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Fiscal Policy for an Unprecedented crisis

As the COVID-19 outbreaks, it has affected jobs, people's lives, and business. In the lockdown period, the government spends money approximately $12 trillion to support people and businesses. They provide unemployment benefits and wages subsidies to save jobs and living standards. Moreover, they afford liquidity to contribute to firms. As the government continues to use fiscal policy, they have to borrow more money. As a result, public and private debt are increasing.

Now, the government should avoid not withdrawing fiscal support too rapidly. The assistance should protect old job, reintroduce job search, train new skills to increase economic growth. Countries that have an emerging market, low-income economies, and tight financing constraints have to tax more on rich people. Therefore, the government can use these revenues on health and social safety nets to help the poverty sector. Countries with high debt and long term scarring should adjust over the medium term to encourage household and investment.

As the economics begin to recover, the government should focus on a low-carbon economy and digital economy that base on digital computing technologies to perceive in business. The essential role is carbon pricing. It stimulates firms to reduce greenhouse gas emissions as well as generates revenues.

In March, Thailand begins to lockdown. The government performs fiscal policies, for example, cash support for 5,000฿ for three months, special loan of 10,000 per person, 0.1% interest rate with no collaterals. Increase liquidity through soft loans to boosting entrepreneurs. As a result, the public debt in August 2020 is approximately 7,667,760.88 million baht that government debt is approximately 6,550,478.82 million baht net increase equal to 92,198.56 million baht. Now, the government is expected to stimulate the economy with 100 billion baht. The boosting starts in October until the end of the year.

In Thailand, there isn't has carbon pricing yet. It has only a Voluntary Emission Reduction Program that everyone can reach in the market. Because it is a volunteer, it isn't appealing to firms or businesses a lot. It doesn't have the law to force like a Mandatory market. If Thailand has carbon pricing, it will help to change the behavior of producers, consumers, and investors to reduce greenhouse gas emissions. It will create co-benefits in the environment, health, economy and society. Since last year, Thailand has been affected by pm 2.5 dust. Many people are suffering because of this toxic. Moreover, all around the world has been overwhelmed by the COVID-19 outbreak. The economy is decreased. Hence, carbon-pricing is the key feature of this situation.

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