Trade Union
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No Strings Attached?

A trade union review of OECD findings on COVID-19 public support measures to private businesses

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Executive Summary

OECD governments took decisive action in March-April 2020 to maintain their economies afloat and prevent a surge in unemployment as a consequence of the COVID-19 crisis and related lockdown measures. Several employment and social policy instruments, such as short-time work (STW) schemes and strengthened unemployment and social benefits, were swiftly deployed at the onset of the crisis to avoid or at least mitigate the consequences of full or partial business standstills.

Governments also introduced a wide array of direct and indirect support measures for businesses in order to preserve their liquidity either by reducing outflows (e.g. deferral of tax payments) or supporting inflows (guarantee loans, equity injections and recapitalisations). Governments have also facilitated business operations through easing administrative and regulatory measures.

There is consensus among policy-makers that public support measures should have strings attached, i.e. conditions and criteria to which businesses must abide in order to have access to public support measures.

Opinions are less homogenous when it comes to what kind of criteria and conditions, also known as "conditionalities", should apply. For the time being, the OECD recommends three types of conditionality that primarily aim at preserving an even market playfield:

- Clear sunset clauses to public support, in order to ensure public debt sustainability and the recovery of public and publicly-backed loans;
- Strong market governance and "competitive neutrality" standards to maintain a level playing field;
- Observance of internationally recognised instruments of responsible business conduct, including the OECD Guidelines for Multinational Enterprises and the OECD Due Diligence Guidance for Responsible Business Conduct.

With the crisis prolonging, the OECD has been increasingly vocal about the need to re-think crisis management instruments in order to provide "refined and better targeted"

support. The underlying key concern is that excessive and overly generous public support would lead to resources misallocation by propping up “unviable firms” and freezing market competition and renewal.

The OECD seems also worried by the impact of public loans and guarantees on the sustainability of corporate debt, which had already reached record levels prior to the COVID-19 crisis. Different forms of credit support and payment deferrals could therefore exacerbate debt levels in the private sector, further increasing systemic instability and the risk of the debt bubble to burst.

In terms of conditionalities, some government support measures have temporary restrictions on economic dismissals for firms receiving employment subsidies. Employment-related conditions, however, are primarily confined to those measures addressed at employment, such as short-time work schemes and temporary lay-offs, but are not necessarily considered for other forms of direct support to business.

In a small minority of cases, support measures have also include restrictions on CEO compensation or dividend payments, either through cash dividends or corporate share buybacks. Trade unions have been unanimous in calling for a suspension of dividend distribution and corporate share buyback practices, especially for firms receiving state aid during the crisis.

At the time of the 2008 financial crisis, public support measures to banks sparked a number of criticisms: financial support evidently represented a mutualisation of losses, whilst gains remained concentrated in the hands of the very few mainly responsible for the burst of the financial crisis in the first place. Similar challenges arise today.

Trade unions have been vocal about the need to ensure a broader fulfilment of social justice principles when it comes to public support to private companies. A clear pre-condition for financial assistance in general, and in particular for the funding of short-term work schemes, should be that companies that access employment support measures guarantee their employees’ job places freezing dismissals.

Public support measures to the private sector represent an opportunity to influence investment decisions, shifting towards low-carbon economies and shaping nascent industries in a way that guarantees resilient and sustainable growth.

Finally, effective monitoring instruments to ensure that conditionalities are met play a capital role. Public support to private businesses has to pass the democratic assent of national parliaments and be monitored by public agencies, in order to avoid any misuse of public funds.

Social dialogue has an important role to play in this process. Collective bargaining and trade union representation at firm and sector-wide level must be involved from the programming of support measures that affect workers’ wellbeing, to the monitoring of the effective and equitable implementation of designed support measures. More broadly, workers have a right to information and consultation on matters meaningful for employment.

Responsible business conduct along the entire supply chain is essential and should be strengthened at a time of crisis. The OECD is well equipped to lead the way with its Guidelines for Multinational Enterprises, but such path should be extended to encompass abovementioned issues such as levels of shareholder remuneration, or the issue of fair taxation: public support measures should not go to companies which business model relies on tax avoidance, let alone tax evasion. Conditionalities could therefore include the obligation not to be fiscal residence of known tax heavens, even though there is still no common understanding of what constitutes a “tax haven”.

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Introduction

The world faces a socio-economic crisis of an unprecedented scale. As economies stalled after the introduction of emergency lockdown measures to counteract the COVID-19 health crisis, governments and central banks intervened rapidly to prevent widespread bankruptcies and massive unemployment.

Many OECD governments took decisive action in March-April 2020 to maintain their economies afloat and prevent a surge in unemployment, which would have particularly hit the most vulnerable parts of society. In July, the European Union reached an agreement for a EUR 750 billion Recovery Fund, split between grants and loans to its member countries, coming on top of national fiscal packages that were introduced in most EU economies (see annex I). In the United States, the CARES Act, launched in March 2020, injected a USD 2.2 trillion economic stimulus, split between direct cash payments to individual Americans, increased unemployment benefits, aid to businesses and to state and local governments. Japan allocated a similar amount via two different stimulus packages, most of which went to support employment and businesses, and about a quarter of the total to strengthen the Japanese healthcare system, to support consumption and public investments.

The one strong similarity between the current COVID-19 crisis and the 2008-09 crisis is the governments' readiness to support and, in certain cases, bail out private businesses. But with a difference: in 2009, governments offered unconditional bailing out and temporary nationalisation mainly to private banks and, to a much lesser extent, non-financial companies. Today, support is wider and directed at the entire real economy.

There is consensus among policy-makers that public support measures should have strings attached, i.e. conditions and criteria to which businesses must abide in order to have access to public support measures. Opinions are less homogenous when it comes to what kind of criteria and conditions, also known as "conditionalities", should apply. This paper maps out different forms of government support to business in response to the COVID-19 crisis, based on OECD findings. It then discusses the conditions for public support and the current OECD recommendations, and from there elaborates on a trade union perspective.

Mapping out public support measures to businesses

Short-term work schemes and other measures to protect employees

Several employment and social policy instruments were swiftly deployed at the onset of the crisis to avoid, or at least mitigate, the consequences of full or partial business standstills. The expansion of existing temporary redundancy and wage subsidy schemes, as well as the introduction of new such mechanisms, helped both workers and employers to cope with the crisis and ensure a quick return to business as soon as conditions allowed, benefitting all parties.

These government measures can be grouped as follows: (1) adjustments to the financing and duration of sick- and care-leave provisions; (2) Short-term work (STW) schemes, job protection/retention measures and wage/income support; (3) telework and occupational health and safety (OHS) measures; (4) specific measures for self-employed, temporary and casual workers[i].

