch of the economic relief package worth ¥108 trillion (approx. US\$1 trillion) will allow a one-year tax moratorium worth ¥26 trillion and spend ¥6 trillion on cash grants for affected small and medium sized enterprises (SMEs), sole proprietors and households. SMEs up to ¥2 million each and sole proprietors ¥1 million if their revenues have halved due to the impact of the virus.

[Hong Kong launches relief measures for businesses](#) | 8 April 2020

The Hong Kong government on Wednesday launched a HK\$137 billion (US\$17.67 billion) package of measures to help businesses stay afloat during the coronavirus pandemic and save people's jobs. The government will pay 50% of private-sector workers' salaries for six months, with the monthly subsidy for each worker capped at HK\$9,000. Companies will be reimbursed in two installments, with the first of the money arriving by June. This measure will help make sure 1.5 million workers get their wages, according to the government.

[La Banque Centrale des États de l'Afrique de l'Ouest \(BCEAO\) a publié un ensemble de mesures pour atténuer l'impact de la pandémie du Covid-19](#) |

1 April 2020

La Banque Centrale des États de l'Afrique de l'Ouest (Bénin, Burkina Faso, Côte d'Ivoire, Guinée Bissau, Mali, Niger, Sénégal, Togo) a mis en place le "dispositif Covid-19" pour notamment accompagner les entreprises qui rencontrent des difficultés pour rembourser leurs créances en raison de la crise sanitaire. Dans cet Avis du 01 avril 2020, le Gouverneur incite également les établissements de crédit à accorder des reports d'échéances sur les prêts pour une période de 3 mois sans charge d'intérêt ni pénalité de retard.

3. Enterprises response

Workplace safety and working conditions

[Brazil - ABIOVE support its members to contain the advance of the COVID-19 pandemic](#) | 27 March 2020

The Brazilian Association of Vegetable Oil Industries (ABIOVE) announces that its members are taking special steps to mitigate the risks of contamination and dissemination in their operations. These steps were adopted to ensure that the production and supply of food and biofuels are not interrupted and to guarantee the safety of the direct and indirect workers of their industrial units.

[Brazil - SEST SENAT mobilizes support for the safety and health of transport workers](#) | 31 March 2020

The Social Transport Service and National Transport Learning Service (SEST SENAT) mobilized resources to distribute hygiene products and meals to drivers at more than 130 highway points as restrictions are imposed on the operation of commercial establishments.

Employee protection

[Woolworths is hiring 20,000 more workers, offering mostly casual, temporary positions to retail and airline staff who have lost their jobs](#) | 27 March 2020

In Australia, the supermarket leader Woolworths is hiring 20,000 workers to help retail staff and Qantas employees who lost their jobs due to the coronavirus outbreak. Most of the positions will be casual. Woolworths' hiring drive came after Coles announced it would hire 5,000 more workers around Australia.

[BT, Verizon and Virgin Media raise pay for frontline worker](#) | 6 April 2020

Telecom groups including BT, Verizon and Virgin Media are raising salaries and in some cases expanding their workforces against a backdrop of pay cuts and

heavy job losses ripping through the global economy. The sector has been relatively unscathed in financial terms by the coronavirus pandemic, with demand for broadband and mobile services soaring as millions switch to working from home, and the UK and US governments identifying communications workers as critical.

Supply chain stabilization

South Korea - The Fair Trade Commission to give benefits to firms supporting coronavirus-hit suppliers | 2 April 2020

South Korea's antitrust watchdog said it planned to give benefits to companies that support small and medium-sized enterprises affected by the coronavirus. To help the struggling firms, large companies, including Samsung, LG, SK and Hyundai Motor, have taken measures to support millions of their suppliers since early February including through early payment, interest-free loans and support for workplace safety of suppliers in China.

H&M just thought twice before triggering force majeure clauses with suppliers | 1 April 2020

Fashion giant H&M announced that it would take delivery of already produced garments, as well as goods in production, and that the goods would be paid for under previously agreed payment terms and prices. Other ways we are hearing apparel companies integrate a people lens into cash flow decisions include protecting specific suppliers in countries where workers lack a social safety net or seeking to only exercise force majeure with suppliers that have the financial wherewithal, rather than necessarily those suppliers that offer the most savings. L'Oréal is prioritising immediate payments to and shortening payment terms with suppliers who may go out of business, and Unilever is offering early payment to its most vulnerable small and medium-sized suppliers to help them with financial liquidity.

Production innovation and adaptation

Tunisia deploys 'robocop' developed by a start-up to enforce coronavirus lockdown | 4 April 2020

Tunisia's interior ministry has sent a police robot to patrol the streets of the capital and enforce a lockdown imposed last month as the country battles the spread of coronavirus. The robot was created by a Tunisian start-up Enova Robotics first in 2015 to carry out security patrols. It also operates autonomously through artificial intelligence.

