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The G7 Research Group presents the

## **2020 G7 USA Virtual Summit Interim Compliance Report**

17 March 2020 to 25 February 2021

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“We have meanwhile set up a process and there are also independent institutions monitoring which objectives of our G7 meetings we actually achieve. When it comes to these goals we have a compliance rate of about 80%, according to the University of Toronto. Germany, with its 87%, comes off pretty well. That means that next year too, under the Japanese G7 presidency, we are going to check where we stand in comparison to what we have discussed with each other now. So a lot of what we have resolved to do here together is something that we are going to have to work very hard at over the next few months. But I think that it has become apparent that we, as the G7, want to assume responsibility far beyond the prosperity in our own countries. That’s why today’s outreach meetings, that is the meetings with our guests, were also of great importance.”

Chancellor Angela Merkel, Schloss Elmau, 8 June 2015

G7 summits are a moment for people to judge whether aspirational intent is met by concrete commitments. The G7 Research Group provides a report card on the implementation of G7 and G20 commitments. It is a good moment for the public to interact with leaders and say, you took a leadership position on these issues — a year later, or three years later, what have you accomplished?

Achim Steiner, Administrator, United Nations Development Programme,  
in G7 Canada: The 2018 Charlevoix Summit



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## 14. Global Economy: Restoring Confidence and Growth

“We are committed to marshalling the full power of our governments to: Restore confidence, growth and protect jobs.”

*G7 Leaders’ Statement*

### Assessment

	Lack of Compliance	Work in Progress	Full Compliance
Canada		0	
France			+1
Germany			+1
Italy		0	
Japan			+1
United Kingdom			+1
United States			+1
European Union			+1
Average		+0.75 (88%)	

### Background

The G7 was first founded as a meeting of the finance ministers of the world’s largest economies in reaction to the oil crisis caused by the Organization of the Petroleum Exporting Countries, the fall of the Bretton Woods monetary system and the ensuing recessions.<sup>2612</sup> The members of the G6, later to become the G7, realized they needed an expedient way to communicate and coordinate decisions and ideas about their economies. Thus, the global economy has been a topic of discussion at the G7 summits since the beginning, and the group has navigated several global recessions in the 45 years since its inception.

During the 1970s, the G7 members focused on anti-inflationary measures to counteract the extreme fluctuations in the global economy.<sup>2613</sup> Additionally, since many of these financial crises were due to drastic changes in oil supply and prices, the leaders emphasized the need for energy independence and free trade.

As the leaders entered the second cycle of the group, French President François Mitterrand shifted the path of economic policy at the 1982 Versailles Summit.<sup>2614</sup> There he presented the Report on Technology, Employment and Growth, which focused more on how to transition to a more technologically advanced society while still maintaining job growth and full employment. Instead of only emphasizing appropriate monetary and fiscal policy, President Mitterrand also highlighted the need to invest in the adaptation of knowledge, sustaining consumer demand and putting greater effort into professional training and mobility.<sup>2615</sup>

The new interest in sustainable growth and development continued on to future summits. The 1984 London Declaration discussed recovery from the previous recession through job training programs and strengthening

<sup>2612</sup> What are the G7 and the G8?, G7 Research Group (Toronto) 2 February 2016. Access Date: 22 January 2021.

[http://www.g7.utoronto.ca/what\\_is\\_g8.html](http://www.g7.utoronto.ca/what_is_g8.html).

<sup>2613</sup> Declaration of Rambouillet, G7 Research Group (Rambouillet) 17 November 1975. Access Date: 22 January 2021.

<http://www.g7.utoronto.ca/summit/1975rambouillet/communique.html>.

<sup>2614</sup> Technology, Employment and Growth: Report by Mr. François Mitterrand, President of the French Republic at the Summit of the Industrialized Countries, G7 Research Group (Versailles) 5 June 1982. Access Date: 28 December 2020.

[http://www.g7.utoronto.ca/summit/1982versailles/report\\_english/draw.html](http://www.g7.utoronto.ca/summit/1982versailles/report_english/draw.html).

<sup>2615</sup> Technology, Employment and Growth: Report by Mr. François Mitterrand, President of the French Republic at the Summit of the Industrialized Countries, G7 Research Group (Versailles) 5 June 1982. Access Date: 28 December 2020.

[http://www.g7.utoronto.ca/summit/1982versailles/report\\_english/draw.html](http://www.g7.utoronto.ca/summit/1982versailles/report_english/draw.html).

the new international monetary system.<sup>2616</sup> In 1985, the Bonn Economic Declaration emphasized the need to focus on growth beyond non-inflation and gross domestic product (GDP) and instead shift towards sustained growth and higher employment.<sup>2617</sup> Again, training programs for young people were mentioned, along with promoting adaptability and flexibility within the labour force. As well, open trade was emphasized to increase market efficiencies and promote further global economic integration.<sup>2618</sup> While these general goals were agreed upon, the declaration also noted that each country needed to pursue their own individual policies that best fit their economies.

As these shifts towards a more holistic approach to growth were taking place, G7 leaders were also focused on strengthening and restoring confidence in the global monetary system, which was only a decade old at the time. In his 1983 Declaration on Economic Recovery, U.S. President Ronald Reagan emphasized responsible monetary policies and increasing the role of the International Monetary Fund (IMF) in governing the global financial system.<sup>2619</sup> President Reagan's focus on prudent domestic monetary policies and increased support of financial international bodies was in part about creating a resilient and growth-minded global economy, but also these steps were taken to restore confidence in the global economy which was lost during the intense and turbulent shocks of the 1970s.

In the 1997 Denver Summit Statement by Seven, the members focused on policies to increase stable, non-inflationary growth, create jobs, restore sound public finances, and handle the issues of aging populations, which could increase pension and healthcare costs.<sup>2620</sup> Additionally, concerns about financial contagion were growing as the world economies were becoming increasingly globalized. Thus, sound finances and good fiscal policy once again became a concern, as financial instability could spread between countries due to their interdependence.<sup>2621</sup>

The focus on sustainable development and job growth continued through the beginning of the 21st century for the G7, and these trends were reflected in 2015 with the United Nations Sustainable Development Goals with Goal 8: Decent Work and Economic Growth.<sup>2622</sup> In the 2017 Taormina Action Plan and the 2018 Charlevoix Commitment on Equality and Economic Growth, more emphasis was made to people-centred growth and holistic measures for well-being and development.<sup>2623,2624</sup> The G7 members seemed to have reignited their interest in job growth and development, looking forward to future technological change and the shifting landscape of work.

The onset of the coronavirus pandemic swiftly changed this new job landscape. As the economies of the world came to a standstill at the beginning of 2020, millions lost their jobs and hours worked were

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<sup>2616</sup> The London Economic Declaration, G7 Research Group (London) 9 June 1984. Access Date: 28 December 2020. <http://www.g7.utoronto.ca/summit/1984london/communique.html>.

<sup>2617</sup> The Bonn Economic Declaration: Towards Sustained Growth and Higher Employment, G7 Research Group (Bonn) 4 May 1985. Access Date: 28 December 2020. <http://www.g7.utoronto.ca/summit/1985bonn/communique.html>.

<sup>2618</sup> The Bonn Economic Declaration: Towards Sustained Growth and Higher Employment, G7 Research Group (Bonn) 4 May 1985. Access Date: 28 December 2020. <http://www.g7.utoronto.ca/summit/1985bonn/communique.html>.

<sup>2619</sup> Declaration on Economic Recovery, G7 Research Group (Williamsburg) 30 May 1983. Access Date: 28 December 2020. <http://www.g7.utoronto.ca/summit/1983williamsburg/communique.html>.

<sup>2620</sup> Confronting Global Economic and Financial Challenges: Denver Summit Statement by Seven, G7 Research Group (Denver) 21 June 1997. Access Date: 28 December 2020. <http://www.g7.utoronto.ca/summit/1997denver/confront.htm>.

<sup>2621</sup> Confronting Global Economic and Financial Challenges: Denver Summit Statement by Seven, G7 Research Group (Denver) 21 June 1997. Access Date: 28 December 2020. <http://www.g7.utoronto.ca/summit/1997denver/confront.htm>.

<sup>2622</sup> The 17 Goals, United Nations Department of Economic and Social Affairs (New York) 2015. Access Date: 28 December 2020. <https://sdgs.un.org/goals/goal8>.

<sup>2623</sup> G7 People-Centred Action Plan on Innovation, Skills and Labour, G7 Research Group (Taormina) 27 May 2017. Access Date: 28 December 2020. <http://www.g7.utoronto.ca/summit/2017taormina/action-plan.html>.

