

COVID-19 and ENTERPRISES

Briefing Note [No. 14]

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Contents

- [1. Resources for enterprise response](#)
- [2. Government support to enterprises](#)
- [3. Enterprises response](#)

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 welcomes joint action to tackle COVID-19 threats to global garment industry](#) | 22 April 2020

The Call to Action brings together garment industry employer and worker organizations, leading brands and retailers to work with governments and financial institutions to tackle the devastating economic disruption and threat to livelihoods caused by the COVID-19 pandemic. It aims to mobilize sufficient funding to enable manufacturers to ensure business continuity, payment of wages, as well as income-support and job retention schemes to protect garment workers' income, health and employment. This initiative was announced in a joint statement by the International Organisation of Employers (IOE), the International Trade Union Confederation (ITUC), and IndustriAll Global Union and will be convened by the ILO.

[ILO - Sectoral impact, responses and recommendations](#) | 21 April 2020

The ILO has launched a series of briefs that captures the impact of the crisis on several social and economic sectors, including public emergency services (PES), health services, education, food retail, automotive, tourism, civil aviation, agriculture, maritime shipping and fishing, and the textiles, clothing, leather and footwear (TCLF) industries. The briefs also contain policy responses and measures taken by ILO constituents as well as available ILO tools and responses at the sector-specific level. The briefs will be updated regularly.

[WIEGO - Impact of public health measures on informal workers livelihoods and health](#) | 14 April 2020

The Women in Informal Employment: Globalizing and Organizing (WIEGO) conducted a rapid assessment with informal worker leaders and others who work closely with them to understand how COVID-19 and the related public health measures are impacting informal workers in Africa, Asia and Latin America. The organizations interviewed represent mainly domestic workers, home-based workers, street vendors and market traders, and waste pickers.

[Business Fights Poverty - How can business respond to the increase in domestic violence during COVID-19?](#) | 20 April 2020

The COVID-19 pandemic will require increased and altered action by business. A new [Business Fights Poverty Action Toolkit](#) suggests that there are two main ways business can do this. This will mean overcoming the challenges of doing so when contact with an employee is maintained only through online and telephone communication. Secondly business can harness its core business, its philanthropic funds and its influence on public policy, to tackle the issue more widely.

[IHRB guidance urges businesses to find original solutions & respect human rights standards when responding to COVID-19](#) | 16 April 2020

Part I provides an overview of the human rights impacts of the pandemic. Part II outlines the importance of the corporate responsibility to respect human rights in the current context. Part III identifies where change is needed and where good practices are being implemented. It concludes with a series of recommendations to businesses. Part IV looks ahead, to the extent that is possible, and reflects on the longer-term implications.

[Clean Clothes Campaign East Asia - Live blog on the impact of COVID-19 on garment workers](#) | 21 April 2020

This blog aims to collect daily information about how the COVID-19 is influencing garment workers' rights in supply chains around the world. It will be updated as new information comes in from media and the Clean Clothes Campaign global network.

[Open Democracy - Shaping a new social contract through the pandemic](#) | 8 April 2020

Written by Mary Robinson, Former President of Ireland and Former UN High Commissioner for Human Rights, and Chair of the Business & Human Rights Resource Centre International Advisory Network; and Phil Bloomer, Executive Director of the Business & Human Rights Resource Centre, the article highlights emerging responses by governments to scale up social protection for workers

affected by the pandemic and by businesses to protect workers in their supply chains. “The UN Guiding Principles and the Paris Agreement, with a new emphasis on corporate due diligence, workers’ rights, and social protection, point the way to a more resilient and inclusive future for global markets.”

[McKinsey - Digital strategy in a time of crisis](#) | April 2020

As the COVID-19 crisis forces customers, workers, and supply chains into digital channels and new ways of working, this moment of crisis is precisely the time for companies to boldly advance their digital agenda. The article suggests four areas of focus, each of which goes toward innovating entirely new digital offerings, deploying design thinking and technologies like artificial intelligence (AI) at scale across business, and doing all of this “at pace” through acquisitions.

[Webinar Series: Socialprotection.org - Social protection responses to COVID-19](#)

This webinar series is part of a joint initiative by the International Policy Centre for Inclusive Growth (IPC-IG), the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of the German Federal Ministry of Economic Development and Cooperation (BMZ) and the Department of Foreign Affairs and Trade (DFAT) of Australia to compile latest updates on how countries across the world are responding to the COVID-19 crisis through social protection measures.

