

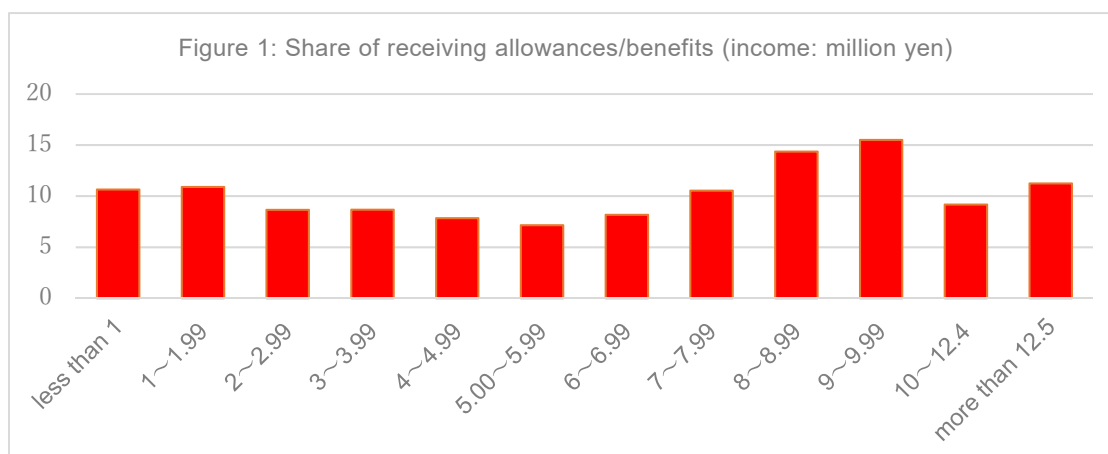
Financial Aid in the Covid pandemic.

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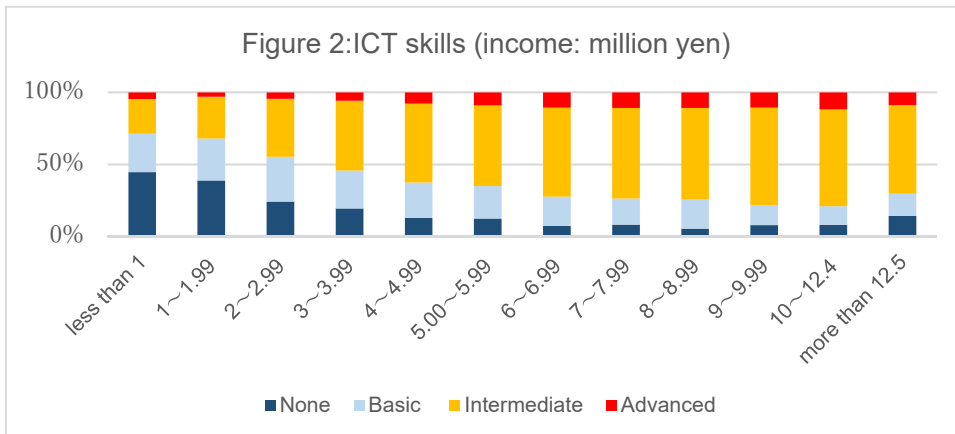
Currently, Okubo and NIRA have conducted individual's survey on telework and digitalization since March 2020 (7 waves and 10,000 workers per wave) (Okubo, 2022; Okubo and NIRA, 2020a,b,c, 2021a,b,c), "Okubo=NIRA Telework Survey". According to the survey, telework use largely increased in the spread of Covid-19. The survey also asked whether respondents applied for 15 types of government allowances and benefits and whether their working places applied for 14 types of government subsidy programs.

Individual allowances

We expected that allowances should be disproportional to income, that is, lower income people received more. Figure 1 reports share of those who received at least one benefit and allowance (15 types except cash handout)¹ by income bracket as of September 2021. Overall, 10% of people received them. 15% of high income people tend to receive them. However, only 11 % of Low income people and only 7% of middle income people received them. This indicates that many people who really need financial support, i.e. low and middle income people, might not receive enough allowances. Even if the allowance scheme adopts electric application, this might be useless to support lower income people due to their less ICT skills. Figure 2 shows ICT skills are lower in lower income bracket.