<sup>2624</sup> Charlevoix Commitment on Equality and Economic Growth, G7 Research Group (La Malbaie) 9 June 2018. Access Date: 28 December 2020. <http://www.g7.utoronto.ca/summit/2018charlevoix/growth-commitment.html>.

dramatically reduced.<sup>2625</sup> In the second quarter of 2020, all G7 members were in a recession with some experiencing as much as 20 per cent decline in GDP in the second quarter.<sup>2626</sup> While economies bounced back as lockdown measures were gradually lifted, tourism in G7 members has dried up, both due to lack of funds and health risk of travel, eliminating large sources of income for countries like Italy and France.<sup>2627</sup> Additionally, concerns about the future of the pandemic, jobs and health have weighed on consumer spending; without the confidence of these consumers, the G7 economies will not fully recover. Concerns have also spread about the state of national balance sheets, as the “fiscal balance is set to deteriorate by 13.3 percentage points” as governments increase borrowing to fund their fiscal policies.<sup>2628</sup> Thus, most aspects of the G7 economies are currently under massive strain and suffering from uncertainty in the next year. This economic decline has hurt women and young people the most, and the loss of jobs and livelihood has disproportionately been seen in the service sector and informal economy.<sup>2629</sup>

The history of economic growth policy in the G7 is pertinent now, as the members will have to draw on lessons learned both in the past twenty years about jobs and development, but also through the monetary and fiscal struggles faced in the 1970s and 1980s. As lockdowns continue to go in and out of effect, economic activity may again be stalled again by measures taken during the second wave of the virus. Thus, economic recovery may be further delayed and slowed.

On 16 March 2020, when G7 leaders met virtually under the U.S. presidency to respond to the COVID-19 pandemic, they expected to meet again in three months later at their regularly scheduled summit on 10-12 June 2020, which was later postponed indefinitely.

### **Commitment Features**

The G7 members are “[committed] to marshalling the full power of our governments to: Restore confidence, growth and protect jobs.”

“Commit” is understood as to do or perform, to pledge or bind (a person or organization) to a certain course of policy. Thus, G7 members must take direct actions to restore confidence, growth and protect jobs.

“Restore confidence” is understood as to bring back confidence, trust or belief in something. In this context, this means restoring trust in governments, financial systems and the global economy. As noted by the IMF, actions to restore confidence could include investing in infrastructure, enacting structural reforms, investing in global governance bodies (like the IMF) or strengthening crisis prevention and resolution frameworks.<sup>2630</sup>

“Growth” is understood as economic growth. This includes GDP growth or other measures like jobs added, hours worked, or the consumer confidence index. Policies that promote growth would stimulate the economy, like stimulus checks, infrastructure projects or investments in research and design. Actions like lowering the interest rate or negotiating a trade agreement may count towards restoring growth, but it would not count towards restoring confidence or protecting jobs.

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<sup>2625</sup> Employment Outlook 2020, OECD (Paris) 7 July 2020. Access Date: 28 December 2020. <http://www.oecd.org/employment-outlook/2020/#report>.

<sup>2626</sup> UK to plunge into deepest slump on record with worst GDP drop of G7, The Guardian (London) 9 August 2020. Access Date: 28 December 2020. <https://www.theguardian.com/business/2020/aug/09/uk-to-fall-into-deepest-slump-on-record-with-worst-fall-in-gdp-among-g7>.

<sup>2627</sup> G7 Economies In an uncertain recovery, Deloitte (India) 25 September 2020. Access Date: 28 December 2020. <https://www2.deloitte.com/us/en/insights/economy/impact-of-covid-19-g7-economies.html>.

<sup>2628</sup> G7 Economies In an uncertain recovery, Deloitte (India) 25 September 2020. Access Date: 28 December 2020. <https://www2.deloitte.com/us/en/insights/economy/impact-of-covid-19-g7-economies.html>.

<sup>2629</sup> Employment Outlook 2020, OECD (Paris) 7 July 2020. Access Date: 28 December 2020. <http://www.oecd.org/employment-outlook/2020/#report>.

<sup>2630</sup> Restoring Confidence in the Global Economy, International Monetary Fund (Washington, D.C.) 6 November 2002. Access Date: 28 December 2020. <https://www.imf.org/en/News/Articles/2015/09/28/04/54/vc110602>.

“Protect jobs” is understood as legal protections and rights that workers have to keep their jobs if they miss work because of illness, looking after a baby, strike, etc.<sup>2631</sup> In the context of the coronavirus pandemic, this could mean expanding paid time off and sick leave, or paid furlough. Additionally, this could mean actions taken to restore previous jobs or increase employment. Actions that protect jobs could include funding work training programs, expanding mandatory paid time off and stimulus money to companies to keep on employees.

This commitment has three components: restore confidence, growth, and protect jobs. Both, restoring confidence and protecting jobs can be actions taken in the pursuit of economic growth, although not all of these actions necessarily restore growth. Thus, many actions that fulfill restoring confidence or protecting jobs can also fulfill the commitment to growth. To receive full compliance, countries must enact specific policies to address confidence and job protection, not just restoring growth to their economies. For full compliance, the country would also have to take actions like expanding job training programs and creating an economic crisis response framework. Thus, to receive a score of +1, a member must strongly comply with two areas of the commitment and partially with one, or strongly comply with all three areas. To receive partial compliance, a score of 0, a member must comply with two areas of the commitment, strongly comply with one area and partially comply with another, or partially comply with all three areas of the commitment. In the case of non-compliance, a score of -1, a member has only partially complied with one aspect of the commitment or has taken no action at all.

**Scoring Guidelines**

-1	G7 member does NOT take actions to restore growth OR restore confidence OR protect jobs.
0	G7 member takes actions to restore growth AND confidence OR takes action to restore growth AND protect jobs.
+1	G7 member takes actions to restore growth AND confidence AND protect jobs.

*Compliance Director: Ally Johnston  
Lead Analyst: William Lloyd*

**Canada: 0**

Canada has partially complied with its commitment to restore growth, restore confidence and protect jobs.

On 25 March 2020, the COVID-19 Emergency Response Act received Royal Assent.<sup>2632</sup> The Act guarantees the rapid administration and implementation of emergency measures to protect Canadians and to stabilize the Canadian economy.<sup>2633</sup> The Act provides direct relief to Canadian workers and an additional CAD55 billion through tax deferrals.<sup>2634</sup>

On 11 April 2020, the COVID-19 Emergency Response Act, No. 2 received Royal Assent.<sup>2635</sup> The Act provides incentives for employers to pay employees who are not working due to the lack of work in the

<sup>2631</sup> Job Protection, Cambridge Dictionary (Cambridge) Access Date: 28 December 2020.

<sup>2632</sup> The COVID-19 Emergency Response Act Receives Royal Assent, Government of Canada (Ottawa) 3 March 2020. Access Date: 24 March 2021. <https://www.canada.ca/en/department-finance/news/2020/03/the-covid-19-emergency-response-act-receives-royal-assent0.html/>.

<sup>2633</sup> The COVID-19 Emergency Response Act Receives Royal Assent, Government of Canada (Ottawa) 3 March 2020. Access Date: 24 March 2021. <https://www.canada.ca/en/department-finance/news/2020/03/the-covid-19-emergency-response-act-receives-royal-assent0.html/>.

<sup>2634</sup> The COVID-19 Emergency Response Act Receives Royal Assent, Government of Canada (Ottawa) 3 March 2020. Access Date: 24 March 2021. <https://www.canada.ca/en/department-finance/news/2020/03/the-covid-19-emergency-response-act-receives-royal-assent0.html/>.

<sup>2635</sup> COVID-19 Emergency Response Act, No. 2 receives Royal Assent, Government of Canada (Ottawa) 11 April 2020. Access Date: 24 March 2021. <https://www.canada.ca/en/department-finance/news/2020/04/covid-19-emergency-response-act-no-2-receives-royal-assent-to-help-businesses-keep-canadians-in-their-jobs.html>.

pandemic.<sup>2636</sup> The Act will enable employers to continue to hold onto employees still on payroll and to rehire laid off employees.<sup>2637</sup>

On 5 May 2020, the Government of Canada announced the Canada Emergency Wage Subsidy.<sup>2638</sup> The wage subsidy will cover up to 75 per cent for qualifying businesses.<sup>2639</sup> The subsidy will cover the hardest hit by the COVID-19 pandemic, aiming to protect Canadian jobs.<sup>2640</sup>

On 20 May 2020, Finance Minister Bill Morneau announced the Large Employer Emergency Finance Facility, which will support large employers in Canada whose needs extend beyond conventional financing.<sup>2641</sup>

Canada has taken steps to protect jobs and restore growth but has not taken any steps to restore confidence.

Thus, Canada receives a score of 0.

*Analyst: Ally Johnston*

### **France: +1**

France has fully complied with its commitment to take actions to restore growth and confidence and protect jobs.

