
SUMMARY



In the Era of Corona 19, the Direction of Support for Self-employed and Small Business Owners

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Since the Covid19 outbreak, there have been numerous supporting measures (cash or credit) to address the management situations of the self-employed and small business owners. However, the management difficulties persist despite these efforts, and the ability to cope with the pandemic deteriorates. In that regard, this study aims to propose a practical direction of supporting method in addressing the most burdensome fixed cost, especially the rents, by considering the opinions of self-employed and small business owners. In doing so, this study suggests the accumulation and management of the related information, such as fixed costs, sales, etc., to create an environment for continued support.

First, chapter 2 examines the existing supporting programs of South Korea for the self-employed and small business owners in the age of Covid19. The overview of the current programs implies that the definition of the self-employed business needs a legal definition, and there needs to be practical

and persistent support for them. The following chapter examines the existing foreign programs supporting self-employed and small business owners who were negatively affected by the Covid19 outbreak. It confirms that along with the supporting programs centered around sales, we need to consider re-directing the current supportive measures to assist the fix-cost of these businesses, as is in the case of the United States and Japan. In chapter 4, the changes in contribution rates were estimated with the statistical and econometric analysis of survey data. The results imply the necessity of preparing for the information system that could be the foundation upon which we can accumulate and manage accurate data for the sustainable supporting system, which could be the basis for implementing the support programs based on fixed costs.

The short-term and mid/long-term policy directions resulting from this study are as follows. First, for the time being, we need to focus on providing financial support (cash, loan, financial guarantees, etc.) so that the self-employed and small business owners can sustain their businesses and ‘survive’ until they overcome the prolonged Covid19 crisis. Second, based on the opinions of the self-employed and small business owners, we need to consider adopting short-term practical support programs for fixed costs, such as rents or labor costs, which they think are burdensome, on top of the sales-centered support programs. Third, because the risk of temporary or permanent closure increases for the self-employed and small business owners due to the Covid19 crisis and the future economic situation is uncertain, there should be supporting policies for business closure or re-opening. Fourth, to provide continuous support, we need to accumulate and establish an information system about fixed costs and sales through the voluntary participation of the self-employed and small business owners and the government efforts to create and manage the

information system. Lastly, in preparation for an unexpected situation, such as the Covid19 outbreak, we need to persistently support self-employed and small business owners in establishing a social security system and enhancing their capabilities.