POLICY RESPONSE: BRIEF

SMALL, MEDIUM- AND MICRO-ENTERPRISE COVID-19
Policy Support Database

Last updated: 21 May 2020

Key Messages
The SMME COVID-19 Policy Support Database has been developed:

● to collate all SMME-related COVID-19 policy responses taken by countries globally in a pre-organised and easy-to-use database.

● to advance a responsive platform from which decision-makers can rapidly draw analyses and inform policy design for the SMME sector.

● to provide policymakers with succinct and informative SMME policy benchmarks that are contextualised by country.

● through a widespread and rigorous search of existing sources of information and data on country policy responses to COVID-19, which is maintained by ACE and DPME to inform further rapid evidence assessments to support agile policy-making in the context of COVID-19.
COVID-19 and the SMME sector

The COVID-19 pandemic and subsequent lockdown measures adopted across the globe not only affect the health sector but similarly impact all of society including the economic sector. The South African economy is strongly affected as business activity across all spheres have largely come to a halt. One of the key economic effects of the pandemic is on the small, medium- and micro-sized enterprise (SMME) sector, which have been left vulnerable and reeling with a need for government and institutional support. Given the crucial importance of the SMME sector in the South African economy, urgent policy measures need to be explored to ensure that SMMEs withstand the impact of the current lockdown and effects of the broader pandemic.

A rapid assessment on SMME policy responses

Amidst the growing interest in effective strategies that are being employed by governments globally to insulate the SMME sector from the negative economic impact of the COVID-19 pandemic, the Africa Centre for Evidence (ACE) and the Department of Planning, Monitoring and Evaluation’s (DPME) Research Unit undertook an exercise to develop a database of global SMME-related policy responses. This database is a collation of SMME-related policy responses that countries worldwide have taken to address the difficulties of SMMEs amid the COVID-19 pandemic (SMME COVID-19 Policy Support Database).

The structure of the SMME COVID-19 Policy Support Database follows the categorisation of the policy responses as presented in each of the seven hubs. Broadly, our database contains details of fiscal policy measures including tax adjustments (rates and payments) and financial stimulus packages; monetary policy measures such as loan interest rate changes, loan and credit guarantees; and, other relevant employment and social measures aimed at supporting SMMEs.

The SMME COVID-19 Policy Support Database

Figure 1 below provides a snapshot of the SMME COVID-19 Policy Support Database. It is organised in Microsoft Excel for users to engage directly with a comprehensive account of SMME policy responses taken by different countries. The database is structured by country (rows) and policy hub (columns). The rows provide the complete list of countries that have enacted SMME-specific policies and is displayed in alphabetical order. The columns present the categorisation of policy directives from each of the seven included hubs. It is important to note that this categorisation retains the original policy categories used to by each hub to structure country SMME COVID-19 responses.
The intersection of the SMME policy responses and the countries within which they are deployed (e.g. blue box) details the exact policy information and data as exported from each of the seven hubs. Where ‘none’ responses are logged, there is presently (i.e. as at date of access) no policy of that nature enacted within the corresponding country from that specific hub. Last, for users wishing to access only an individual hub at a glance, the database has specific tabs dedicated to one of the seven hubs that were identified.

**Development of the database**

The SMME COVID-19 Policy Support Database was developed through an exhaustive step-by-step search for knowledge and policy repositories that are focussed on COVID-19. Our starting point was to implement an initial, extensive search for these hubs which was not limited by geography or sectoral focus and comprised:

- i. a Google search using a carefully formulated search string
- ii. a search of key evidence-based policy-making organisational websites, and
- iii. an ongoing Twitter search for real-time, responsive information sources from various organisations on a global scale.

This three-pronged approach enabled us to collect as many COVID-19-related information hubs as possible (over 180 hubs as of 29 April 2020). From this list of generic COVID-19 hubs, we then manually screened and identified hubs that contained SMME-specific policy responses. These SMME COVID-19 hubs were then accessed by a team of researchers to extract the information and data in order to export it in a combined database, the SMME COVID-19 Policy Support Database. Table 1 below summarises the full list of steps that were taken in the search and data extraction process in developing the SMME COVID-19 Policy Support Database.
Table 1: Steps for database search and extraction

<table>
<thead>
<tr>
<th>Steps to developing the database</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1: Comprehensive search for knowledge and policy repositories dedicated to COVID-19 pandemic</td>
<td>2 April - ongoing</td>
</tr>
<tr>
<td>Step 2: Division of identified hubs in health and non-health policy COVID-19 responses</td>
<td>13-14 April</td>
</tr>
<tr>
<td>Step 3: Screening to isolate multisectoral (non-health) hubs with global SMME policy response measures</td>
<td>15-17 April</td>
</tr>
<tr>
<td>Step 4: Extraction of SMME policy response information from multisectoral hubs by country and export in a combined database</td>
<td>21-29 April</td>
</tr>
<tr>
<td>Step 5: An update of the SMME policy responses database for all the hubs to capture any new policies and policy changes related to SMMEs.</td>
<td>18-20 May</td>
</tr>
</tbody>
</table>

How can the SMME COVID-19 Policy Support Database be used by policy-makers?

This database offers an exhaustive overview and in-depth data and information on SMME-related policy responses in a time of COVID-19 that have been employed by various governments. It serves as a convenient source of fiscal, monetary, employment, and social responses by governments to support SMMEs in this pandemic. Policy-makers are further able to find disaggregated information in each of these four key areas of SMME government policy actions, such as wage subsidies, bank lending, and setting of tax rates and deferrals.

The SMME COVID-19 Policy Support Database will allow policy-makers to:

1. Compare and contrast SMME-related policy responses by various nations and institutions across the globe.
2. Develop benchmarks to assess local SMME COVID-19 policy responses with strategic global partners such as BRICS.
3. Design and implement appropriate local SMME policy responses informed by global and regional policy experiences and trends.
4. Identify areas of evidence and knowledge gaps, which can be filled through rapid 3-day responses by the DPME and ACE team upon request.

The SMME COVID-19 Policy Support Database is a tool to inform decision-makers designing SMME-related policy response strategies that can protect and preserve the SMME sector in South Africa. In sum, it provides an accessible and diverse menu of SMME policy response that have been applied internationally by various countries with different contexts, developmental stages, and objectives.

HOW CAN THE SMME COVID-19 POLICY SUPPORT DATABASE BE USED BY POLICY-MAKERS?

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Endnotes:

1. ACE and DPME are committed to maintain this database with weekly updates until the end of 2020 initially.
2. The combined database is open-access and accessible upon request from Harsha Dayal and Laurenz Langer (a public website to host the database in under development).
3. All data has been obtained from publicly accessible websites. While we applied standard quality controls, we rely on the accuracy of the data in the original seven source databases.

ABOUT ACE

The Africa Centre for Evidence is a research organisation based at the University of Johannesburg that was founded at the end of 2016. ACE’s mission is to contribute to the reduction of poverty and inequality in Africa and South Africa through the use of evidence. To achieve this mission, ACE aligns all its work with the Sustainable Development Goals and the National Development Plan of South Africa.