On 16 March 2020, President Emmanuel Macron announced a guarantee of up to EUR300 billion in bank loans to companies.<sup>2642</sup> The government also announced policies to allow for delays in payments for company's taxes, social security contributions and loan payments.<sup>2643</sup>

On 17 March 2020, Finance Minister Bruno Le Maire announced the mobilization of EUR45 billion to provide "first immediate economic assistance to companies and workers."<sup>2644</sup>

On 25 March 2020, the French government established a solidarity fund, in the light of lockdown measures taken at the beginning of the COVID-19 pandemic.<sup>2645</sup> The beneficiaries of the solidarity fund include "VSEs

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<sup>2636</sup> COVID-19 Emergency Response Act, No. 2 receives Royal Assent, Government of Canada (Ottawa) 11 April 2020. Access Date: 24 March 2021. <https://www.canada.ca/en/department-finance/news/2020/04/covid-19-emergency-response-act-no-2-receives-royal-assent-to-help-businesses-keep-canadians-in-their-jobs.html>.

<sup>2637</sup> COVID-19 Emergency Response Act, No. 2 receives Royal Assent, Government of Canada (Ottawa) 11 April 2020. Access Date: 24 March 2021. <https://www.canada.ca/en/department-finance/news/2020/04/covid-19-emergency-response-act-no-2-receives-royal-assent-to-help-businesses-keep-canadians-in-their-jobs.html>.

<sup>2638</sup> Government Announces Details of the Canada Emergency Wage Subsidy, Government of Canada (Ottawa) 25 May 2020. Access Date: 24 March 2021. <https://www.canada.ca/en/department-finance/news/2020/04/government-announces-details-of-the-canada-emergency-wage-subsidy-to-help-businesses-keep-canadians-in-their-jobs.html>.

<sup>2639</sup> Government Announces Details of the Canada Emergency Wage Subsidy, Government of Canada (Ottawa) 25 May 2020. Access Date: 24 March 2021. <https://www.canada.ca/en/department-finance/news/2020/04/government-announces-details-of-the-canada-emergency-wage-subsidy-to-help-businesses-keep-canadians-in-their-jobs.html>.

<sup>2640</sup> Government Announces Details of the Canada Emergency Wage Subsidy, Government of Canada (Ottawa) 25 May 2020. Access Date: 24 March 2021. <https://www.canada.ca/en/department-finance/news/2020/04/government-announces-details-of-the-canada-emergency-wage-subsidy-to-help-businesses-keep-canadians-in-their-jobs.html>.

<sup>2641</sup> Government announced support program for large employers is open for application, Government of Canada (Ottawa) 5 March 2020. Access Date: 24 March 2021. <https://www.canada.ca/en/department-finance/news/2020/05/government-announces-support-program-for-large-employers-is-open-for-applications.html>.

<sup>2642</sup> France to Guarantee USD335 Billion of Bank Loans, Macron Says, Bloomberg (New York City) 16 March 2020. Access Date: 28 February 2021. <https://www.bloomberg.com/news/articles/2020-03-16/france-to-put-all-reforms-on-hold-to-focus-on-virus-macron-says>.

<sup>2643</sup> France to Guarantee USD335 Billion of Bank Loans, Macron Says, Bloomberg (New York City) 16 March 2020. Access Date: 28 February 2021. <https://www.bloomberg.com/news/articles/2020-03-16/france-to-put-all-reforms-on-hold-to-focus-on-virus-macron-says>.

<sup>2644</sup> France to mobilize 45 billion euros as economy slumps 1% in 2020, Reuters (Paris) 17 March 2020. Access Date: 28 February 2021. <https://www.reuters.com/article/us-health-coronavirus-france-economy-idUSKBN2140U2>.

[very small enterprises], self-employed, micro-entrepreneurs and liberal professions, with an economic activity and that are French tax residents,” with 10 or less employees, a turnover of less than EUR1 million for the last financial year, and an annual taxable profit of less than EUR60,000.<sup>2646</sup>

On 8 June 2020, Minister of Labour Muriel Pénicaud announced that the government would extend its “temporary unemployment” scheme for up to two years from date.<sup>2647</sup> Minister Pénicaud reported that, at the end of April, more than 8.6 million French citizens were benefiting for the scheme, and that the government would continue to provide the scheme for the foreseeable future.<sup>2648</sup>

On 25 August 2020, Minister Le Maire announced that the French government will guarantee EUR3 billion in quasi-equity long-term loans.<sup>2649</sup> This measure was aimed at small and medium-sized enterprises and are aimed at the loans that would be accounted for as equity for these firms, as a means to not add to currently existing debt burdens.<sup>2650</sup>

On 3 September 2020, France launched its economic stimulus plan titled “France Relance,” valued at EUR100 billion.<sup>2651</sup> The plan focuses on “a roadmap for the economic, social and ecological overhaul of the country.”<sup>2652</sup> The plan emphasizes the development of value-added activity in France, and job creation in order to make the French economy more competitive. Examples of programs include but not limited to lower production taxes, skills development and investment in future/green technology.<sup>2653</sup>

On 10 September 2020, Minister Pénicaud confirmed that the government will continue to maintain the support of long-term partial unemployment at 84 per cent of net salary until the summer of 2021.<sup>2654</sup> The program was initially expected to expire at the end of the 2020 calendar year. The scheme mainly targets businesses in the service sector.<sup>2655</sup>

On 19 October 2020, France expanded aid measures with a EUR20 billion scheme aimed to start in the first quarter of 2021.<sup>2656</sup> The scheme “aims to give small, unlisted companies financing options that would not entail taking on more pure debt, which could risk tripping them up as a recession bites.”<sup>2657</sup>

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<sup>2645</sup> French SME solidarity fund, Simmons & Simmons (London) 24 April 2020. Access Date: 28 February 2021.

<https://www.simmons-simmons.com/en/publications/ck9a6ustu13kr0982vumb5w6j/french-sme-solidarity-fund>.

<sup>2646</sup> French SME solidarity fund, Simmons & Simmons (London) 24 April 2020. Access Date: 28 February 2021.

<https://www.simmons-simmons.com/en/publications/ck9a6ustu13kr0982vumb5w6j/french-sme-solidarity-fund>.

<sup>2647</sup> France to extend crisis jobs scheme for up to two years, Financial Times (Paris) 8 June 2020. Access Date: 28 February 2021.

<https://www.ft.com/content/63b33ede-4463-4342-845a-26cf85a91d3d>.

<sup>2648</sup> France to extend crisis jobs scheme for up to two years, Financial Times (Paris) 8 June 2020. Access Date: 28 February 2021.

<https://www.ft.com/content/63b33ede-4463-4342-845a-26cf85a91d3d>.

<sup>2649</sup> France to guarantee 3 billion euros in quasi-equity loans for SMEs, Reuters (Paris) 25 August 2020. Access Date: 28 February 2021. <https://www.reuters.com/article/us-france-economy-loans-idUSKBN25L0SM>.

<sup>2650</sup> France to guarantee 3 billion euros in quasi-equity loans for SMEs, Reuters (Paris) 25 August 2020. Access Date: 28 February 2021. <https://www.reuters.com/article/us-france-economy-loans-idUSKBN25L0SM>.

<sup>2651</sup> France Relance, Government of France (Paris) 3 September 2020. Access Date: 28 February 2021.

<https://www.gouvernement.fr/france-relance>.

<sup>2652</sup> France Relance, Government of France (Paris) 3 September 2020. Access Date: 28 February 2021.

<https://www.gouvernement.fr/france-relance>.

<sup>2653</sup> France Relance, Ministry of the Economy and Finance (Paris) 3 September 2020. Access Date: 28 February 2021.

<https://www.entreprises.gouv.fr/fr/france-relance>.

<sup>2654</sup> Partial Long-Term Unemployment: Élisabeth Bourne Announces the Maintenance of the Device “Until Next Summer”, BFM TV (Paris) 10 September 2020. Access Date: 1 March 2020. [https://www.bfmtv.com/economie/chomage-partiel-le-dispositif-maintenu-jusqu-a-l-ete-prochain-annonce-elisabeth-borne\\_AV-202009100061.html](https://www.bfmtv.com/economie/chomage-partiel-le-dispositif-maintenu-jusqu-a-l-ete-prochain-annonce-elisabeth-borne_AV-202009100061.html).

<sup>2655</sup> France extends programme to protect workers from further Covid-19 related job losses, RFI (Paris) 10 September 2020. Access Date: 1 March 2021. <https://www.rfi.fr/en/france/20200910-france-extends-programme-to-protect-workers-from-further-covid-19-related-job-losses>.

<sup>2656</sup> France adds USD23 Billion scheme to aid measures for company finances, Reuters (Paris) 19 October 2020. Access Date: 28 February 2021. <https://www.reuters.com/article/us-france-economy-loans-idUSKBN2741FP>.