2. Government support to enterprises

[ILO portal on the country policy responses](#)

This ILO portal is being frequently updated to provide recent updates on the measures implemented by governments, employers’ and workers’ organizations, and the ILO by country and territory.

South Africa - President Cyril Ramaphosa: Additional Coronavirus COVID-19 economic and social relief measures | 21 April 2020

President Ramaphosa of South Africa announced additional COVID-19 economic and social relief measures amounting to R500 billion, around 10% of GDP. This is the second phase of measures to stabilise the economy, address the decline in supply and demand and protect jobs. The package include income support payments for workers whose employers are not able to pay their wages; financial assistance to SMEs, spaza shop owners and other small businesses; and a special Covid-19 Social Relief of Distress grant of R350 a month for the next 6 months will be paid to individuals who are currently unemployed and do not receive any other form of social grant or unemployment insurance.

Rwanda - How Govt is incentivizing masks production | 21 April 2020

The RDB Chief Executive noted that by giving the 22 firms sole access to the local market, it was in itself a huge incentive as the firms can then make a case to financiers to access capital for operations. The incentives are aimed at ensuring that the masks are priced at below Rwf 500 to ensure affordability across the country. The Minister of Trade and Industry said that local manufactures of Personal Protective Equipment such as face masks will be facilitated on aspects such as access to raw material and machines, regular tax exemptions on customs duty and VAT as well as access cargo transport for access to raw materials in close collaboration with RwandAir.

India - Rescuing the MSME Sector | 10 April 2020

MSMEs contribute nearly 30 percent of India's gross domestic product and close to half of the country's total exports. The government has been using economic measures to soften the economic blow rendered to its MSME sectors. In this article, a policy framework has been proposed to foster the sector's resilience to the onslaught of this health emergency and for long-term development. Key takeaways: 1) Measures to mitigate impact on MSME labour workforce; 2) Specific measures for self-employed or owner-managed enterprises; 3) Measures to defer utility and social security payments; 4) Measures to enhance access to credit; and 5) Design revival plan.

China - Commercial banks set to increase financial assistance for SMEs | 23

April 2020

Commercial banks will increase their lending to small businesses with a solid tax payment background to further ease the shocks from the COVID-19 pandemic. Small and micro enterprises, which cannot provide any collaterals or guarantees for loans, can share their tax payment information with commercial banks to get funding. Lending via this method has been provided to an increased number of firms during the epidemic period.

China - Reforms for small lenders to deepen | 23 April 2020

China has more than 4,000 incorporated small and medium-sized banks and their total assets stand at 77 trillion yuan (\$10.9 trillion). Most of these lenders have been affected by the novel coronavirus outbreak due to limited management capabilities and distinctiveness of their customers, which are mainly small businesses, farmers and agribusinesses. On April 3, the People's Bank of China, the central bank, decided to cut the reserve requirement ratio for small and medium-sized banks by 100 basis points. The central bank will also increase re-lending and rediscount quotas by 1 trillion yuan to provide small and medium-sized banks with low-cost funds.

Japan to provide \$2.2 bil. to move factories | 7 April 2020

Japan is planning to give about 2.2 billion dollars to Japanese manufacturers to help them relocate their overseas factories, including bringing them back home. The subsidies are in response to serious disruptions to companies' supply chains caused by the COVID-19 pandemic. Many Japanese companies have concentrated their manufacturing of surgical masks, auto parts and other key products in a single country.

Danish Govt. & Parliament set conditionalities on tax & dividend payments and say companies should follow UNGPs | 22 April 2020

Applicant companies, as a condition for receiving compensation must state that they will not pay out dividends or buy back own shares for the financial years 2020 and 2021. The condition will apply to companies receiving more than DKR

60 million in compensation in 2020. The contracting parties agree that companies applying for compensation after the extension of the business aid schemes should follow the UN Guiding Principles on Business and Human Rights and pay the tax to which they are liable under international agreements and national rules.

Denmark and Poland are refusing to bail out companies registered in offshore tax havens | 20 April 2020

Denmark and Poland are refusing to let companies registered in offshore tax havens access financial aid from their coronavirus bailout packages.

