



A Literature Review On Socio-Economic Crisis Of Covid-19 Pandemic In The Global Economy

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Abstract

The COVID-19 Pandemic has resulted in creation of disastrous effect on the global economy. Strict lockdowns were imposed all over the world. Due to persistent lockdown condition, micro and macro industries were shut down which led to problems of unemployment. This led to crisis in the world economy. Food supplements reduced, this created hunger and raised inequalities in the society. The COVID-19 pandemic situation acted as a catalyst in enhancing digitalisation. Many students could not afford to digital resources and thus failed to get education during the COVID-19 Pandemic situation. Students faced psychological problems due to social isolation and loneliness.

Keywords: COVID-19 PANDEMIC, ECONOMY, DIGITALISATION, INEQUALITIES, UNEMPLOYMENT, PSYCHOLOGICAL PROBLEMS

Introduction

Many human lives were lost during the COVID-19 pandemic. Border closure and restrictions on trade prevented the farmers to sell their agricultural produce. Food supply chain was disrupted which created an imbalance in economy. Schools were shut down and the students faced difficulty to adopt to digital mode of learning. Lack of access to digital devices, lack of administrative support created problems in education. COVID-19 pandemic and lockdown was associated with increase in symptoms of mental problems. The socioeconomic impact of COVID-19 pandemic crisis are as follows:

1. Socio economic effect of COVID-19 pandemic in Global Economy

During the COVID-19 pandemic situation, more than 4.3 million COVID cases reported and more than 2,90,000 people died worldwide. Many work labourers lost their jobs due to restrictions on travel. The food products reduced as there was decrease in production of food items but medical requirements increased (Nicola, 2020). Focus on sustainable development goals such as food safety and security, integration in economy at national and regional level increased (Wozniak, 2021). The COVID-19 pandemic infection and its global crisis has affected the society worsely. The next COVID-19 would create disturbances in the world economy and would result in decrease in annual growth to recessionary threshold level (Morgan, 2021). The new COVID-19 strain has created a disastrous condition on the global economy. Inorder to limit the spread of infection, the government had imposed strict lockdown in the countries worldwide. Its novel COVID -19 pandemic is disastrous as well as devastating to the world economy (Nayak, 2021). Due to COVID-19 pandemic, the death rate in 2020 was higher when compared to world war II(Aburto, 2022).

2. Socioeconomic effect of COVID-19 pandemic in the European Union

On the onset of 2020, the COVID-19 pandemic affected the societies of European. It resulted in creation of economic crisis. The COVID-19 pandemic acted as a catalyst in rising stratification and inequality in the society (Grasso, 2021). By 2022, the Gross Domestic product would reach pre- crisis level and this would decrease economic process and result in economic crisis in the European Union. The COVID-19 Pandemic situation has affected the aerospace and other industries. The COVID-19 Pandemic deaths were more in European Union than China. The unemployment rate in EU27 and euro area in the year 2020 was 7.8% and 8.7% respectively. The selling of goods reduced and its recovery slowed down. Due to lockdown, many factories closed and many lost their jobs. The demand of Electric chargeable vehicles was high during the COVID-19 Pandemic situation and this led to green transition (De Vet, 2021). Sudden spread of infection has had a drastic effect in the world economy. Start ups has emerged and people have started gained a lot of employment through start-up (Kalogiannidis, 2021).

3. Socioeconomic effect of COVID-19 pandemic in Asia

In the beginning, Asian countries were setting examples in controlling COVID-19 pandemic efficiently. During that time, money expenditure on health system was also not high. The government played an entrepreneur role to control COVID-19 pandemic in the beginning (Navarro, 2021). As COVID-19 pandemic infection increased in South Asia, it created terror in human lives. It has destructed many businesses and trade and imbalanced the economy. South Asian countries faced more problems because of huge population, improper water and sanitation, poor health system, unhygienic and livelihood. It became more difficulty to maintain social distancing for poverty ridden people staying in small rooms. Due to strict lockdown condition, it became difficulty for poor to earn and manage their families. The rural industries and factories, agriculture and means of transport such as roadways and airways affected. The COVID-19 pandemic has hindered the economic growth, increase in fiscal deficit which as misbalanced the economy. All businesses at macro level and micro level industries faced challenging situation. Food supplements reduced due to strict lockdown condition, this created hunger and raised inequalities in society. Many people lost their jobs as industries closed. This increased the unemployment problem in the society and hence caused mental health problems among the public (Rasul, 2021).