On 13 January 2021, the Bank of France announced its support for a government plan to partially guarantee equity loans to aid private investment, through the provision of a state guarantee bank credit that is equated to equity.<sup>2658</sup> As of 15 February 2021, the French government expects support from the European Commission for the loan program.<sup>2659</sup>

The French Government has taken actions to restore growth and confidence and protect jobs, through a variety of intervention measures in the face of the COVID-19 pandemic.

Thus, France has received a score of +1

*Analyst: Adarsh Addepalli*

### **Germany: +1**

Germany has fully complied with its commitment to restore confidence and growth and protect jobs.

On 23 March 2020, Germany launched the KfW Special Programme 2020 to provide loans to businesses of all sizes with lower interest rates and a simplified risk assessment procedure for amounts of up to EUR3 million.<sup>2660</sup>

On 3 April 2020, Germany adopted the Quick Loan Programme (KfW-Schnellkredit) to further support small and medium-sized firms with “instant loans.”<sup>2661</sup> These loans will provide banks with 100 per cent liability waivers that are backed up by government guarantees.<sup>2662</sup> KfW Chief Executive Officer Günther Braunig indicated that “we are making sure that businesses which have run into financial difficulty solely due to the pandemic can access credit swiftly.”<sup>2663</sup>

On 28 April 2020, the Ministry of Finance published the German Stability Programme 2020 and announced fiscal policy actions to fight against the crisis.<sup>2664</sup> In this program, the federal government would establish “an Economic Stabilisation Fund that provides large-scale assistance to protect businesses and jobs, with the aim of stabilising the real economy as a whole. The fund has EUR100 billion available for equity measures and

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<sup>2657</sup> France adds USD23 Billion scheme to aid measures for company finances, Reuters (Paris) 19 October 2020. Access Date: 28 February 2021. <https://www.reuters.com/article/us-france-economy-loans-idUSKBN2741FP>.

<sup>2658</sup> Bank of France Gives its Blessing to Crisis-Fighting Credit Tool. Bloomberg (New York) 13 January 2021. Access Date: 28 February 2021. [bloomberg.com/news/articles/2021-01-13/bank-of-france-gives-its-blessing-to-crisis-fighting-credit-tool](https://www.bloomberg.com/news/articles/2021-01-13/bank-of-france-gives-its-blessing-to-crisis-fighting-credit-tool).

<sup>2659</sup> France Expects Imminent EU backing for Corporate EU Backing for Corporate Recovery Plan, Bloomberg (New York) 15 February 2021. Access Date: 1 March 2021 <https://www.bloomberg.com/news/articles/2021-02-15/france-expects-eu-to-back-its-hybrid-loan-plan-in-coming-days>.

<sup>2660</sup> Additional KfW Special Programme 2020 for the Economy to be Launched Today, Federal Ministry of Finance (Berlin) 23 March 2020. Access Date: 27 February 2021. <https://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2020/2020-03-23-KfW-special-programme.html>.

<sup>2661</sup> German Government Adopts a More Extensive Quick Loan Programme for Small and Medium-sized Businesses, Federal Ministry of Finance (Berlin) 6 April 2020. Access Date: 1 March 2021. <https://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2020/2020-04-07-quick-loan-programme.html>.

<sup>2662</sup> German Government Adopts more Extensive Quick Loan Programme for Small and Medium-sized Businesses, Federal Ministry of Finance (Berlin) 6 April 2020. Access Date: 1 March 2021. <https://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2020/2020-04-07-quick-loan-programme.html>.

<sup>2663</sup> German Government Adopts a More Extensive Quick Loan Programme for Small and Medium-sized Businesses, Federal Ministry of Finance (Berlin) 6 April 2020. Access Date: 1 March 2021. <https://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2020/2020-04-07-quick-loan-programme.html>.

<sup>2664</sup> German Stability Programme 2020, Federal Ministry of Finance (Berlin) 28 April 2020. Access Date: 1 March 2021. [https://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Press\\_Room/Publications/Brochures/2020-04-17-german-stability-programme-2020.html](https://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Press_Room/Publications/Brochures/2020-04-17-german-stability-programme-2020.html).

EUR400 billion for guarantees. In addition, it has up to EUR100 billion at its disposal for refinancing of the KfW programmes.”<sup>2665</sup>

On 17 June 2020, Germany earmarked additional funding in its second supplementary budget to support its Economic Stimulus and Future Technologies Package that will provide effective economic impetus.<sup>2666</sup> With the second supplementary budget, investment spending would rise to EUR71.8 billion, including a “Digital Infrastructure” special fund and climate-friendly infrastructures.<sup>2667</sup>

On 24 June 2020, the Cabinet adopted the Structural Reinforcement Act for Mining Regions and began its structural change in the coal-mining regions.<sup>2668</sup> The Act puts the structural policy recommendations made by the Commission for “Growth, Structural Change and Employment” into practice to safeguard jobs locally and support these regions with further research, promotional programmes, and research infrastructure projects.<sup>2669</sup>

On 12 November 2020, the Ministry for Economic Affairs and Energy and the Ministry of Finance launched the November Assistance Programme to provide relief to companies, the self-employed, associations and establishments.<sup>2670</sup> As of 25 November 2020, this assistance had been extended until 20 December 2020.<sup>2671</sup>

On 5 February 2021, Minister for Economic Affairs and Energy Peter Altmeier, Minister of Finance Olaf Scholz, and Commissioner for Culture and the Media Monika Grütters launched the New Start Assistance for the cultural sector within the scope of Bridging Assistance III to support short-term employees and freelancers in the cultural and arts sector.<sup>2672</sup>

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<sup>2665</sup> German Stability Programme 2020, Federal Ministry of Finance (Berlin) 28 April 2020. Access Date: 1 March 2021.

[https://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Press\\_Room/Publications/Brochures/2020-04-17-german-stability-programme-2020.html](https://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Press_Room/Publications/Brochures/2020-04-17-german-stability-programme-2020.html).

<sup>2666</sup> We Have the Strength to Weather the Crisis Well, The Federal Government (Berlin) 17 June 2020. Access Date: 1 March 2021. <https://www.bundesregierung.de/breg-en/news/zweiter-nachtragshaushalt-1761564>.

<sup>2667</sup> We Have the Strength to Weather the Crisis Well, The Federal Government (Berlin) 17 June 2020. Access Date: 1 March 2021. <https://www.bundesregierung.de/breg-en/news/zweiter-nachtragshaushalt-1761564>.

<sup>2668</sup> Minister Altmaier: “We’re giving coal regions and local communities a clear prospect for the future and safeguarding jobs, Federal Ministry for Economic Affairs and Energy (Berlin) 24 June 2020. Access Date: 12 March 2021.

<https://www.bmwi.de/Redaktion/EN/Pressemitteilungen/2020/20200624-minister-altmaier-we-are-giving-coal-regions-and-local-communities-a-clear-prospect-for-the-future-and-safeguarding-jobs.html>.

<sup>2669</sup> Minister Altmaier: “We’re giving coal regions and local communities a clear prospect for the future and safeguarding jobs, Federal Ministry for Economic Affairs and Energy (Berlin) 24 June 2020. Access Date: 12 March 2021.

<https://www.bmwi.de/Redaktion/EN/Pressemitteilungen/2020/20200624-minister-altmaier-we-are-giving-coal-regions-and-local-communities-a-clear-prospect-for-the-future-and-safeguarding-jobs.html>.

<sup>2670</sup> November Assistance Programme: Procedure for Advance Payment Established, Federal Ministry for Economic Affairs and Energy (Berlin) 12 November 2020. Access Date: 12 March 2021. <https://www.bmwi.de/Redaktion/EN/Pressemitteilungen/2020/11/20201112-november-assistance-programme-procedure-for-advance-payment-established.html>.

<sup>2671</sup> Defying the Crisis: December Assistance Programme Begins Bridging Assistance Programme is Significantly Expanded and Extended, Federal Ministry for Economic Affairs and Energy (Berlin) 27 November 2020. Access Date: 21 March 2021.

<https://www.bmwi.de/Redaktion/EN/Pressemitteilungen/2020/11/20201127-defying-the-crisis-december-assistance-programme-begins-bridging-assistance-programme-is-significantly-expanded-and-extended.html>.

<sup>2672</sup> Short-term Employees in the Performing Arts Sector to Receive New Start Assistance, Federal Ministry for Economic Affairs and Energy (Berlin) 5 February 2021. Access Date: 12 March 2021. <https://www.bmwi.de/Redaktion/EN/Pressemitteilungen/2021/02/20210205-short-term-employees-in-the-performing-arts-sector-to-receive-new-start-assistance.html>.

