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# Abstract

The purpose of this study is to derive a survival strategy for small businesses in response to environmental conditions that will change significantly after COVID-19, and to suggest the direction of innovation for Gyeonggi-do's small business support policy to actively respond in the post-COVID-19 era.

The issues and tasks of the small business support policy triggered by COVID-19 are summarized in the following three categories. First, it is necessary to establish a policy support system to improve the viability of small business owners in response to economic crises such as an infectious disease pandemic. Second, it is important to support the enhancement of the response capacity of small business owners as large changes in consumption patterns such as non-face-to-face consumption and the spread of individualized consumption are fixed. Third, it is necessary to reexamine the supplier-led policy paradigm from the point of view of protectors for small business owners.

As an innovation method of the small business support policy that is being implemented, first, an alternative to the development of the traditional market specialization support project was presented. In the vision and goal setting, the need for innovation from a merchant-centric to consumer-centric perspective, and a plan to discover and promote high-quality talent-led projects were presented. Next, the development plan of the public delivery platform business was presented. Along with the need for a strategy to secure the sustainability of public delivery apps, the evolution of core values and business models (reasonable exit strategy) from 'public' to 'sharing' was presented.

As a policy task for supporting small businesses related to crisis response and recovery, first, relieving the burden of 'fixed costs' such

as rent and labor costs is the top priority support task for business survival in a sales cliff situation. Second, problems such as borderline dilemma and overlapping support need to be addressed in the legislative discussion of the 'loss compensation system' for small businesses related to the implementation of quarantine measures. Third, a policy response task was presented to solve the problem of unfair trade caused by the increase in market dominance of online platforms. Fourth, an effective promotion strategy was presented to supplement the problems of technology-biased approach related to the smartization support project for small businesses.

As for the institutional and organizational innovation tasks of the small business support policy, first, it is necessary to expand policy development and support at the level of specific industries instead of reducing the common support projects for small businesses that are not related to the characteristics of specific industries. Second, a plan to convert the public offering method of the top-down business district promotion project to a bottom-up one was suggested. Third, in order to overcome the limitations of the project group method, which is a temporary organization, it was proposed to change the promotion system of the local commercial area development project centering on a permanent agency. Fourth, it is necessary to shift the core area of the small business support policy from indirect support (environment improvement, consulting, education and training, etc.) to direct support (distribution of local currency, establishment of a joint logistics center, etc.). Finally, a method to innovate the fragmented organizational system of the supplier-oriented partition system of small business support organizations into the consumer-oriented organizational system such as "one-stop service", "platform method" and "cell method" was presented.

**Keyword** COVID-19, Small Business, Support Policy, Innovation, Platform