4. Socioeconomic effect of COVID-19 pandemic in India

Many countries had to impose strict lockdown to reduce the contagious spread of COVID-19 pandemic infection. The migrant workers who belonged to economically backward castes faced physiological and psychological problem leading to stress and strain and even death (Agoramoorthy, 2021).

Due to constant lockdown, the economic growth decreased and unemployment increased. The macro and micro industries affected. The farmers faced problems to sell their agricultural products due to constant curfew and lockdown condition (Ramakumar, 2021).

COVID-19 crisis was observed in different sectors such as airways, tourism and capital markets. The national and international mobility was affected. About 9.2% of GDP, the revenues generated in travel and tourism would face crisis. The revenue generated by aviation would come below USD 1.56 billion. Rupee will depreciate continuously. The major problems are loss of employment, and daily ration. The COVID-19 pandemic has provided some opportunities to India such as to participate with the world supply chains and integrate with multinationals for demand and supply of products around the world. Initiatives such as 'Make in India' reform is needed to develop the economy (Chaudhary, 2020).

4. Effect of COVID-19 pandemic in Global Education

Due to outbreak of COVID-19 pandemic, the whole education system around the world was hindered. In more than hundred countries, the schools were closed for uncertain period and over one billion children were out of school. The COVID-19 pandemic has disastrously affected the global education system. It has hindered student's learning, decreased the educational access and facilities for research, increased debt of students and loss of jobs. The students had to depend on online learning in order to continue their education. Online education was not efficient due to lack of digital infrastructures and connectivity, lack of electricity and lack of digital skills. In order to improve and enhance digital education there is a need to adopt to new technology and enhance digital skills and adopt to the recent trends in education (Onyema, 2020). In more than 200 countries, about 1.6 billion students were affected in getting education during the COVID-19 pandemic situation. It has affected more than 94% of the learner's population worldwide. The schools and learning institutions were closed down. Strict lockdown, maintaining social distancing between people and strict restrictions on movement has affected the education of learners. Another challenge was about reopening of schools keeping in mind about the safety precautions in educational institutions. Many schools are not teaching by traditional face-to-face method. Now, there is a need to change the teaching methods and assessment methods. The COVID-19 pandemic situation has provided an opportunity to initiate digital learning (Pokhrel, 2021).

5. Effect of COVID-19 pandemic in Education in European Union.

During the COVID-19 pandemic, all schools were shut down temporarily in 2020. Academic continuity was emphasized by the national government. International organizations emphasised on adopting a structural policy for maintaining academic continuity (Zancajo, 2022).

6. Effect of COVID-19 pandemic in Education in India.

The students faced problem to switch on to digital mode of learning. Students were not willing to switch to the digital mode of learning. The government failed to provide financial and administrative support during COVID-19 pandemic. The technology could not reach many places as many students were unaware of use of technology. Transformation in education system was not possible due to lack of attitude among people (Bansal, 2022). Educational institutions were closed to inhibit the COVID-19 pandemic infection. Distance learning could be the solution to gain education. Lack of digital resources like computer systems, lack of digital classroom, lack of internet facility were the barriers in the teaching-learning process for distance learning in the developing countries. Various educational institutions had to plan various strategies and methods to switch onto online learning. They devised new curriculum for the post-COVID situation so the students could recover the lost knowledge (Tadesse & Muluye, 2020).