On 9 February 2021, the Ministry for Economic Affairs and Energy reported that the Federal Government provided export credit guarantees to the amount of EUR16.7 billion in 2020 which improved the liquidity situation of exporters and importers in the current situation.<sup>2673</sup>

Germany has taken actions to restore confidence and growth and protect jobs.

Thus, Germany receives a score of +1.

*Analyst: Tianyang Qi*

### **Italy: 0**

Italy has complied with its commitment to restore growth and protect jobs but has taken insufficient actions to restore confidence.

On 21 July 2020, the European Union members agreed to a EUR750 billion recovery fund (the largest in the EU's history) to support countries heavily affected by COVID-19. Italy negotiated with France, Germany, the Netherlands, Sweden, Denmark, and Austria to receive the largest chunk of the fund, amounting to EUR209 billion.<sup>2674,2675</sup> Named Next Generation EU, the fund will help Italy undertake massive investment in technology, infrastructure, and green energy. The target is to rebalance Italy's failing economy and ensure growth for the foreseeable future.<sup>2676</sup>

On 30 November 2020, Italy approved an additional stimulus deal amounting to EUR8 billion, ensuring fiscal liquidity to the Italian population.<sup>2677</sup>

On 11 December 2020, Minister of Economic Development Stefano Patuanelli met with JSW Steel Italy in order to discuss a EUR60 million bailout ensured by both Next Generation EU and the ministry itself. Notably, the salaries of the several steelworkers employed by the company were also included in this generous bailout.<sup>2678</sup>

On the 26 January 2021, Italy reinforced protections for workers in the agricultural sector by passing a bill that ensures payment for workers through the incoming recovery fund. This move helped to ensure those workers' safety, as agriculture represents 10 per cent of Italy's exports abroad.<sup>2679</sup>

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<sup>2673</sup>Foreign Trade and Investment Promotion Instruments Successful During the Crisis--Federal Government Provides Export Credit Guarantees to the Amount of EUR16.7 Billion in 2020 with Application Volume for Investment Guarantees Doubling, Ministry for Economic Affairs and Energy (Berlin) 9 February 2021. Access Date: 12 March 2021. <https://www.bmwi.de/Redaktion/EN/Pressemitteilungen/2021/02/20210209-foreign-trade-and-investment-promotion-instruments-successful-during-the-crisis.html>.

<sup>2674</sup> The Frugal Four Advocate for a Responsible EU Budget, Financial Times (London) 16 February 2020. Access Date: 1 March 2021. <https://www.ft.com/content/7faae690-4e65-11ea-95a0-43d18ec715f5>.

<sup>2675</sup> Italy Reverts to its Old Habits on EU Pandemic Fund, Bloomberg. 1 December 2020. Access Date: 1 March 2021. <https://www.bloomberg.com/opinion/articles/2020-12-01/italy-reverts-to-its-bad-old-habits-on-eu-pandemic-fund>.

<sup>2676</sup> Italy Draghinomics FAQs, Euler Hermes. 5 February 2021. Access Date: 1 March 2021.

[https://www.eulerhermes.com/en\\_global/news-insights/economic-insights/Italy-Draghinomics-FAQ.html](https://www.eulerhermes.com/en_global/news-insights/economic-insights/Italy-Draghinomics-FAQ.html).

<sup>2677</sup> Italy Approves New Stimulus Package to Bolster Shrinking Economy, Bloomberg (New York City) 30 November 2020. Access Date: 1 March 2021. <https://www.bloomberg.com/news/articles/2020-11-30/italy-approves-new-stimulus-package-to-bolster-shrinking-economy>.

<sup>2678</sup> Verbale di incontro - JSW Steel Italy (11 dicembre 2020), Ministry of Economic Development (Rome) 11 December 2020). Access Date: 1 March 2021. <https://www.mise.gov.it/index.php/it/160-impresa/impresedifficolta/verbalidiincontro-jsw-steel-italy-11-dicembre-2020>.

<sup>2679</sup> Su.Pr.Eme. Italia, una grande rete per contrastare il caporalato nelle cinque regioni del Sud, Ministry Of Labor and Social Policies (Rome) 26 February 2021. Access Date: 1 March 2021. <https://www.lavoro.gov.it/notizie/Pagine/Su-Pr-Eme-Italia-una-grande-rete-per-contrastare-il-Caporalato-nelle-cinque-regioni-del-Sud.aspx>.

On 26 February 2021, Italy passed a bill that ensures the same types of financial protection to the country's artisans, an ever-shrinking portion of the workforce that is strongly associated with the Italian national character.<sup>2680</sup>

In conclusion, the country succeeded in partially complying with its aforementioned commitments.

Thus, Italy receives a score of 0.

*Analyst: Valerio Greganti*

### **Japan: +1**

Japan has fully complied with its commitment to marshal the full power of the government to restore confidence, growth, and protect jobs.

On 24 April 2020, Japan expanded the definition of small and medium-sized enterprises (SMEs) targeted for financial assistance due to the crisis caused by COVID-19, expanding the scope of industries subject to the No. 5 Safety Net for Financing Guarantee.<sup>2681</sup> The Safety Net supports micro enterprises and SMEs whose sources of revenue are declining, by providing a guarantee of 80% of the loan amount.<sup>2682</sup> Japan has expanded the scope of industries to include industries such as Pachinko parlors and off-track betting sites for horse racing, which were previously excluded from financing or guarantees provided by governmental financial institutes or credit guarantee corporations.<sup>2683</sup>

On 1 May 2020, Japan began accepting requests for the Subsidy Program for Sustaining Businesses, a program created to provide subsidies for SMEs suffering from COVID-19 related losses.<sup>2684</sup> The Ministry of Economy, Trade and Industry announced the opening of a call center for consultations regarding the program.<sup>2685</sup> The call centre was created exclusively for the program in order to provide support for SMEs requiring consultation on the Subsidy Program for Sustaining Businesses.<sup>2686</sup>

On 5 June 2020, Japan opened over 500 physical sites called Sites for Supporting Filing Requests in order to assist businesses that are facing difficulties with electronic filing requests for the Subsidy Program for Sustaining Businesses.<sup>2687</sup>

On 8 December 2020, Japan announced a USD708 billion COVID-19 stimulus package for the economy, allocating roughly USD384 billion towards direct spending, USD19.2 billion towards carbon neutrality by

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<sup>2680</sup> Lavoro: Orlando, firma decreto che sblocca le risorse per pagamento Cig Covid per gli artigiani, Ministry of Labor and Social Policies (Rome) 26 February 2021. Access Date: 28 March 2021. <https://www.lavoro.gov.it/stampa-e-media/Comunicati/Pagine/Lavoro-Orlando-firma-decreto-che-sblocca-risorse-per-pagamento-Cig-Covid-agli-artigiani.aspx>.

<sup>2681</sup> Scope of SMEs Targeted for Financial Assistance Due to Novel Coronavirus Expanded (Tokyo) 24 April 2020. Access Date: 25 February 2021. [https://www.meti.go.jp/english/press/2020/0424\\_003.html](https://www.meti.go.jp/english/press/2020/0424_003.html).

<sup>2682</sup> Scope of SMEs Targeted for Financial Assistance Due to Novel Coronavirus Expanded (Tokyo) 24 April 2020. Access Date: 25 February 2021. [https://www.meti.go.jp/english/press/2020/0424\\_003.html](https://www.meti.go.jp/english/press/2020/0424_003.html).

<sup>2683</sup> Scope of SMEs Targeted for Financial Assistance Due to Novel Coronavirus Expanded (Tokyo) 24 April 2020. Access Date: 25 February 2021. [https://www.meti.go.jp/english/press/2020/0424\\_003.html](https://www.meti.go.jp/english/press/2020/0424_003.html).

<sup>2684</sup> Announcement of Information on Consultation Counters for the Subsidy Program for Sustaining Businesses (Tokyo) 1 May 2020. Access Date: 25 February 2021. [https://www.meti.go.jp/english/press/2020/0501\\_006.html](https://www.meti.go.jp/english/press/2020/0501_006.html).

<sup>2685</sup> Announcement of Information on Consultation Counters for the Subsidy Program for Sustaining Businesses (Tokyo) 1 May 2020. Access Date: 25 February 2021. [https://www.meti.go.jp/english/press/2020/0501\\_006.html](https://www.meti.go.jp/english/press/2020/0501_006.html).

<sup>2686</sup> Announcement of Information on Consultation Counters for the Subsidy Program for Sustaining Businesses (Tokyo) 1 May 2020. Access Date: 25 February 2021. [https://www.meti.go.jp/english/press/2020/0501\\_006.html](https://www.meti.go.jp/english/press/2020/0501_006.html).