EU - €3 billion financial assistance package for ten neighbouring countries | 22 April 2020

The Commission proposed a €3 billion macro-financial assistance package to ten enlargement and neighbourhood partners with the aim to limit the economic fallout of the coronavirus crisis in partner countries. The proposal comes in addition to the €15.6 billion 'Team Europe' strategy, the EU's targeted response in support of partner countries' efforts in tackling the coronavirus pandemic. Beneficiaries are the Republic of Albania, Bosnia and Herzegovina, Georgia, the Hashemite Kingdom of Jordan, Kosovo, the Republic of Moldova, Montenegro, the Republic of North Macedonia, the Republic of Tunisia and Ukraine.

EU - Exceptional measures to support the agricultural food sector | 23 April 2020

The Commission proposes to grant private storage aid for dairy and meat products, flexibility in the implementation of market support programmes to refocus funding priorities, and exceptional derogation from EU competition rules to stabilise the markets in different sectors. For example, the milk sector will be allowed to collectively plan milk production and the flower and potatoes sector will be allowed to withdraw products from the market. Such agreements and decisions would only be valid for a period of maximum six months.

Consumer price movements will be monitored closely to avoid adverse effects. The Commission aims to have these measures adopted by the end of April.

[Vers une relocalisation en France des entreprises stratégiques](#) | 10 April 2020

L'idée est de plus en plus évoquée avec la crise du coronavirus. La Caisse des dépôts et consignations se dit prête à contribuer au financement de telles opérations.

[Perú - Gobierno extiende régimen de recuperación anticipada del IGV hasta el 2023](#) | 17 April 2020

El Poder Ejecutivo, a través del Decreto Legislativo N° 1463, prorrogó y amplió el ámbito de aplicación del Régimen Especial de Recuperación Anticipada del Impuesto General a las Ventas (IGV), con el objetivo de promover la adquisición de bienes de capital. Dicho régimen busca atenuar el costo financiero que puede involucrar la adquisición de bienes de capital, brindando liquidez en un periodo menor que el esperado.

3. Enterprises response

Workplace safety and working conditions

[Colombia - Anglogold Ashanti retoma algunas actividades en su proyecto quebradona bajo estrictas medidas de bioseguridad y cumpliendo con las recomendaciones del Ministerio de Salud y la OMS](#) | 20 April 2020

A partir del 21 de abril, Minera de Cobre Quebradona retoma algunas de sus actividades en campo con el propósito de reactivar el trabajo y de adelantar las actividades que son esenciales para la continuidad del proyecto. El reinicio de actividades prioritarias se realiza en el marco de un estricto protocolo de bioseguridad que busca proteger la salud y vida de sus colaboradores, contratistas, proveedores y habitantes de su zona de influencia.

Employee protection

[India - Ola introduces 'Drive The Driver Fund' Initiative to fund relief for driver community](#) | 27 March 2020

To support auto-rickshaw, cab, kaali-peeli and taxi drivers, Ola has officially announced the launch of 'Drive The Driver Fund' initiative for helping the driver community during Coronavirus outbreak.

Supply chain stabilization

[Japan preps first subsidy to company moving production out of China](#) | 21 April 2020

Consumer products maker Iris Ohyama is set to become the first Japanese company to receive a government subsidy to shift production out of China as part of an effort to build more resilient supply chains. Starting June, Iris will begin producing face masks at its Kakuda factory in its home base located in Miyagi Prefecture in northern Japan.

[Sustainable Textile of the Asian Region \(STAR\) Joint Statement on Responsible Purchasing Practices amid the COVID-19 Crisis](#) | 9 April 2020

The undersigned nine textile and garment business associations of the Sustainable Textile of Asian Region (STAR) Network from six producing and export countries, call on global brand companies, retailers and traders to: 1) Carefully consider all potential impacts on workers, small businesses in the supply chain when taking significant purchasing decisions; 2) Honor the terms of purchasing contracts, fulfil obligations therein, and not re-negotiate price or payment terms; 3) Make practical plans to take responsibility of the suspended delivery or shipment, as well as the goods already produced or currently in production, proceed with payment as agreed upon, and not cancel confirmed orders which are already in production; 4) Offer fair compensation to suppliers (100% FOB) if production or delivery has to be suspended or stopped, or offer salaries directly to workers of suppliers; (...) 8) Always resort to dialogue and collaborative settlement to ensure mutually acceptable solutions to disputes;

and 9) Support business partners on supply chain as much as possible, and aim at long-term strategy of business continuity, supply chain unity and social sustainability.