Support to customers and communities

Can Airbnb survive coronavirus? | 3 April 2020

Airbnb to set up a [\\$250 million fund](#), in order to compensate hosts for up to 25% of their lost income, with an additional \$10 million bailout fund for super-hosts. U.S. hosts will also be [eligible to apply for relief](#) from Covid-19 stimulus payments, a bailout that Airbnb is also asking the national government to extend to hosts in [Canada](#).

Daniel Zhang shares new relief initiatives for SMEs | 7 April 2020

Alibaba Group Chairman and CEO Daniel Zhang issued a staff memo announcing the launch of the 2020 Spring Thunder Initiative to help SMEs succeed in what are trying circumstances. The initiative includes the following measures: 1) Help export-focused SMEs to expand into new markets through AliExpress, Lazada and Tmall World; 2) Activate manufacturing belts, incubate a group of "Super Producer IP" designations, and foster 10 digitized manufacturing clusters with production output valued at tens of billions in RMB; 3) Help the agriculture sector to prosper through digitization and create 1,000 Alibaba digitized agricultural centers across China; and 4) Help alleviate financing challenges for more SMEs.

Alibaba unveils technologies to empower partners in fight against coronavirus | 26 March 2020

Alibaba Cloud, DAMO Academy and DingTalk have joined forces to launch a series of AI technologies and cloud-based solutions to support companies and

organizations worldwide in the fight against Covid-19. The new tech offerings are designed to help business decision-makers, researchers and medical practitioners address challenges across several major areas. These include: Knowledge Sharing and Peer Communication, Epidemic Prediction, Fast-Track Diagnosis and Accelerated Drug Development.

Mastercard commits \$250 million to support small business' financial security | 7 April 2020

Mastercard announced a commitment of \$250 million over five years to support small businesses in the United States and other markets where it operates. The company will provide U.S. small business owners with access to necessary resources to help protect their business and their employees through free cyber vulnerability assessments and identity theft protection and a market intelligence solution for analysis of consumer spending trends.

Recovery and post-recovery actions

McKinsey - Could the next normal emerge from Asia? | April 2020

Asia, the first part of the world affected by the crisis, is leading the way out. This article sets out four dimensions that could define the next normal in the global economy based on emerging responses by Asia's businesses, namely: 1) Rethinking social contracts; 2) Defining the future of work and consumption; 3) Mobilizing resources at speed and scale; and 4) From globalization to regionalization of supply chains.

Shaping a sustainable post-Covid-19 world: five lessons for business | 27 March 2020

This article outlines how companies can convert the management-speak of 'purpose' into action that contributes towards building a more resilient, equal and healthy society on the other side of the pandemic.

All eyes on China's Wuhan for way back after lockdowns | 26 March 2020

The lockdown that has gripped the original epicenter of the coronavirus for

more than two months is finally set to end, spurring investors into action as they gauge which companies will benefit most.

Other responses

[Covid-19 roundup: Companies rally as pandemic takes escalating toll](#) | 27

March 2020

Roundup on how business has responded over the past two weeks to the global pandemic. There is an overview of how the likes of Microsoft, Google, The Coca-Cola Company, Nestlé, Unilever, GSK, Twitter, General Motors, L'Oréal, and others have stepped up in the wake of the Covid-19 pandemic

[PRI launches signatory COVID-19 investor response groups](#) | 3 April 2020

The organisation said investors should encourage companies to practice responsible financial management that allowed them to prioritise employees, contractors, suppliers and the longer term health of the company itself over bonuses for executives, and buy-backs and dividends for shareholders. Although investors should give management and boards the space to focus on crisis management, they should also be on watch for examples of companies or governments “using the cover of the crisis to avoid scrutiny”.

[70% of Korean Air employees furloughed](#) | 8 April 2020

South Korea's flag carrier Korean Air will put 70% of its 19,000 staff on furlough, it said, as it scrambles to cope with the coronavirus pandemic that has brought global aviation to a standstill. According to normal South Korean practice, the workers will receive 70% of their normal pay, with most of that amount – reportedly up to 90% – funded by a government scheme for industries in need of special assistance due to the coronavirus.

4. Workers response

[Global labour unions organise for a post-pandemic world](#) | 7 April 2020

The labour movement is closely monitoring the corporate and public reaction to the outbreak. Last month the first of the [ITUC's global COVID-19 surveys](#) analysed the emergency support introduced by G20 governments and found that “the best of these responses have provided immediate support for workers and the real economy with paid sick leave, wage or income support and other measures. Now we need to mobilise to make sure [the money] reaches the real economy.”

[LABOUR 7 \(L7\) Key Demands in response to the COVID-19 Epidemic](#) | 1 April 2020

The L7 represents national trade union centers from G7 countries. The group calls for immediate action and commitment by G7 countries to ensure adequate support to the economy and workers. Key action areas include: 1) channeling massive, sustained support to the economy; 2) protecting households, workers, including those on the frontlines; 3) scaling up investment in public health systems and public services; 4) coordinating supply; 5) ensuring responsible business conduct in global supply chains; and 6) promoting better collective protections for workers.