This support allowed businesses to retain their workforce while reducing some of their wage costs, representing a substantial component of a company's expenses. So far, employment subsidies have been the most common and the most costly form of direct support in OECD countries, a powerful tool to maintain businesses afloat whilst supporting the income of workers and securing jobs. Helping firms to keep employees on payroll can take several forms, ranging from subsidising hours not worked (France, Germany) to topping up wages of workers on reduced hours (Netherlands, Australia).

Compared to short-term unemployment, wage subsidy schemes are particularly favourable to employers since they mostly involve no procedural costs or contributions by firms[ii]. In addition, wage subsidies cover hours worked, which is not the case for STW schemes (covering hours not worked), maintaining production levels at normal rate. Some additional measures allowed workers to take up training while on short-time unemployment (and comparable schemes). This indirectly contributes to the knowledge-based capital of the current employer, but it also supports workers' up-skilling and facilitates eventually labour mobility, when needed. An example of such programme is the Italian *Fondo Nuove Competenze* (New Skills Fund), introduced in August 2020 as part of the emergency package to fight COVID-19 and consisting of EUR 730 million for 2020 and 2021 to substitute working hours with trainings aimed at re-skilling workers towards the companies' changed production needs.

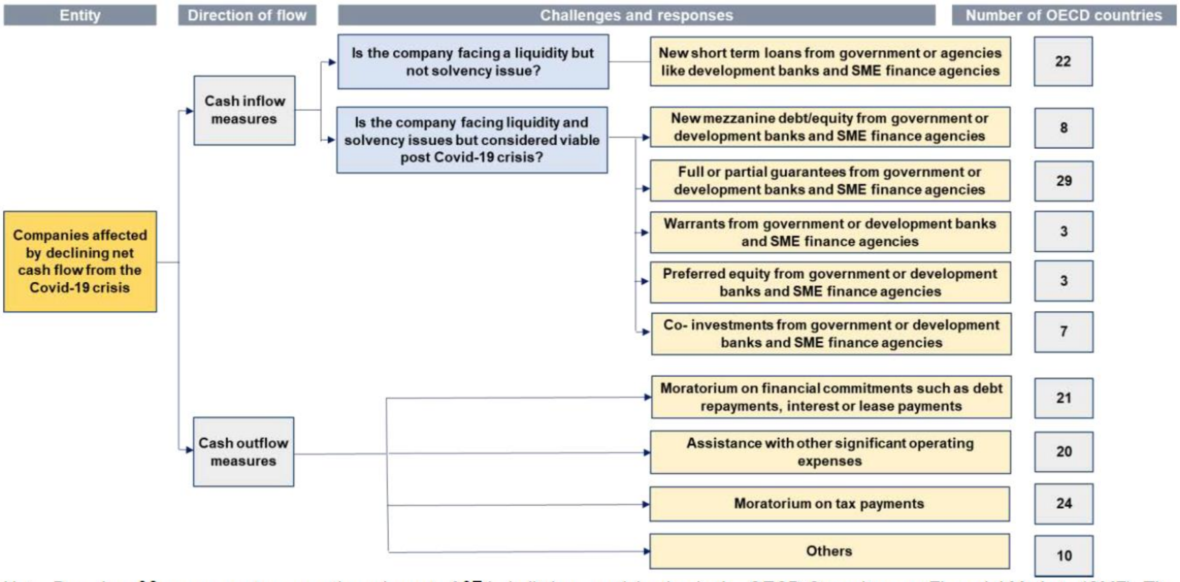
Overall, as confirmed by the OECD, job-retention schemes "*played a significant role in reducing labour costs – and hence the number of jobs at risk of being terminated as a result of acute liquidity problems in firms - while at the same time supporting the incomes of workers whose hours were temporarily reduced, preventing financial hardship and supporting aggregate demand*."[iii]

Overview of direct support measures to businesses

In April 2020, the OECD projected that in the absence of policy intervention in support of businesses, 20% of the firms would run out of liquidity after one month, 30% after two months and 38% after three months. If the confinement measures lasted seven months, more than 50% of firms would face a shortfall of cash[iv]. Aware of the threat that such a situation would pose for the economic recovery, OECD governments introduced a wide array of direct support measures for businesses[v]:

- Different forms of moratoria and deferments on corporate debt and tax payments;
- Expansion of eligible "collateral" financial assets (of lower quality) to facilitate access to credit;
- Credit guarantee schemes to facilitate banks' lending to firms;
- Direct short-term funding such as government purchase of commercial papers;
- A mix of direct (government) and indirect (central banks) corporate bond purchase to sustain markets;
- Direct lending to large corporations and SMEs; and
- Equity stakes in private companies.

Figure 1 – Government programmes in support of business cash-flows



Note: Based on 32 responses to a questionnaire out of 37 jurisdictions participating in the OECD Committee on Financial Markets (CMF). The framework is based on OECD (2020), Global Financial Markets Policy Responses to COVID-19.
Source: OECD.

Overall, direct support measures can be re-grouped in four categories, depending on the objective: protecting the liquidity of the business either by (i) reducing cash outflows (from the business) or (ii) increasing cash inflows, support its solvency through (iii) equity stakes and, (iv) facilitate business operations through administrative and regulatory measures.

Reducing cash outflows

As shown in Annex I, the primary form of public support to business in terms of size and amount has been maintaining good levels of liquidity for firms through reductions in short-term cash outflows. The majority of OECD governments have introduced moratoria on tax payments (inter alia corporate income tax, value added tax, local tax). Deferral measures have also been applied to quasi-taxation, including social security pension contributions. Other forms of cash outflows dampening measures included moratoria on debt and interest repayments and, in fewer cases, rent/utilities payments.

Increasing cash inflows

The second category includes state support measures directly aimed at increasing firms' liquidity inflows, through new credit lines. Loan guarantees have been the favoured instrument for many countries worldwide. Certain sectors have been particularly targeted, such as the airline industry (see annex II). The goal is to encourage lending a time of high risk aversion from the banks and reduce the cost of capital (i.e. government guarantee eliminate the credit default risk and hence contribute to lower interest rate payments). In the United States, the Small Business Administration agency offers USD 377 billion to support SMEs in the form of loan guarantees. Direct loans from government (or from quasi-government entities such as public banks) is another widespread form of debt-related support measure. In some cases, the loans can be forgiven under certain conditions. In the case of the US again, the "Paycheck Protection" Programme ensures that a portion of the loan is forgiven if it is used to retain payroll, rent, mortgage payments and utilities (with ceiling provisions, however).

Equity stakes

Another type of measure, far less widespread than credit support schemes, has been to inject equity, provide grants and subsidies. This type of measures are likely to increase cash inflows and liquidity for businesses in the short term and are sustainable in the long-term, assuming a V-shaped recovery (i.e. a prompt return to growth). However, in the case of a prolonged crisis, therefore an L-shaped or W-shaped recovery (prolonged stagnation or stop-and-go scenarios), the increased leverage could cause insolvency issues for businesses and prevent any sustainable recovery. This risk is considerably higher given the high level of corporate debt that already precedes the COVID-19 crisis, as discussed further below.