7. Pandemic situation acted as a catalyst of digitalization

The education system of India is adapting to the digitalization during COVID-19 pandemic situation. Various opportunities as well as challenges evolved during the COVID-19 pandemic situation. All educational institutions along with the government of India are co-operatively planning strategies to promote digitalization. They are working together to provide digital access to millions of students. India needs to strengthen the digital facilities to face challenges for situation like COVID-19 pandemic (Jena, 2020). COVID-19 Pandemic situation accelerated the process of digitalization (De Vet, 2021). The COVID-19 pandemic acts as a drive in accelerating the process of digitalization around the world. Changes in lifestyle, pattern of work and changes in working methods were observed (Amankwah-Amoah, 2021). Nowadays, students are equipped with digital technology. Still digital divide is persistent in the society and affects the students in education. In order to meet the needs of students, there is a need of digital change in the education sector.

During the COVID-19 pandemic situation, the schools were forced to teach digitally (Livari, 2020). The various organizations and all people need to adapt themselves to new way of life by using digital technology. Many educational institutions have adapted to online mode with increase in digitalization. People worked from homes and digital money transmission also increased during COVID-19 pandemic situation (De, 2020).

8. Effect of COVID-19 pandemic on physical and mental health

At the end of December 2019, SARS-CoV-2, 2019-n CoV spreaded which created respiratory problems and had a huge impact on human lives. The novel COVID-19 pandemic caused physiological and psychological problem (Clemente-Suarez, 2021). It was observed that with change of severity of COVID-pandemic and transmission of infection, the behavior of human changed (Javed, 2020). The novel COVID-19 pandemic spreaded worldwide and the media played an active role in informing about the pandemics situation across the globe. This created anxiety among people. Stress levels increased during COVID-19 pandemic situation. In response to heightened stress condition, anxiety is caused. Many people faced mental health problems due to difficulties in sleeping (Roy, 2020). In Nepal, the older people were affected most with critical illness during COVID-19 pandemic infection and the mortality rate was higher. It had affected their normal life and increased fear within them (Yadav, 2021). Many factors such as gender, work environment, lack of support from hospitals, lack of support from family and relatives, lack of community support was identified. The frontline workers faced high stressful condition (Froessler, 2021). COVID-19 pandemic resulted in adverse effect in adolescent's psychological health. It caused psychological problems and students experienced trauma during quarantine due to persistent depression (Octavius, 2020). According to the World Happiness Report, March 2021, COVID-19 and lockdown was related with rise in symptoms of ill mental health. Women's well being was affected due to pressure of balancing family life and work. The wider mental health burden will be addressed during 2021-2027 EU4 Health programme which targets to support health professionals, address the mental health in schools and would increase awareness (Scholz,2021).

Objectives: The paper aims to analyse the epidemiological condition of Europe and India during severe COVID-19 pandemic situation.

Methods: Secondary data was used, including the recent reports and literature of government.

Title: A literature review on socio-economic crisis of COVID-19 pandemic in the global economy.

Result:

Due to stringent lockdown and COVID-19 pandemic situation, it has created a sense of grief and fear among people which created rise in level of stress and anxiety in Europe. Economic slump was created due to lockdown condition. Many people lost their jobs due to frequent lockdown and unemployment problems increased. Aerospace and tourism industry was affected. Major hurdles were faced by students in adjusting to online mode of learning. Economic distressed lower caste people faced discrimination which created inequality. Digitalization enhanced and consumers started adopting to digital devices for commerce and education. Women's well being was affected due to pressure of balancing family life and work.

Conclusion:

The COVID-19 pandemic condition has created economic crisis of the world economy and has led to unemployment and loss of jobs in India as well as in Europe. Due to lockdown and closure of borders the transport of commodities was hindered. Students faced problems in switching towards online mode. The lower caste faced discrimination and the women faced problem to balance the family life and job. At this time, there is a need of a mental health policy as well as there is need of change in educational policy as we are progressing towards digitalization. The pedagogical practice and modules need a chance. The unemployed people having skills need to be trained in ICT for supply to goods to enhance economy. Flexible opportunities may be provided to women to balance family life and job.

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