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Matches

## Citations

Included citations

10

- 1 The COVID-19 has resulted in a high unemployment rate in the United States and other nations, both developed and underdeveloped (Béland et al., 2020).
- 2 The unemployment rate was increased through labor force involvement and reduced hours of working (Béland et al., 2020).
- 3 Béland et al. (2020) also developed three indexes by utilizing O\*NET and ACS data to know the affected occupations.
- 4 In contrast, occupations in which individuals can remotely work are less impacted as they continue operating from home (Béland et al., 2020).
- 5 The Coronavirus has also influenced income because of reduced productivity, workplace absenteeism, and premature deaths (Pak et al., 2020).
- 6 For instance, the production index of China reduced by over 54% in February 2020 from the value of the previous month (Pak et al., 2020).
- 7 At the beginning of 2020, the main United States and European indices of the stock (DAX, CAC 40, FTSE 100, and S&P 500) have lost about ¼ of their value (Pak et al., 2020).
- 8 Besides, the oil prices declined by about 65% in April 2020 (Pak et al., 2020).
- 9 According to Cantore et al. (2020), all the manufacturing sectors were impacted by the virus from March 2019 to April 2020.
- 10 The decrease varies from 55% (pharmaceuticals) to about 94% (motor vehicles) (Cantore et al., 2020).

## References

- 1 Béland, L.-P., Brodeur, A., & Wright, T. (2020, April). The Short-Term Economic Consequences of COVID-19: Exposure to Disease, Remote Work, and Government Responses. IZA. <https://www.iza.org/publications/dp/13159/the-short-term-economic-consequences-of-covid-19-exposure-to-disease-remote-work-and-government-response>. Cantore, N., Hartwich, F., Lavopa, A., Haverkamp, K., Laplane, A., & Rodousakis, N. (2020, July 10). Coronavirus: the economic impact – 10 July 2020. UNIDO. <https://www.unido.org/stories/coronavirus-economic-impact-10-july-2020>. Pak, A., Adegboye, O. A., Adekunle, A. I., Rahman, K. M., McBryde, E. S., & Eisen, D. P. (2020). Economic Consequences of the COVID-19 Outbreak: the Need for Epidemic Preparedness. *Frontiers in Public Health*, 8. <https://doi.org/10.3389/fpubh.2020.00241>

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## **Economic Consequences of Covid-19**

Student's Name

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Instructor's Name

Date

### **Economic Consequences of Covid-19**

The Coronavirus is not only a public health and global pandemic crisis; it has severely impacted the financial markets and the global economy. The Coronavirus pandemic is continuing to affect the economy irrespective of an individual's level of income. According to Cantore et al. (2020), the major nations that have suffered a high trade volume reduction from March 2020 to June 2020 include Italy, India, South Africa, and Mexico. Covid-19 has influenced all sectors of the economy, including the mobility industry, manufacturing, service industries, caused financial market volatility and increased unemployment.

The COVID-19 has resulted in a high unemployment rate in the United States and other nations, both developed and underdeveloped (Béland et al., 2020). The main people that have been affected are the informal workers. The unemployment rate was increased through labor force involvement and reduced hours of working (Béland et al., 2020). Béland et al. (2020) also developed three indexes by utilizing O\*NET and ACS data to know the affected occupations. The three indexes included employees who can work remotely, staff working with the co-workers' proximity, and highly exposed to the disease. The researchers estimate that the individuals in occupations that require one to work in proximity to other individuals are negatively impacted as they cannot work alone. In contrast, occupations in which individuals can remotely work are less impacted as they continue operating from home (Béland et al., 2020).

The Coronavirus has also influenced income because of reduced productivity, workplace absenteeism, and premature deaths (Pak et al., 2020). It has developed a negative supply shock as manufacturing productivity reduced because of disruptions in the supply chain and factory closure. For instance, the production index of China reduced by over 54% in February 2020 from the value of the previous month (Pak et al., 2020). Besides, the pandemic has influenced the

productive activities in the economy since the spending behavior of the consumers has changed as a result of reduced household finances and income. There is also fear of what might happen in the future that accompanies the pandemic, making the consumers not spend so much on purchasing.

The Coronavirus spread has influenced the global financial markets. As the number of COVID-19 cases increased globally, especially in the United States, Iran, Spain, France, and Italy, the oil and financial market reduced. At the beginning of 2020, the main United States and European indices of the stock (DAX, CAC 40, FTSE 100, and S&P 500) have lost about ¼ of their value (Pak et al., 2020). Besides, the oil prices declined by about 65% in April 2020 (Pak et al., 2020).

Most of the nations' globally have experienced manufacturing crisis because of COVID-19. According to Cantore et al. (2020), all the manufacturing sectors were impacted by the virus from March 2019 to April 2020. The decrease varies from 55% (pharmaceuticals) to about 94% (motor vehicles) (Cantore et al., 2020). The motor vehicle industry continues to be the biggest loser, while the pharmaceutical sector revenue might be increasing. It means that the nations that produce motor vehicles experienced high revenue losses.

In summary, Covid-19 has devastated virtually all sectors of the economy, including the mobility industry, manufacturing, service industries, caused financial market volatility and increased unemployment. The unemployment rate has increased, especially for informal workers. However, the employees from occupations who can work remotely were not highly affected. The other sectors that have been influenced include tourism, Restaurants, Bars and Food Services, transportation, and hospitality. Lastly, the European and American nations have experienced reduced stock indices by about a quarter.

## References

- Béland, L.-P., Brodeur, A., & Wright, T. (2020, April). *The Short-Term Economic Consequences of COVID-19: Exposure to Disease, Remote Work, and Government Responses*. IZA. <https://www.iza.org/publications/dp/13159/the-short-term-economic-consequences-of-covid-19-exposure-to-disease-remote-work-and-government-response>.
- Cantore, N., Hartwich, F., Lavopa, A., Haverkamp, K., Laplane, A., & Rodousakis, N. (2020, July 10). *Coronavirus: the economic impact – 10 July 2020*. UNIDO. <https://www.unido.org/stories/coronavirus-economic-impact-10-july-2020>.
- Pak, A., Adegboye, O. A., Adekunle, A. I., Rahman, K. M., McBryde, E. S., & Eisen, D. P. (2020). Economic Consequences of the COVID-19 Outbreak: the Need for Epidemic Preparedness. *Frontiers in Public Health*, 8. <https://doi.org/10.3389/fpubh.2020.00241>