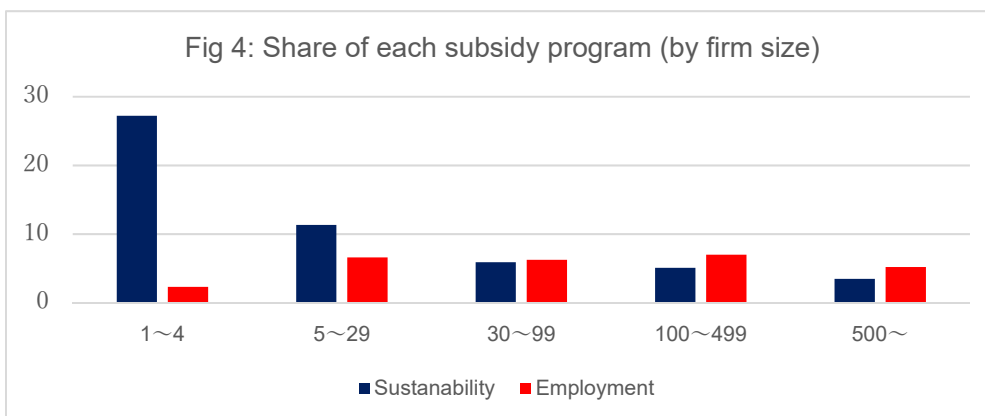
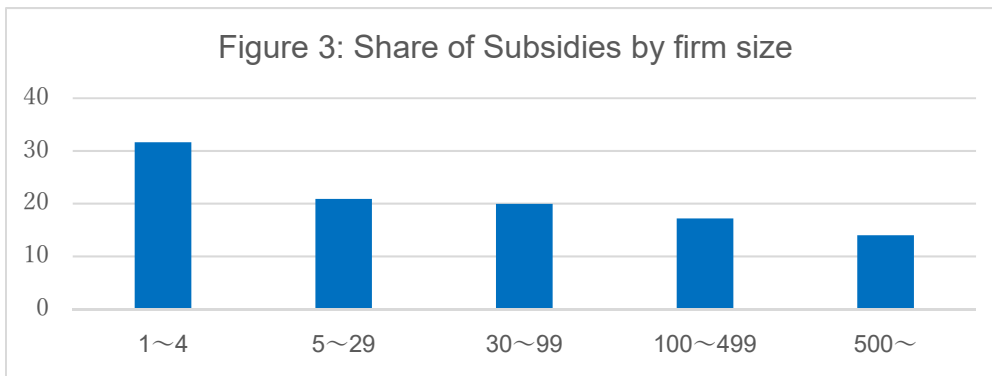


¹ 15 programs are for example, the Emergency Small Loan, the support fund for the leave forced to be taken under the COVID-10, the support fund for school shut-down, the deduction for pension and social insurance payments, waiver for fee of public utilities, tax payment waiver, etc.



Firm subsidies

Figure 3 shows the share of firms/establishments received at least one subsidy program under COVID in terms of firm size. Smaller firms tend to receive subsidies. Furthermore, Figure 4 shows the share of receiving the Sustainability Subsidy and the Employment Adjustment Subsidies. The Sustainability Subsidy widely spread in smaller firms (27% for 1-4 employees), while the Employment Adjustment tends to be received by middle-size firms (6 to 7% for 5-29 and 30-99 employees).



Thus, firm subsidy programs seem to work well, while financial-aid programs for individuals did not help low income people so much. Thus if the layoff is allowed in the negative shock, the current financial-aid policies might not help out low income people. Even if the financial support programs are digitalized, ICT skills for lower income people are generally low and thus this might not be a solution.

Reference

Okubo, T. (2022). Telework in the Spread of COVID-19. *Information Economics and Policy*, 60, 100987.

Okubo, T. & Nippon Institute for Research Advancement. (2020a,b,c, 2021a,b,c). *Report on the results of a questionnaire survey concerning the impact of the use of telework to respond to the spread of the COVID-19 on working styles, lifestyles, and awareness*. Nippon Institute for Research Advancement, Tokyo.