<sup>2687</sup> Framework for Supporting Filing Requests for the Subsidy Program for Sustaining Businesses to be Enhanced (Tokyo) 5 June 2020. Access Date: 25 February 2021. [https://www.meti.go.jp/english/press/2020/0605\\_003.html](https://www.meti.go.jp/english/press/2020/0605_003.html).

2050, USD9.6 billion towards digital transformation, and USD14.4 billion towards subsidies for restaurants affected by COVID-19 related losses.<sup>2688</sup>

On 5 February 2021, Japan announced a cabinet decision on the Bill for Partially Amending Industrial Competitiveness Enhancement Act and other related acts.<sup>2689</sup> This bill introduces new taxation systems and subsidies for capital investment in efforts toward de-carbonization, digital transformation, and business restructuring.<sup>2690</sup> This bill also includes measures to increase support for the expansion of SMEs, by adding a group of companies growing from SMEs to middle-ranking companies to targets for financial support for regional economic advancement projects.<sup>2691</sup>

On 12 February 2021, Japan announced the expansion of the eligibility criteria for receiving subsidies while participating in vocational training under the Support System for Job Seekers.<sup>2692</sup> The expansion of the eligibility criteria will allow a total of 200,000 people to benefit from vocational training.<sup>2693</sup>

Japan has taken active measures to marshal the full power of the government in order to restore confidence, growth, and protect jobs.

Thus, Japan receives a score of +1.

*Analyst: Lisa Hub*

### **United Kingdom: +1**

The United Kingdom has fully complied with its commitment to restore confidence, growth and project jobs.

On 9 September 2020, Chief Secretary to the Treasury Steve Barclay announced funding for locked down businesses.<sup>2694</sup> Businesses closed for operations due to ongoing lockdown restrictions are eligible for GBP1,500 every three weeks.<sup>2695</sup> This funding is in response to local lockdowns affecting businesses from the ability to remain in business.<sup>2696</sup>

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<sup>2688</sup> Japan announces new Covid-19 stimulus for the economy (Tokyo) 8 December 2020. Access Date: 25 February 2021. <https://www.bbc.com/news/business-55226200>.

<sup>2689</sup> Cabinet decision on the Bill for Partially Amending the Industrial Competitiveness Enhancement Act and other related acts (Tokyo) 5 February 2021. Access Date: 25 February 2021. [https://www.meti.go.jp/english/press/2021/0205\\_002.html](https://www.meti.go.jp/english/press/2021/0205_002.html).

<sup>2690</sup> Cabinet decision on the Bill for Partially Amending the Industrial Competitiveness Enhancement Act and other related acts (Tokyo) 5 February 2021. Access Date: 25 February 2021. [https://www.meti.go.jp/english/press/2021/0205\\_002.html](https://www.meti.go.jp/english/press/2021/0205_002.html).

<sup>2691</sup> Cabinet decision on the Bill for Partially Amending the Industrial Competitiveness Enhancement Act and other related acts (Tokyo) 5 February 2021. Access Date: 25 February 2021. [https://www.meti.go.jp/english/press/2021/0205\\_002.html](https://www.meti.go.jp/english/press/2021/0205_002.html).

<sup>2692</sup> 55th Meeting of the Novel Coronavirus Response Headquarters (Tokyo) 12 February 2021. Access Date: 25 February 2021. [https://japan.kantei.go.jp/99\\_suga/actions/202102/\\_00007.html](https://japan.kantei.go.jp/99_suga/actions/202102/_00007.html).

<sup>2693</sup> 55th Meeting of the Novel Coronavirus Response Headquarters (Tokyo) 12 February 2021. Access Date: 25 February 2021. [https://japan.kantei.go.jp/99\\_suga/actions/202102/\\_00007.html](https://japan.kantei.go.jp/99_suga/actions/202102/_00007.html).

<sup>2694</sup> Ministers announce new grants for businesses affected by local lockdowns, UK Treasury (London) 9 September 2020. Access Date: 28 March 2021. <https://www.gov.uk/government/news/ministers-announce-new-grants-for-businesses-affected-by-local-lockdowns>.

<sup>2695</sup> Ministers announce new grants for businesses affected by local lockdowns, UK Treasury (London) 9 September 2020. Access Date: 28 March 2021. <https://www.gov.uk/government/news/ministers-announce-new-grants-for-businesses-affected-by-local-lockdowns>.

<sup>2696</sup> Ministers announce new grants for businesses affected by local lockdowns, UK Treasury (London) 9 September 2020. Access Date: 28 March 2021. <https://www.gov.uk/government/news/ministers-announce-new-grants-for-businesses-affected-by-local-lockdowns>.

On 9 October 2020, the United Kingdom government announced that the Covid Corporate Financing Facility (CCFF) has provided GBP30 billion of direct deposit to support the economy.<sup>2697</sup> The CCFF has provided funding for large UK businesses responsible for upwards of 2.5 million jobs in the UK.<sup>2698</sup>

On 22 October 2020, the United Kingdom government announced increased support to ensure job security across the UK for the winter months.<sup>2699</sup> Open businesses experiencing difficulty will be given extra government help to keep employing staff and paying wages.<sup>2700</sup> Business grants will be awarded to businesses to cover essential business expenses to project jobs in the economy.<sup>2701</sup> Grants for self-employed individuals will be increased to 40 per cent of previous income earnings.<sup>2702</sup>

On 30 October 2020, the United Kingdom treasury announced that millions of jobs will be supported over the winter through the Jobs Support Scheme starting 1 November 2020.<sup>2703</sup>

On 12 November 2020, the United Kingdom announced an extension to the GBP1 million tax break to stimulate investment in manufacturing.<sup>2704</sup> The GBP1 million cap on annual investment allowance is temporarily extended until 2022.<sup>2705</sup> This extension to boost confidence as UK manufacturing businesses to make it through the pandemic.<sup>2706</sup>

On 17 December 2020, Chancellor of the Exchequer Rishi Sunak announced an extension of furlough and loan schemes until the end of April 2021, with the government continuing to contribute 80 per cent towards wages.<sup>2707</sup> This extension allows businesses to continue to operate with job certainty for employees into 2021.<sup>2708</sup>

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<sup>2697</sup> Updates to the Covid Corporate Financing Facility, UK Treasury (London) 9 October 2020. Access Date: 28 March 2021. <https://www.gov.uk/government/news/updates-to-the-covid-corporate-financing-facility>.

<sup>2698</sup> Updates to the Covid Corporate Financing Facility, UK Treasury (London) 9 October 2020. Access Date: 28 March 2021. <https://www.gov.uk/government/news/updates-to-the-covid-corporate-financing-facility>.

<sup>2699</sup> Plan for Jobs: Chancellor increases financial support for businesses and workers, UK Treasury (London) 22 October 2020. Access Date: 28 March 2021. <https://www.gov.uk/government/news/plan-for-jobs-chancellor-increases-financial-support-for-businesses-and-workers>.

<sup>2700</sup> Plan for Jobs: Chancellor increases financial support for businesses and workers, UK Treasury (London) 22 October 2020. Access Date: 28 March 2021. <https://www.gov.uk/government/news/plan-for-jobs-chancellor-increases-financial-support-for-businesses-and-workers>.

<sup>2701</sup> Plan for Jobs: Chancellor increases financial support for businesses and workers, UK Treasury (London) 22 October 2020. Access Date: 28 March 2021. <https://www.gov.uk/government/news/plan-for-jobs-chancellor-increases-financial-support-for-businesses-and-workers>.

<sup>2702</sup> Plan for Jobs: Chancellor increases financial support for businesses and workers, UK Treasury (London) 22 October 2020. Access Date: 28 March 2021. <https://www.gov.uk/government/news/plan-for-jobs-chancellor-increases-financial-support-for-businesses-and-workers>.

<sup>2703</sup> Millions of jobs will continue to be supported as Job Support Scheme launches, UK Treasury (London) 30 October 2020. Access Date: 28 March 2021. <https://www.gov.uk/government/news/millions-of-jobs-will-continue-to-be-supported-as-job-support-scheme-launches>.

<sup>2704</sup> Government extends £1 million tax break to stimulate investment in UK manufacturing, UK Treasury (London) 12 November 2020. Access Date: 28 March 2021. <https://www.gov.uk/government/news/government-extends-1-million-tax-break-to-stimulate-investment-in-uk-manufacturing>.

<sup>2705</sup> Government extends £1 million tax break to stimulate investment in UK manufacturing, UK Treasury (London) 12 November 2020. Access Date: 28 March 2021. <https://www.gov.uk/government/news/government-extends-1-million-tax-break-to-stimulate-investment-in-uk-manufacturing>.

<sup>2706</sup> Government extends £1 million tax break to stimulate investment in UK manufacturing, UK Treasury (London) 12 November 2020. Access Date: 28 March 2021. <https://www.gov.uk/government/news/government-extends-1-million-tax-break-to-stimulate-investment-in-uk-manufacturing>.