Production innovation and adaptation

[Delivering critical information and behaviour change at scale](#) | 15 April 2020

Every1Mobile announces the launch of two digital information and behaviour change tools in the fight against coronavirus in Africa. ENDCORONAVIRUS.AFRICA and ENDCORONAVIRUS.CO.KE are interactive one-stop-shops for COVID-19 prevention and management information in English for users across Africa, and Kiswahili for users in Kenya, using WHO guidelines.

[Pret A Manger hastens launch of retail coffee range because of pandemic](#) | 20 April 2020

Pret A Manger, the food-to-go chain, plans to launch a coffee range in supermarkets this month as it tries to adapt its business to the world after coronavirus. One case showing that the retail industry must be flexible and responsive coming out of coronavirus.

[Argentina - Las pymes más versátiles, listas para resistir](#) | 22 April 2020

Con las capacidades disponibles, varias readaptan sus procesos y pasan a producir insumos para enfrentar la pandemia. La recomendación de los expertos para tomar las decisiones correctas a tiempo.

Support to customers and communities

[Microsoft: Protecting healthcare and human rights organizations from cyberattacks](#) | 14 April 2020

Microsoft makes AccountGuard free for healthcare providers, humanitarian & human rights organizations, to protect them from growing cyber attacks.

Michelin-star restaurant in Denmark cooks for homeless during pandemic

| 23 April 2020

A 2-Michelin star restaurant in Denmark decided to launch a JunkFood project and cook for homeless people after being forced to close due to the COVID-19 pandemic. The project was initiated by chef Rasmus Munk, who runs four kitchens, and aims to giving people who don't have a home nutritious meals. There are about 600 homeless people in the area of new Copenhagen, and it is quite hard for them to find food after the COVID-19 outbreak.

UK - Co-op Midcounties makes 10,000 food deliveries to vulnerable people |

18 April 2020

Since launching a home delivery service from scratch earlier this month, the society has partnered with 100 volunteering groups and 600 volunteers.

Recovery and post-recovery planning

Restaurants serve up range of new ideas | **23 April 2020**

The catering industry has been hit hard by the novel coronavirus pneumonia outbreak. Restaurants have developed creative ideas to reduce losses—ranging from livestream broadcasts to community ventures. Some are even sharing their employees' time with factories and other businesses.

Fiat reaches deal with unions on measures for production restart in Italy |

16 April 2020

Fiat Chrysler reached a deal with unions on Thursday over measures to adopt in its Italian plants once the government eases restrictions on business activity put in place to contain the coronavirus outbreak.

German carmakers to resume production as lockdowns ease | **15 April 2020**

German carmakers including Volkswagen and Mercedes-Benz will restart production at some German factories next week after the country eased restrictions designed to contain the coronavirus outbreak. The carmaker has retooled production to ensure that workers keep 1.5 metres apart. Other

measures include the staggering of shifts and lunch breaks, plus steps to change worker interaction in VW's supply chain.

Turbine and blade manufacturers have reopened their Spanish production facilities following a two-week pause on non-essential work to limit the spread of the coronavirus | 14 April 2020

Blade manufacturer LM Wind Power stated vulnerable employees did not have to work and would receive a full salary, and that workers' temperatures were being checked and must observe social distancing at the plants. Workers were already equipped with PPE "beyond what is required by health authorities".

Multiple/other responses

ICMM Newsletter | 21 April 2020

As the global community responds to the COVID-19 pandemic, International Council on Mining & Metals members have been proactive in supporting a range of community services and responses, depending on local context and regulations. Members are also sharing resources on the practical measures put in place across operations to protect workers. Also includes a page on COVID-19: [Company member responses](#) and [Association member responses](#).

Sistema B - Iniciativas para la resiliencia | 22 April 2020

Sistema B, una Organización sin fines de lucro que tiene como misión construir ecosistemas favorables para un mercado que resuelva problemas sociales y ambientales, recopila iniciativas de empresas para apoyar a personas trabajadoras y otros grupos de riesgo en el contexto de la pandemia.

Las aerolíneas atraviesan un turbulento panorama para no caer al abismo en medio de la pandemia | 23 April 2020

Con pérdidas por las nubes, las principales compañías aéreas buscan alternativas para mantener su vuelo y sortear el impacto económico desatado por los cierres de las terminales, el temor de los viajeros y las medidas para contener la propagación del Covid-19.