State equity injection usually comes with conditions for firms, the most common ones being (i) co-investment (i.e. private or a quasi-public investor chips in as well) and (ii) minimum size threshold for the business, in terms of turnover and/or number of employees. Germany, for example, launched a EUR 2.6 billion public fund providing equity injections primarily intended for large companies (although. start-ups and SMEs can be supported if deemed strategic). Ireland has a similar EUR 2 billion fund, The "Corona Matching Facility".

Beyond equity injections, direct state support can also range from minority public stake holding to state ownership (i.e. equity stake leading to effective control) and nationalisation (100% public ownership). Past crises show that governments, even governments that are politically opposed to state ownership, can take equity stakes, sometimes up to nationalisation, for firms that are deemed too important, or too strategic to fail or fall under foreign ownership. Examples include airline carriers in Italy and the Nordic countries, or the automotive industry in France.

Administrative and regulatory measures

Other than direct or indirect financial support, governments are taking regulatory measures and implementing structural policies to reduce administrative burdens, facilitate entrance in new markets, support alternative funding sources, such as crowdfunding.

Several countries have also adjusted bankruptcy regimes in the context of the crisis[vi] (for instance Australia, Belgium, Colombia, Germany, Italy, New Zealand, Portugal, Russia, Turkey, Ukraine and the United Kingdom). The aim of these changes is to provide companies with more time and flexibility before they file for bankruptcy.

What the OECD recommends

The OECD Secretariat issued recommendations on government support to businesses already in March 2020[vii]. They call for a combination of the measures outlined above – equity injections, credit support lines and debt guarantees, delays in tax payment deadlines and other regulatory filings, reduction of red tape for business, and more. In exchange for publicly funded support, the OECD recommends three forms of conditionality:

- **A "clear exit strategy"** is warranted "so as not to raise sovereign debt sustainability concerns" and ensure taxpayers get their money back, through "incentives to repay as the business recovers, for example, restrictions on dividends" and the use of equity warrants (granting governments a right to buy shares of the company at a specific price at a future date).
- Strong **governance and "competitive neutrality" standards** in the case of equity injection and "temporary to medium-term state ownership". This means adherence to the OECD Guidelines on Corporate Governance of State-Owned Enterprises, which set standards for both governmental shareholders and the company. Within that, and as part of upcoming OECD recommendations on competitive neutrality, public equity and other direct forms of public support should not be distorting market competition.
- Last, but not least, the OECD expects businesses that benefit from state support to observe "internationally recognised instruments of **responsible business conduct**", including the OECD Guidelines for Multinational Enterprises and the OECD Due Diligence Guidance for Responsible Business Conduct.

Speed versus targeting: are conditions desirable in the first place?

The 2008-09 crisis originated in the financial sphere and affected primarily banking and financial institutions – before transmitting to the real economy. The COVID-19 crisis by opposition is hitting all sectors of the real economy at once, both through supply and demand channels. This time, the response had to be quick and widespread, in order to avoid contagious bankruptcies and unprecedented spikes in unemployment. Accordingly, government measures in March-June 2020 were not targeted nor particularly selective, prioritising speed of intervention over merit.

With the prolonging of the crisis arises the possibility to manage it more carefully. The OECD has been increasingly vocal about the need to shift towards "refined and better targeted" support: a key concern is "to ensure that public support does not contribute to resources misallocation, for instance by propping up unviable firms"[viii]. The general proposition is to sustain only "viable and efficient firms" combined with a "careful phasing out" of support mechanisms. Among else, recent research suggests that "interest payment suspensions have only a very modest effect on business failures" and that "narrowly targeted interventions can have much larger effects for a relatively modest fiscal cost"[ix].

Still, the OECD admits that "decision-taking and trade-offs will be difficult for the hardest-hit sectors, which will likely suffer for a long time". There is a need to ensure that effective support to vulnerable firms goes hand in hand with the need to provide social protection and mechanisms to assist workers in either maintaining viable jobs or smoothly transitioning to different ones.

In its response to the OECD Economic Outlook in June 2020, the TUAC warned against a premature withdrawal of business support measures, as it can be difficult for governments to distinguish with certainty during the COVID-19 crisis between firms with temporary liquidity problems and those that became "structurally uncompetitive" and should exit the market due to changed market conditions.[x]

Debt versus equity support: avoiding another corporate debt bubble

Another policy concern raised by the OECD relates to the impact of support measures upon private corporate debt levels, which hit record-high levels already prior to the Covid-19 crisis. Debt-related support, deferral of payments and emergency credit lines could then further increase debt levels in the private sector. At the end of 2019, private-sector corporate-debt was equivalent to 165% of GDP in the Eurozone and 150% in the United States, according to the Bank for International Settlement. Credit guarantee schemes are seen as of particular concern, with some evidence that they have positive effects on employment levels, while there is a lack of evidence for improved company performance in terms of investments and productivity.

Furthermore, the monetary support provided by central banks has also been reinforced through instruments directed at purchasing companies' securities. The Federal Reserve, the European Central Bank, Bank of England and Bank of Japan have activated a number of different instruments to support private businesses by purchasing corporate bonds and shares. While eligible companies must maintain good investment grade quality in order to reduce financial risk, in some cases requirements have been eased, for example in the United States, encompassing businesses rated only a few notches above speculative grade (BB-/Ba3). Even before the COVID-19 crisis, the OECD noted the unprecedented inflation of corporate bond markets, which resulted by the end of 2018 in doubling the outstanding global corporate debt compared to 2008, and overall declining in bond quality[xi].

In fact, prolonged low interest rates ever since the global financial crisis and the COVID-19 monetary emergency packages released in 2020 make it often preferable for private companies to access credit on the market, rather than opting for government support credit lines. This is particularly true in the presence of strong support conditionalities that could further deter firms from applying for state support in the presence of cheap liquidity on capital markets, even at low investable grades. In this sense, monetary policy could go against the need to control and influence firms' choices through government support. As we gradually move out of the COVID-19 crisis, this will pose a systemic risk for the global economy and risk depressing further the recovery. Hence, governments should be careful in not trading one problem (the risk of widespread bankruptcies at the height of the COVID-19 crisis) for another (a highly leveraged private sector that can either lead to prolonged stagnation or cause systemic uncertainty in the economy).

Conditionalities in practice

As far as "conditionalities" (conditions to observe in order to benefit from public support) are concerned, countries have introduced some temporary restrictions mostly in two areas: banned economic dismissals for firms receiving employment subsidies, and financial activities such as dividend payments and refinancing of existing debt.