<sup>2707</sup> Chancellor extends furlough and loan schemes, UK Treasury (London) 17 December 2020. Access Date: 28 March 2021. <https://www.gov.uk/government/news/chancellor-extends-furlough-and-loan-schemes>.

<sup>2708</sup> Chancellor extends furlough and loan schemes, UK Treasury (London) 17 December 2020. Access Date: 28 March 2021. <https://www.gov.uk/government/news/chancellor-extends-furlough-and-loan-schemes>.

On 5 January 2021, the Treasury announced GBP4.6 billion in grants to support businesses and jobs during the lockdown.<sup>2709</sup> The retail, hospitality and leisure industries are eligible for up to GBP9,000 grants to project jobs throughout the spring season.<sup>2710</sup> Of this fund, GBP594 million is allocated as discretionary funding for supporting other impacted businesses.<sup>2711</sup>

The United Kingdom has taken active measures to marshal the full power of the government in order to restore confidence, growth, and protect jobs.

Thus, the United Kingdom receives a score of +1.

*Analyst: Aly Johnston*

### **United States: +1**

The United States has fully complied with its commitment to restore confidence and growth and protect jobs.

On 15 March 2020, the United States Federal Reserve issued a Federal Open Market Committee statement that it had lowered the target range for federal funds to 0 to 0.25 percent, which it intended to maintain until the economy recovers from the COVID-19 economic downturn.<sup>2712</sup> This move was meant to reduce the cost of borrowing on a variety of loans, such as for home equity or auto loans.<sup>2713</sup>

On 18 March 2020, President Donald Trump signed the Families First Coronavirus Response Act.<sup>2714</sup> This legislation made it mandatory for qualifying employers to provide paid sick leave to employees who are unable to work due to reasons related to COVID-19.<sup>2715</sup> Specifically, up to 80 hours, or two weeks, of paid sick leave is to be provided at the employee's rate of pay.<sup>2716</sup>

On 26 March 2020, the United States Congress passed a USD2 trillion coronavirus aid bill.<sup>2717</sup> This is the largest economic stimulus package in American history, as Congress has set aside USD250 billion for direct USD1,200 checks to qualifying taxpayers.<sup>2718</sup> In addition to these direct payments, the bill also sets aside USD500 billion for struggling sectors such as the airline industry, USD350 billion for small businesses in the

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<sup>2709</sup> £4.6 billion in new lockdown grants to support businesses and protect jobs, UK Treasury (London) 5 January 2021. Access Date: 28 March 2021. <https://www.gov.uk/government/news/46-billion-in-new-lockdown-grants-to-support-businesses-and-protect-jobs>.

<sup>2710</sup> £4.6 billion in new lockdown grants to support businesses and protect jobs, UK Treasury (London) 5 January 2021. Access Date: 28 March 2021. <https://www.gov.uk/government/news/46-billion-in-new-lockdown-grants-to-support-businesses-and-protect-jobs>.

<sup>2711</sup> £4.6 billion in new lockdown grants to support businesses and protect jobs, UK Treasury (London) 5 January 2021. Access Date: 28 March 2021. <https://www.gov.uk/government/news/46-billion-in-new-lockdown-grants-to-support-businesses-and-protect-jobs>.

<sup>2712</sup> Federal Reserve issues FOMC statement, Federal Reserve Board (Washington, D.C.) 15 March 2020. Access Date: 17 March 2021. <https://www.federalreserve.gov/newsevents/pressreleases/monetary20200315a.htm>.

<sup>2713</sup> What's the Fed doing in response to the COVID-19 crisis, Brookings Institution (Washington, D.C.) 25 January 2021. Access Date: 17 March 2021. <https://www.brookings.edu/research/fed-response-to-covid19/>.

<sup>2714</sup> Trump signs coronavirus relief measure ensuring paid sick emergency leave, ABC News (New York City) 18 March 2020. Access Date: 17 March 2021. <https://abcnews.go.com/Politics/mcconnell-urges-colleagues-support-coronavirus-economic-relief-bill/story?id=69664853>.

<sup>2715</sup> Families First Coronavirus Response Act: Employee Paid Leave Rights, U.S. Department of Labor (Washington, D.C.) 18 March 2020. Access Date: 17 March 2021. <https://www.dol.gov/agencies/whd/pandemic/ffcra-employee-paid-leave>.

<sup>2716</sup> Families First Coronavirus Response Act: Employee Paid Leave Rights, U.S. Department of Labor (Washington, D.C.) 18 March 2020. Access Date: 17 March 2021. <https://www.dol.gov/agencies/whd/pandemic/ffcra-employee-paid-leave>.

<sup>2717</sup> Coronavirus: US Senate passes \$2tn disaster aid bill, British Broadcasting Corporation (London) 26 March 2020. Access Date: 17 March 2021. <https://www.bbc.com/news/world-us-canada-52033863>.

<sup>2718</sup> US coronavirus stimulus checks, The Guardian (London) 2 April 2020. Access Date: 17 March 2021. <https://www.theguardian.com/world/2020/mar/26/us-coronavirus-stimulus-all-you-need-to-know>.

form of loans, USD100 billion for necessary healthcare infrastructure investments, and an expansion of unemployment aid to self-employed individuals.<sup>2719</sup>

On 1 July 2020, the United States House of Representatives passed the Moving Forward Act; legislation meant to improve the nation's infrastructure.<sup>2720</sup> It focuses on the decarbonization of transit, the modernization of the electrical power grid, the funding levels for energy efficiency programs, and on the research and development of low-emission fuels and technologies.<sup>2721</sup>

On 27 December 2020, President Trump signed the Consolidated Appropriations Act.<sup>2722</sup> This USD900 billion stimulus package created additional stimulus checks, improved federal unemployment benefits, and set aside funds for small businesses and vaccine distribution.<sup>2723</sup>

The United States has taken actions to restore confidence and growth and protect jobs.

Thus, the United States receives a score of +1.

*Analyst: Boris Kyrchenko*

### **European Union: +1**

The European Union has fully complied with its commitment to marshal the full power of the government to restore confidence, growth, and protect jobs.

On 26 March 2020, the Members of European Parliament adopted three crucial EU support measures.<sup>2724</sup> Of these, two pertain to this commitment. Firstly, the Corona Response Investment Initiative will see EUR37 billion in funds to be made available to citizens, regions and/or countries impacted the most by the COVID-19 pandemic.<sup>2725</sup> This includes focus on healthcare, small and medium-sized enterprises (SMEs) and the labour market. Secondly, the extension of the EU Solidarity Fund. EUR800 million will be made available for European countries in order to provide medical assistance and prevent the spread of COVID-19.<sup>2726</sup>

On 10 July 2020, the European Parliament adopted a resolution that aims to put “social inclusion and people's well being at the heart of EU economic policy, with equal priority given to social, environmental and economic objectives.”<sup>2727</sup> As part of their EU Employment Guidelines, members of European Parliament

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<sup>2719</sup> Coronavirus: US Senate passes \$2tn disaster aid bill, British Broadcasting Corporation (London) 26 March 2020. Access Date: 17 March 2021. <https://www.bbc.com/news/world-us-canada-52033863>.

<sup>2720</sup> Moving Forward Act, The House Committee on Transportation and Infrastructure. 1 July 2020. Access Date: 17 March 2021. <https://transportation.house.gov/imo/media/doc/BILLS-116HR2-RCP116-54.pdf>.

<sup>2721</sup> House of Representatives Passes Sweeping Infrastructure Bill, The National Law Review (Western Springs) 2 July 2020. Access Date: 17 March 2021. <https://www.natlawreview.com/article/update-house-representatives-passes-sweeping-infrastructure-bill>.

<sup>2722</sup> Consolidated Appropriations Act, House Committee on Rules (Washington, DC) 21 December 2020. Access Date: 17 March 2021. <https://rules.house.gov/sites/democrats.rules.house.gov/files/BILLS-116HR133SA-RCP-116-68.pdf>

<sup>2723</sup> Here's what's in the \$900 billion stimulus package, The Washington Post (Washington, D.C.) 27 December 2020. Access Date: 17 March 2021. <https://www.washingtonpost.com/business/2020/12/20/stimulus-package-details/>.

<sup>2724</sup> COVID-19: Parliament approves crucial EU support measures, European Parliament (Brussels) 26 March 2020. Access Date: 28 March 2021. <https://www.europarl.europa.eu/news/en/press-room/20200325IPR75811/covid-19-parliament-approves-crucial-eu-support-measures>.