Employment-related conditions

Employment-related conditions, where they exist, are attached to measures directly targeting employment. This sounds obvious, but it is not necessary true that employment conditionalities could not be linked to any other form of public support to private employers, including credit and equity support or softened regulations. Some short-term unemployment schemes require additional justification for, or total ban of lay-offs. In some countries, sector- and firm-level bargaining filled the gaps by preventing such redundancies or by increasing the level of financial contributions by the employer to attain decent wage levels. This shows that continued or newly introduced employment and income support measures should be conditional upon a justification of lay-offs akin to similar criteria as under stricter employment protection regimes. Further, support should have to be agreed upon not only with social partners, but also be conditional upon further adjustments via collective bargaining at sector- and firm-level.

Certain countries stipulate loans forbearance and wage subsidies on the actual reduction in payroll taxes, with the requirement to be used to cover fixed costs only, or to rehire fired employees after the crisis. For example, in Denmark, firms only qualify for the wage compensation scheme if they promise not to lay off workers for economic reasons during the COVID-19 crisis, and if they can pay the remaining 25% of the salary not covered by public subsidies.

Some countries explicitly prohibit companies from dismissing workers while they participate in the scheme (the Netherlands during the first three months of the programme, New Zealand, Poland), and in some cases including a short period after (Austria, Bulgaria, Cyprus, France, Hungary, Lithuania and Slovakia). Italy intends to make invalid collective or individual dismissals based on economic grounds that were initiated after the start of confinement. Spain and France announced increased scrutiny for dismissals related to COVID-19.

Another important dimension is that some support is tied to the need of an agreement between employers and their workers against lay-offs and the simultaneous reduction in working time. In other words, it would be important to tie future and continuing support to companies allowing them to reduce labour costs to the need to strike agreements with workers and their representatives.

Shareholder remuneration and tax accountability

In a (very) small number of cases, support measures also include restrictions on CEO compensation or dividend payments, either through cash dividends or share buybacks. Some countries impose a temporary restriction on shareholders' payments. The loan guarantees in Canada, for example, include a condition on the use of guaranteed loans to cover operational costs only, excluding refinancing or repayment of debt or any corporate actions related to an increase in executive compensation or shareholder remuneration.

France, Italy and Brazil make their state aid conditional on the suspension of dividends and share buybacks for the year 2020. In Denmark, the restriction will continue to apply throughout 2021. The US CARES Act foresees a similar restriction for 12 months after the grant of federal loan assistance. In Spain and Portugal, the restriction will apply until the loan is reimbursed. Sometimes, the restriction does not apply equally to all firms. In Brazil for instance, financial institutions are asked to suspend their share buybacks and dividends above a certain minimum level until 30 September 2020.

Other countries require that state aid is reinvested into the business and, hence, implicitly put conditions on shareholder remuneration. In Canada, state-guaranteed loans are meant to support operating costs only and cannot be used to fund shareholders' payments, increase executive pay or refinance existing debt.

Payments to shareholders can also take the form of corporate share buybacks. The intention is to increase artificially the market value of the company for the benefit of shareholders. This practice is particularly controversial when companies take on extra debt solely for this purpose[xii].

According to press reports, some countries including Denmark, Poland, France and Sweden have committed not to grant financial aids to firms storing funds in tax havens. Whilst the logic behind such statements is very clear, their application is problematic, since there is no shared understanding of what constitutes a "tax haven".

A trade union perspective

At the time of the 2008 Global Financial crisis, public support measures to bankers understandably sparked a number of criticisms. Financial support to banks was largely seen as mutualisation of losses, whilst gains were not being shared with the society. Similar challenges arise today: public funding should be used in a way that fosters social justice and efficiency, also to better prepare our economies for the next downturn.

Recent trade union positions

Trade unions have been vocal on the need for firms receiving state support to safeguard employment to, precisely, fulfil the goal of social justice. A clear pre-condition for financial assistance in general, and in particular for the funding of short-term work, should be that companies whose workforce falls under support schemes maintain their employees and workers in their job. Dismissal protection has been a key demand. For instance, the AFL-CIO has demanded that all companies getting assistance maintain current workforce levels, wages and benefits[xiii]. The European Trade Union Confederation opposed public financial support to companies laying off workers[xiv]. The British TUC called for upgrading the current Job Retention scheme to a Jobs Protection and Upskilling scheme[xv]. It would entail 70 per cent of wage and associated costs to businesses per hours not worked. Companies receiving such aid need to prove that they are affected by pandemic restrictions and that they bring back "each worker they're claiming for a minimum period of their normal working time – with exceptions for local lockdowns or for workers who are shielding or can't work because of caring responsibilities". In Germany, where the short-time working schemes were prolonged (covering 87% of wage costs), the DGB called on employers to enhance training opportunities[xvi].

Tying public support to employment performance and condition does not only make sense from the point of view of social justice. It can be a good way to secure effectiveness of public support, as well as increase job quality and accelerate the recovery. Un-discriminated support, on the other hand, can end up very costly. The US Paycheck Protection Program for instance offered unconditional loans to business, and ones to be forgiven if employees were kept on the payroll. Considering the size of the support (USD500bn) and the estimated number of jobs saved (2.3m), the programme does not appear as the most efficient one to save employment[xvii].

Trade unions have also been unanimous in calling for a suspension of dividends and share buybacks, at large, but especially for firms receiving state aid as seen in the statements by the AFL-CIO[xviii] and the ETUC[xix]. Trade unions are also seeking support from long-term investors. The Global Unions' Committee on Workers' Capital, for example, recently published four main stewardship principles as a response to the pandemic.

Transition to a low-carbon economy

The public support measures for business also represent an opportunity to shift towards more sustainable sectors in the economy and to direct the development of nascent industries in areas that are significant for a resilient and sustainable growth. This includes in the first place green energy and environmentally friendly firms, as well as helping industries to turn greener in the post-COVID-19 world. It also applies to digital and new technologies, strategic to maintain economies competitiveness and the industry fit for the challenges of the future. In the current recession, governments can combine support measures for private companies with forward-looking development agendas, re-positioning their countries' economic structures in more fundamental ways than it was done before the crisis.

Public accountability in the implementation phase

Effective monitoring and enforcement matter. Exclusively relying on public administration to do so may not be a viable option for at least two reasons. First, for many countries a top-down administrative approach raises capacity issues. State aid is being distributed to all sectors at an unprecedented level. Countries will rely on management funds to check the eligibility of firms before granting public funding. It remains very unclear how, if at all, the effective implementation of conditionalities will be ensured, not least considering the role of the private-sector banking system which is serving as an intermediary in the delivery of most debt-related support measures. A second problem is the consequence of non-compliance by a firm. Refusing to grant liquidity, or demanding their immediate reimbursement, may accelerate bankruptcies and therefore be harmful to employment.