<sup>2725</sup> COVID-19: Parliament approves crucial EU support measures, European Parliament (Brussels) 26 March 2020. Access Date: 28 March 2021. <https://www.europarl.europa.eu/news/en/press-room/20200325IPR75811/covid-19-parliament-approves-crucial-eu-support-measures>.

<sup>2726</sup> COVID-19: Parliament approves crucial EU support measures, European Parliament (Brussels) 26 March 2020. Access Date: 28 March 2021. <https://www.europarl.europa.eu/news/en/press-room/20200325IPR75811/covid-19-parliament-approves-crucial-eu-support-measures>.

<sup>2727</sup> EU must prioritise fight against youth unemployment, homelessness and poverty, European Parliament (Brussels) 10 July 2020. Access Date: 28 March 2021. <https://www.europarl.europa.eu/news/en/press-room/20200706IPR82730/eu-must-prioritise-fight-against-youth-unemployment-homelessness-and-poverty>.



have decided to increase efforts to close gender pay, pension and employment gaps, in light of COVID-19.<sup>2728</sup> Through the “General escape clause,” EU member states will have “unprecedented fiscal flexibility to protect employment and finance public health and social services.”<sup>2729</sup>

On 9 November 2020, the Members of European Parliament adopted the Recovery and Resilience Facility.<sup>2730</sup> It provides EUR67.5 billion in grants and loans to support EU countries over the course of four years, as a means of responding and recovering from COVID-19.<sup>2731</sup> In order to receive the funds, EU members states must respect the rule of law and the EU’s values.<sup>2732</sup> Additionally, recovery plans must be consistent with the six EU priorities: (1) green transition, (2) digital transformation, (3) economic cohesion and competitiveness, (4) social and territorial cohesion, (5) institutional crisis-reaction and crisis preparedness or (6) with the Next Generation EU policies, in order to be eligible for funding.<sup>2733</sup>

On 12 November 2020, the European Parliament and European Union ministers reached a provisional deal on the EU’s Erasmus+ Programme for 2021-2027.<sup>2734</sup> The programme is worth more than EUR26 million and the funds will be allocated towards training and education, and “specific measures to enable more people with fewer opportunities to participate,” such as those who may be disabled, impoverished, remote or migrants, to participate in the program.<sup>2735</sup>

On 8 December 2020, the European Parliament and Council reached a deal on the new InvestEU programme.<sup>2736</sup> The EU has committed EUR26 billion, which is predicted to increase to EUR400 billion in additional investments. Of this, 37.8 per cent or around EUR9.9 billion will be directed towards sustainable infrastructure; 25.1 per cent or around EUR6.6 billion will be directed towards research, innovation and digitalisation; 26.4 per cent or approximately EUR6.9 billion SMEs; and lastly, 10.6 per cent or EUR2.8

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<sup>2728</sup> EU must prioritise fight against youth unemployment, homelessness and poverty, European Parliament (Brussels) 10 July 2020. Access Date: 28 March 2021. <https://www.europarl.europa.eu/news/en/press-room/20200706IPR82730/eu-must-prioritise-fight-against-youth-unemployment-homelessness-and-poverty>.

<sup>2729</sup> EU must prioritise fight against youth unemployment, homelessness and poverty, European Parliament (Brussels) 10 July 2020. Access Date: 28 March 2021. <https://www.europarl.europa.eu/news/en/press-room/20200706IPR82730/eu-must-prioritise-fight-against-youth-unemployment-homelessness-and-poverty>.

<sup>2730</sup> COVID-19: first go-ahead given to the new Recovery and Resilience Facility, European Parliament (Brussels) 9 November 2020. Access Date: 28 March 2021. <https://www.europarl.europa.eu/news/en/press-room/20201105IPR90912/covid-19-first-go-ahead-given-to-the-new-recovery-and-resilience-facility>.

<sup>2731</sup> COVID-19: first go-ahead given to the new Recovery and Resilience Facility, European Parliament (Brussels) 9 November 2020. Access Date: 28 March 2021. <https://www.europarl.europa.eu/news/en/press-room/20201105IPR90912/covid-19-first-go-ahead-given-to-the-new-recovery-and-resilience-facility>.

<sup>2732</sup> COVID-19: first go-ahead given to the new Recovery and Resilience Facility, European Parliament (Brussels) 9 November 2020. Access Date: 28 March 2021. <https://www.europarl.europa.eu/news/en/press-room/20201105IPR90912/covid-19-first-go-ahead-given-to-the-new-recovery-and-resilience-facility>.

<sup>2733</sup> COVID-19: first go-ahead given to the new Recovery and Resilience Facility, European Parliament (Brussels) 9 November 2020. Access Date: 28 March 2021. <https://www.europarl.europa.eu/news/en/press-room/20201105IPR90912/covid-19-first-go-ahead-given-to-the-new-recovery-and-resilience-facility>.

<sup>2734</sup> EP and EU ministers agree on Erasmus+ programme for 2021-2027, European Parliament (Brussels) 21 November 2020. Access Date: 28 March 2021. <https://www.europarl.europa.eu/news/en/press-room/20201207IPR93204/ep-and-eu-ministers-agree-on-erasmus-programme-for-2021-2027>.

<sup>2735</sup> EP and EU ministers agree on Erasmus+ programme for 2021-2027, European Parliament (Brussels) 21 November 2020. Access Date: 28 March 2021. <https://www.europarl.europa.eu/news/en/press-room/20201207IPR93204/ep-and-eu-ministers-agree-on-erasmus-programme-for-2021-2027>.

<sup>2736</sup> InvestEU Fund agreed: Boosting strategic, sustainable and innovative investments, European Parliament (Brussels) 8 December 2020. Access Date: 28 March 2021. <https://www.europarl.europa.eu/news/en/press-room/20201208IPR93301/investeu-fund-agreed-boosting-strategic-sustainable-and-innovative-investments>.

billion will be allocated towards social investments and skills.<sup>2737</sup> The InvestEU programme ultimately aims at “boosting strategic, sustainable and innovative investments.”<sup>2738</sup>

On 19 January 2021, the European Commission presented their new strategy to “foster the openness, strength and resilience of Europe’s economic and financial system.”<sup>2739</sup> The plan is comprised of three pillars: Firstly, “promoting a strong international role of the euro by reaching out to third-country partners to promote its use, supporting the development of euro-dominated instruments and benchmarks and fostering its status as an international reference currency in the energy commodities sectors, including for nascent energy carriers such as hydrogen,” as well as focusing on green finance and continue support for the European Central Bank.<sup>2740</sup> Secondly, “developing EU financial market infrastructures and improving their resilience, including towards the extraterritorial application of sanctions by third countries.”<sup>2741</sup> Lastly, “promoting the uniform implementation and enforcement of the EU’s own sanctions” by establishing the Sanctions Information Exchange Repository to better report and exchange information.<sup>2742</sup>

The European Union has taken measures to marshal the full power of the government in order to restore confidence, growth, and protect jobs.

Thus, the European Union receives a score of +1.

*Analyst: Ally Johnston*

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<sup>2737</sup> InvestEU Fund agreed: Boosting strategic, sustainable and innovative investments, European Parliament (Brussels) 8 December 2020. Access Date: 28 March 2021. <https://www.europarl.europa.eu/news/en/press-room/20201208IPR93301/investeu-fund-agreed-boosting-strategic-sustainable-and-innovative-investments>.

<sup>2738</sup> InvestEU Fund agreed: Boosting strategic, sustainable and innovative investments, European Parliament (Brussels) 8 December 2020. Access Date: 28 March 2021. <https://www.europarl.europa.eu/news/en/press-room/20201208IPR93301/investeu-fund-agreed-boosting-strategic-sustainable-and-innovative-investments>.

<sup>2739</sup> Commission takes further steps to foster the openness, strength and resilience of Europe’s economic and financial system, European Commission (Brussels) 19 January 2021. Access Date: 28 March 2021. [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_21\\_108](https://ec.europa.eu/commission/presscorner/detail/en/ip_21_108).

<sup>2740</sup> Commission takes further steps to foster the openness, strength and resilience of Europe’s economic and financial system, European Commission (Brussels) 19 January 2021. Access Date: 28 March 2021. [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_21\\_108](https://ec.europa.eu/commission/presscorner/detail/en/ip_21_108).

<sup>2741</sup> Commission takes further steps to foster the openness, strength and resilience of Europe’s economic and financial system, European Commission (Brussels) 19 January 2021. Access Date: 28 March 2021. [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_21\\_108](https://ec.europa.eu/commission/presscorner/detail/en/ip_21_108).

<sup>2742</sup> Commission takes further steps to foster the openness, strength and resilience of Europe’s economic and financial system, European Commission (Brussels) 19 January 2021. Access Date: 28 March 2021. [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_21\\_108](https://ec.europa.eu/commission/presscorner/detail/en/ip_21_108).