At the outset, there is the pre-requisite of democratic control and accountability. Bringing public money into private hands always creates delicate situations for the executive branch and for top-down government approaches. Third-party checks, and importantly for nationwide programme, parliamentary oversight are warranted. Damon Silvers of the AFL-CIO was a member of the oversight panel appointed by the US Congress to monitor the implementation of the public support and bailout programme of the US TARP act in response to the 2008 crisis. Drawing lessons from this experience, Silvers concludes:

"Give no one person control over a public bailout […]. Have an independent board make those decisions. If the goal is maintaining employment, have workers on that board. If at all possible, use the money directly to accomplish the intended goals, rather than give general financing to companies. In this situation, that means subsidize payrolls first, then only if necessary give capital to firms. If we give capital to firms, insist on a fair equity return on

the back end for the people of the United States. And any oversight body must have subpoena power and the ability to swear in witnesses and an adequate budget" [xx].

The role of sector-wide and firm-level social dialogue

OECD countries' resilience to the employment crisis will in large part reflect the strength of their respective labour market institutions and their respective levels of social dialogue and institutionalised mechanisms. Disruptions arising out of firm-level disagreements are more likely to occur in more fragmented and disorganised bargaining systems, which tend to be tied to lower job quality in the first place, increasing the risk of workers' dissatisfaction even outside crisis times. From this perspective, the heavier the trade union density and the wider the coverage of collective bargaining, the greater the capacity to avoid single and multiple disruptions at the firm level. Recent OECD Employment Outlooks and ad hoc reports have aimed to classify OECD countries' bargaining systems, including 1) at the predominant level where collective bargaining takes place and 2) at the level where significant numbers of workers are not covered by collective agreements. The table in Annex III suggests that the level of resilience will differ greatly as the lockdown and the gradual de-confinement are implemented.

Another risk would be for governments to rely excessively on a "comply or explain" approach, leaving too much flexibility for firms to minimise their responsibilities. Increased transparency, in particular on the respect of conditionalities, must be accompanied with appropriate regulations.

Governments need to attach stronger employment conditions to tackle "opportunistic" dismissals more efficiently. In particular, ensuring that restructuring plans are negotiated with trade unions and workers' representatives through collective bargaining is now more important than ever.

The implementation of employment subsidies, as well as the conditions to be put in place for safe return to work, should not be left in the hands of management alone and without third party check. In many European countries, the main features of short-term work are negotiated at national level, whilst the specific implementation is agreed at firm level. Governments should hence ensure that firms benefitting from public support actively engage with workers' representatives, on a lasting basis and in addition to the practical implementation of short-term work schemes. To this end, public authorities may find useful to establish direct ways of communication with workers' representatives.

More broadly, the rights to information and consultation on matters meaningful for employment are internationally protected rights, as underlined by Chapter V of the OECD Guidelines for multinational enterprises. Dissuasive sanctions in case of violation of these standards are crucial in times of crisis.

Using Responsible Business Conduct instruments

Looking ahead, recovery plans have to be coordinated with broader policy objectives to ensure that longer term financial responses help secure sustainable and inclusive socio-economic recovery. The OECD broadly recommends that governments include in their fiscal support commitments to internationally respected responsible business conduct standards, such as the OECD Guidelines for Multinational Enterprises.

Recipients of financial aid must be required to demonstrate, not just report, responsible business conduct, including evidence of an effective due diligence process that verifies real outcomes. The OECD Guidelines for Multinational Enterprises offer a comprehensive framework for multinational enterprises to make positive contributions and minimise social and environmental impacts. Connecting financial support to desired responsible business outcomes would protect complementary public interests: securing the financial return on large public investment and a social return on investment necessitated by unprecedented job losses across the economy. Policies and transaction documents must begin to connect financial support with contributions to a social recovery.

Trade unions are the only ones in a position to coordinate large workplace responses, making them essential actors in effective due diligence, confirming workers see real workplace outcomes. Without worker verification, it is not possible to guarantee that the due diligence is more than a box-ticking exercise, or that social peace will be maintained. Therefore, firms should demonstrate that they are actively engaging with trade unions to devise their due diligence plans[xxi].

Corporate governance

Not only have speculative financial excesses prior to 2008 not been curtailed, but also they have revived in the context of colossal market liquidity injections by monetary authorities, and the need to increase returns on investments in a context of low interest rates and limited traditional gain opportunities. Many businesses which will now benefit from generous crisis recovery packages, "burnt" a lot of profits in previous years in speculative share-buyback programmes rather than spending on real investments for the economy. As noted by the OECD, "*until 2018, capital expenditures have been lacklustre for much of the post-crisis period. A key factor in this corporate behaviour is that, in aggregate, corporates have preferred to pursue share buybacks to boost returns on equity through financial leverage rather than invest in new business initiatives*"[xxii].

These initiatives have led financial markets observers to conclude that the pandemic may have torpedoed share-buy-backs[xxiii]. These are short-term projections as we are in fact running the risk of reproducing the 2010 scenario. In the aftermath of the great financial crisis, binding regulations across the board have not been put in place, leaving firms free to run into debt and expose themselves to economic risks.

Several options can be explored to regulate the practice of share-buy-backs: total prohibition, restricting buybacks for as long as a company is not investment-grade, imposing limits on the total amount of shares that can be repurchased. Concerning dividends, complete prohibition might not be a realistic scenario considering business needs for investment. However, meaningful restrictions should clearly apply to companies running into financial difficulties. In all these scenarios, having workers on company boards will be instrumental for assessing when payments are detrimental to the long-term interest of the firm and its stakeholders.

Tax avoidance

There is no shared understanding of what constitutes a tax haven. The EU official list excludes all EU members, while some stakeholders argue that at least two EU Member States should be classified as tax havens. In addition, the EU List is not consistent with the OECD's ranking and methodology for its Global Forum on tax transparency[xxiv].

The impact of the conditionality will also vary depending on its design, for instance whether only subsidiaries would be excluded from state aid if the parent company is registered in a tax havens, or whether any multinational with at least a subsidiary present in a tax haven would also be excluded. As an illustration of the scale of the problem, it is suggested that one third of French multinationals have at least one subsidiary in a tax haven, mostly in Europe[xxv]. France has decided to apply the criteria to qualify for state support to multinationals having a subsidiary in a tax haven.

Some governments may yet be reluctant to apply a strict no tax havens conditionality. The recent decision by the Italian government to grant financial aid to the Italian subsidiary of Fiat-Chrysler Automobiles (FCA) is a case in point. FCA, historically owned by an Italian family, headquartered in the Netherlands in 2014 and with a tax domicile in the UK whilst maintaining significant economic activities in Italy. In doing so, FCA has been paying proportionally less corporate tax than it did in Italy. Six years later, the decision to grant aid to the Italian subsidiary of FCA has been deemed necessary in order to safeguard employment. In such circumstances, one may question whether the Italian government will have sufficient leverage to entice the multinational enterprise to re-register its head office back in Italy[xxvi].

Firms receiving state aids should be required to publish their corporate tax practices, providing at least the same data that they are communicating to tax administrations in their country-by-country reports. Tax transparency is a long-standing trade union demand, which will considerably increase public leverage to curb aggressive tax planning.

Annex

Annex I : Support programmes for businesses in response to Covid-19 (indicative, as of June 2020)

Jurisdiction	Type	Programme	Total size	Capital structure	Firms targeted	Channel
Austria	Guarantee	Corona Aid Fund	EUR 15 bn	Debt	SMEs	Banks
Belgium	Guarantee		EUR 50 bn	Debt	All	Direct
Brazil		Emergency Employment Support Program	BRL 40 bn	Debt	SMEs	Banks
Brazil		Special Temporary Liquidity Facility	BRL 670 bn	Debt	Financial Institutions	Direct
Canada	Loan	Business Credit Availability Program (BCAP)	CAD 40 bn	Debt	SMEs	Direct
European Union	Loan	Pandemic Crisis Support credit lines (ESM)	EUR 240 bn	Debt		Direct
European Union	Guarantee	Partnership with EIB and EIF	EUR 40 bn	Debt	SMEs	Banks
Finland	Loan	BUSINESS DEVELOPMENT AID	EUR 400 m	Debt	SMEs	Banks
Finland	Loan	FUNDING FOR BUSINESS DEVELOPMENT	EUR 250 m	Debt	SMEs	Banks
Finland	Recapitalisation	stabilisation program	EUR 150 m	Equity	Medium-large	Banks
Finland	Guarantee	Start-SMEs Guarantee	EUR 12 bn	Debt	SMEs	Banks
France	Loan & Guarantee	Mid term financing	EUR 315 bn	Debt	VSEs, SMEs and Mid-cap companies	Direct
Germany	Loan		EUR 50 bn	Debt	Self-employed and fewer than 10 employees	Direct
Germany	Recapitalisation		EUR 2 bn	Equity	Start-ups	Banks
Germany	Guarantee	Economic stabilisation fund	EUR 600 bn	Equity /Debt	250 employees or more	Banks
Greece	Loan	Repayable advance payment scheme for financing enterprises	EUR 2 bn	Debt	All	Direct
Greece	Guarantee		EUR 2 bn	Debt	All	Banks
Greece	Loan	Loan instalment	EUR 1.2 bn	Debt	SMEs	Direct
Hong Kong	Guarantee	SME Financing Guarantee Scheme	HK$100 bn	Debt	SMEs	Direct
Hong Kong	Guarantee	SME Financing Guarantee Scheme	HK$33 bn	Debt	SMEs	Direct
Hong Kong	Guarantee	SME Financing Guarantee Scheme	HK$50 bn	Debt	SMEs	Direct
Hungary	Loan	Recovery Programme of the Hungarian Development Bank	HUF 1,500 bn	Debt	All	Banks
Hungary	Recapitalisation	SME Rescue Capital Programme	HUF 371 bn	Equity	All	Banks
Ireland	Loan	COVID-19 Working Capital Scheme	EUR450 m	Debt	up to 499 employees	Direct
Ireland	Loan	COVID-19 Funding for Future Growth Loan Scheme	EUR200 m	Debt	All	Direct
Ireland	Loan	Sustaining Enterprise Fund	EUR180 m	Debt	All	Direct
Italy	Guarantee	Guarantee Fund for SMEs	EUR 6 bn	Debt	SMEs	Banks
Italy	Loan	Sace's Guarantee	EUR 12.5 bn	Debt	All	Banks

Japan	Loan		JPY 500 bn (0.1% of GDP)	Debt	SMEs	Direct
Japan	Guarantee		JPY 1.6 trillion	Debt	SMEs	Direct
Japan	Guarantee		JPY 2 trillion (0.4% of GDP)	Debt	All	Direct
Latvia	Recapitalisation		EUR 125 m	Equity	Large companies	Direct
Luxembourg	Loan	State guarantee scheme for new bank loans for companies	EUR 2.5 bn	Debt	All	Banks
Luxembourg	Guarantee	Special Anti-Crisis SME Guarantee	EUR 200 m	Debt	SMEs	Banks
Mexico	Loan	Federal Government, through the development bank Nacional Financiera (Nafin)	MXN 36.3 bn (USD 1 bn)	Debt	SMEs	Banks
Netherlands	Guarantee	BMKB-C	EUR 1,5 bn	Debt	SMEs	Banks
Netherlands	Guarantee	GO-C	EUR 10 bn	Debt	SMEs	Direct
Netherlands	Guarantee	“Kleine Kredieten Corona (KKC)”	EUR 713 m.	Debt	SMEs	Banks
Netherlands	Recapitalisation	Seed capital	EUR 32 m.	Equity	Start-ups	Venture capital fund
Netherlands	Loan	TOGS	EUR 1,6 bn	Debt	All	Direct
Norway	Guarantee	Government Bond Fund	NOK 50 bn	Debt	All	Banks
Russia	Loan	measures to support lending to SMEs	500 bn rubles	Debt	SMEs	Banks
Spain	Guarantee	Public guarantee schemes	EUR 100,000 m	Debt	All	Banks
Spain	Loan	facility of the ICO	EUR 400 m	Debt	SMEs	Banks
Sweden	Guarantee		SEK 100 bn	Debt	All	Banks
Sweden	Loan	Resources and capital are being injected into Almi Företagspartner AB	SEK 3 bn	Debt	SMEs	Banks
Sweden	Guarantee	Swedish Export Credit Corporation and the Swedish Export Credit Guarantee Agency		Debt	SMEs	Banks
Sweden	Guarantee	State credit guarantees to airlines and expanded credit guarantee framework for the Swedish Export Credit Agency	SEK 5 bn, of which SEK 1.5 bn is intended for SAS	Debt	Airlines	Banks
Switzerland	Guarantee		CHF 40 bn	Debt	SMEs	Banks
Turkey	Loan	Keep Business Going Credit Support Programme	120 bn	Debt	All	Banks
United Kingdom	Guarantee		GBP 27 bn (1.2% of GDP)	Debt	Around 700,000 small businesses will be eligible	Direct
United Kingdom	Loan		GBP 3.5 bn (0.2% of GDP)	Debt		Direct
United Kingdom	Guarantee	Coronavirus Corporate Financing Facility and	GBP 330 bn (14.9% of GDP)	Debt	SMEs	Direct
United Kingdom	Loan	Covid Corporate Financing Facility (CCFF)		Debt	All	Direct
United Kingdom	Loan	Term Funding scheme for Small and Medium-sized Enterprises	GBP 100 bn in 2020 (5% of GDP)	Debt	All	Banks
United Kingdom	Loan	Bounce Back Loan Scheme (BBLS)		Debt	SMEs	Banks
United Kingdom	Recapitalization	Future Fund	GBP 500m	Equity	SMEs	Direct

United States	Loan	CARES Act	USD 32 bn (part of USD 500 bn)	Debt	All	Direct
United States	Loan	CARES Act	USD 454 bn (part of USD 500 bn)	Debt	All	Banks
United States	Loan	Small Business Administration	USD 50 bn (around 0.25% of GDP)	Debt	SMEs	Direct
United States	Loan	Commercial Paper Funding Facility		Debt	All	Banks
United States	Loan	Primary Dealer Credit Facility		Debt	All	Banks
United States	Loan	Money Market Mutual Fund Liquidity Facility (MMLF)		Debt	All	Banks
United States	Loan	Primary Market Corporate Credit Facility	USD 50 bn	Debt	All	Direct
United States	Loan	Secondary Market Corporate Credit Facility	USD 25 bn	Debt	All	Direct
United States	Loan	Term Asset-Backed Securities Loan Facility	USD 100 bn	Debt		Direct
United States	Loan	Paycheck Protection Program Liquidity Facility (PPPLF)		Debt		Direct
United States	Loan	Main Street Lending Program	USD 600 bn.	Debt	Al	Direct
source: OECD CMF 2020 DAF/CMF(2020)17/REV						

Annex II: Support measures to the airline industry
(indicative, as of September 2020)

Country	**Airline company**	**Type of support (announced or effective)**	**Size**
Austria	Austrian Airlines	Loans or guarantees	600m
Belgium	Brussels Airlines	Loans or guarantees	287m
Colombia	Avianca	Loans or guarantees	USD370m
Czech Republic	Smartwings	Recapitalisation & equity stake	100%
Denmark & Sweden	Scandinavian Airlines	Loans or guarantees	EUR274m
Denmark & Sweden	Scandinavian Airlines	Recapitalisation & Equity stake	SEK14.25bn
Finland	Finnair	Loans or guarantees	EUR600m
France & Netherlands	Air France-KLM	Loans or guarantees	EUR10.4bn
Germany	Lufthansa	Recapitalisation & Equity stake	EUR9bn
Israel	El Al	Loans or guarantees	USD250m
Italy	Alitalia	Loans or guarantees	USD500m
Japan	Nissan	Loans or guarantees	JPY180bn
Latvia	Air Baltic	Recapitalisation & Equity stake	EUR250m
New Zealand	Air New Zealand	Loans or guarantees	USD514m
Norway	Norwegian Air	Loans or guarantees	NOK2.7bn
Portugal	TAP	Loans or guarantees	EUR1.2bn
Switzerland	Swiss	Loans or guarantees	CHF1.5bn
United Kingdom	British Airways	Loans or guarantees	GBP300m
United Kingdom	Easyjet	Loans or guarantees	GBP600m
United Kingdom	Ryanair	Loans or guarantees	GBP600m
United Kingdom	Wizz Air	Loans or guarantees	GBP300m

source: OECD Forthcoming "Tackling the Covid-19: Policy responses concerning SOEs and related rescue operations"

Annex II: Collective bargaining systems, trade union & employer density in OECD countries

	Prevailing level	System of negotiation	Co-ordination	TU density (in the pvt sector)	Employer organisation density	CB coverage
Australia	Company /Sectoral	Decentralised	No	10-20%	..	50-60%
Austria	Sectoral	Organised decentralised	High	20-30%	90% or more	90% or more
Belgium	Sectoral /National	Centralised	High	50-60%	80-90%	90% or more
Canada	Company	Decentralised	No	10-20%	..	20-30%
Chile	Company	Decentralised	No	10-20%	..	10-20%
Colombia	Company	Decentralised	No	< 5%	..	5-10%
Costa Rica	Company	Decentralised	No	< 5%	..	5-10%
Czech Rep.	Company	Decentralised	No	10-20%	60-70%	40-50%
Denmark	Sectoral	Organised decentralised	High	60-70%	60-70%	80-90%
Estonia	Company	Decentralised	No	< 5%	20-30%	10-20%
Finland	Sectoral	Organised decentralised	High	50-60%	60-70%	80-90%
France	Sectoral	Centralised	Low	5-10%	70-80%	90% or more
Germany	Sectoral	Organised decentralised	High	10-20%	60-70%	50-60%
Greece	Company /Sectoral	Decentralised	No	10-20%	50-60%	40-50%
Hungary	Company	Decentralised	No	5-10%	60-70%	20-30%
Iceland	Sectoral	Centralised	Low	80-90%	..	80-90%
Ireland	Company	Decentralised	No	20-30%	60-70%	40-50%
Israel	Company /Sectoral	Decentralised	No	10-20%	40-50%	20-30%
Italy	Sectoral	Centralised	Low	20-30%	60-70%	80-90%
Japan	Company	Decentralised	High	10-20%	..	10-20%
Korea	Company	Decentralised	No	5-10%	10-20%	10-20%
Latvia	Company	Decentralised	No	5-10%	30-40%	10-20%
Lithuania	Company	Decentralised	No	5-10%	..	5-10%
Luxembourg	Company /Sectoral	Decentralised	No	20-30%	80-90%	50-60%
Mexico	Company	Decentralised	No	5-10%	..	10-20%
Netherlands	Sectoral	Organised decentralised	High	10-20%	80-90%	80-90%
New Zealand	Company	Decentralised	No	10-20%	..	10-20%
Norway	Sectoral	Organised decentralised	High	30-40%	70-80%	60-70%
Poland	Company	Decentralised	No	5-10%	20-30%	10-20%
Portugal	Sectoral	Centralised	Low	10-20%	60-70%	60-70%
Slovak Rep.	Company /Sectoral	Decentralised	No	10-20%	30-40%	20-30%
Slovenia	Sectoral	Centralised	Low	10-20%	50-60%	60-70%
Spain	Sectoral	Organised decentralised	Low	10-20%	70-80%	70-80%
Sweden	Sectoral	Organised decentralised	High	60-70%	80-90%	90% or more
Switzerland	Sectoral	Organised decentralised	High	10-20%		40-50%
Turkey	Company	Decentralised	No	< 5%	..	5-10%
United Kingdom	Company	Decentralised	No	10-20%	30-40%	20-30%
nited States	Company	Decentralised	No	5-10%	..	10-20%

Source: OECD (2019) & TUAC as of April 2020.

Sans contreparties ?
Une lecture syndicale des conclusions de l'OCDE sur les mesures de soutien public aux entreprises (COVID-19)

Document de travail du TUAC
Paris, le 15 octobre 2020

Résumé
Les gouvernements de l'OCDE ont pris des mesures décisives en mars-avril 2020 pour maintenir leurs économies à flot et empêcher une explosion du chômage suite à la crise COVID-19 et les mesures de confinement. Plusieurs mesures sociales et de soutien à l'emploi ont été rapidement déployés au début de la crise – tels que les régimes de chômage partiel et le renforcement des prestations sociales et de chômage – ce pour éviter, ou à tout le moins atténuer, les conséquences des arrêts complets ou partiels de travail.

Les gouvernements ont également introduit un large éventail de mesures de soutien direct et indirect aux entreprises afin de préserver leurs liquidités, soit en allégeant la pression sur les décaissements (par exemple, le report du paiement des impôts), soit en facilitant les entrées d'argents frais (prêts, garanties, injections de capitaux et recapitalisations). Les gouvernements ont également rendu service aux entreprises en assouplissant les mesures administratives et réglementaires.

Il existe un consensus parmi les décideurs politiques sur le fait que les mesures de soutien public doivent être assorties de contreparties, c'est-à-dire de conditions et de critères auxquels les entreprises doivent se conformer pour avoir accès aux mesures de soutien public.

Les avis sont moins homogènes lorsqu'il s'agit de savoir quels types de contreparties, également appelées « conditionnalités ». Pour l'instant, l'OCDE recommande trois types de conditionnalité qui visent principalement à préserver une concurrence saine sur les marchés :

- Des clauses claires de revoyure et de clôture des mesures de soutien, afin de garder contrôle de la soutenabilité de la dette publique et le recouvrement des prêts publics ou garantis par l'État ;
- Une bonne gouvernance de l'entreprise et surtout des normes de « neutralité concurrentielle » pour maintenir des conditions de concurrence saines en dépit de l'aide publique apportée ;
- Le respect des instruments internationalement reconnus de responsabilité des entreprises, notamment les Principes directeurs de l'OCDE à l'intention des entreprises multinationales et les lignes directrices de l'OCDE en matière de devoir de vigilance.

La crise se prolongeant, l'OCDE insiste de plus en plus sur la nécessité de repenser les instruments de gestion de crise afin de fournir un soutien « affiné et mieux ciblé ». La principale préoccupation sous-jacente est qu'un soutien public excessif et trop généreux conduirait à une mauvaise affectation des ressources en soutenant les « entreprises non viables » au détriment de la concurrence et du dynamisme des marchés.

L'OCDE semble également préoccupée par l'impact des prêts et garanties publics sur la viabilité de la dette des entreprises, qui avait déjà atteint des niveaux records avant la crise COVID-19. Différentes formes de soutien au crédit et de report de paiement pourraient donc exacerber les niveaux d'endettement du secteur privé, augmentant encore l'instabilité systémique et le risque d'éclatement de la bulle de la dette.

En termes de conditionnalités, certaines mesures gouvernementales comportent des restrictions temporaires sur les licenciements économiques pour les entreprises bénéficiant d'un soutien à l'emploi. Toutefois, ces conditions apparaissent le plus souvent dans les mesures visant l'emploi directement, telles que les programmes de chômage partiel et les licenciements temporaires, beaucoup plus rarement dans les autres mesures de soutien direct aux entreprises.

Dans une petite minorité de cas, les mesures de soutien contiennent des restrictions sur la rémunération des PDG ou le paiement de dividendes, voire les programmes de rachats d'actions. Les syndicats ont été unanimes à demander la suspension de la distribution de dividendes et des pratiques de rachat d'actions des entreprises ayant bénéficiées d'une aide d'État pendant la crise.

Au moment de la crise financière de 2008, les mesures de soutien public aux banques ont suscité un certain nombre de critiques : ce soutien financier a manifestement généré une mutualisation des pertes, tandis que les gains sont restés dans les mains des très rares personnes principalement responsables de l'éclatement de la crise financière. Des questions similaires se posent aujourd'hui.

Les syndicats se sont fait entendre sur la nécessité d'assurer un respect plus large des principes de justice sociale lorsqu'il s'agit du soutien public aux entreprises privées. Une condition préalable pour l'aide financière en général, et en particulier pour les mesures de chômage partiel, est la garantie de l'emploi.

Les mesures de soutien public au secteur privé représentent aussi une opportunité d'influencer les décisions d'investissement, en s'orientant vers des économies à bas carbone et les industries d'avenir de manière à garantir une croissance résistante et durable.

Le contrôle dans la mise en œuvre est capital, notamment en ce qui concerne le respect des contreparties. Les mesure de soutien public aux entreprises privées doivent faire l'objet d'un suivi par des parlements nationaux démocratiquement élus et par des organismes publics, afin d'éviter toute utilisation abusive des fonds publics.

Le dialogue social a aussi un rôle important à jouer dans ce processus. La négociation collective et la représentation syndicale au niveau de l'entreprise et au niveau des branches d'activités doivent pouvoir intervenir dans toute mesure qui affecte le bien-être des travailleurs, notamment la mise en œuvre effective et équitable des mesures de soutien. Les salariés ont droit à l'information et à la consultation sur les questions importantes pour l'emploi.

La responsabilité de l'entreprise, notamment dans les filières d'approvisionnement est essentielle et doit être renforcée en temps de crise. L'OCDE est bien équipée avec ses Principes directeurs à l'intention des entreprises multinationales. Mais cette responsabilité de l'entreprise doit aussi englober les questions liées à la rémunération des actionnaires à la justice fiscale : les mesures de soutien public ne doivent pas bénéficier ou alimenter outre mesure les modèles économiques qui se fondent sur l'évasion fiscale ou l'optimisation fiscale abusive. Les conditionnalités pourraient donc exclure les entreprises ayant recours aux paradis fiscaux – sachant qu'il n'y a pas au jour d'aujourd'hui de définition stable de ce qui constitue un « paradis fiscal ».

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[ix] The paper suggests that through such policies at a cost of 1.1% of GDP the bankruptcy rate could be brought back to its pre-COVID level, a decline of 8.75 percent. This would save about 1.5% of GDP in wages and about 5% of employment. However, blanket interventions can be quite wasteful. As an illustration, a subsidy equivalent to the entire 2017 payroll for the duration of an 8-week lockdown would decrease SME's bankruptcy rates by 4% at a cost of 2.38% of GDP, saving 3% of employment. 2% of the fiscal cost, however, would be wasted on firms that do not need it. see also https://www.oecd.org/global-forum-productivity/webinars/Gourinchas-Kalemli-Ozcan-covid-19-and-business-failures.pdf
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William Lazonick, Working Paper No. 54, December 3, 2016 https://www.ineteconomics.org/uploads/papers/WP_54-Lazonick-Value-Extracting-CEO-2016.pdf
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[xvi] https://www.dgb.de/presse/++co++51112a3c-e781-11ea-b6d0-001a4a160123
[xvii] As Mariana Mazzucato has argued "*The PPP handed out $500 billion in loans and yet saved only 2.3 million jobs over roughly six months. Assuming that most of the loans are ultimately forgiven, the annualized cost of the program comes out to roughly $500,000 per job. Over the summer, both the PPP and the expanded unemployment benefits ran out, and the U.S. unemployment rate still exceeded ten percent*" https://www.foreignaffairs.com/print/node/1126480 & https://www.reuters.com/article/us-usa-economy-ppp-idUSKCN24N2TK
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CMF Financial Roundtable, October 2019
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