

Covid-19 Brief: Economic and Social Fallout

Economic Fallout:

The ongoing Covid-19 pandemic has had a devastating effect on the world's economy, impacting every country in one way or another. According to the [IMF](#), Global GDP has shrunken by 4.4 %, with emerging/developing economies shrinking by 3.3% and advanced economies by 5.8% on average. Some of the countries greatly affected by this include, but are not limited to, Spain (-12.8%), the United Kingdom (-9.8%), Argentina (-11.8%) and Botswana (-9.6%). Additionally, Covid-19 has also greatly affected unemployment numbers, with the [OECD](#) average peaking at 8.79% in April. Spain (16.90% at peak), Columbia (21.4% at peak) and the United States (14.70% at peak) stand out as notable examples of countries greatly affected. Yet it appears these numbers have largely stabilized, and in some cases have started trending in the right direction. The United States, for example, saw its peak [unemployment](#) in April (14.70%), but these were largely temporary layoffs and the numbers, while still high, have shrunken to 6.7% for November. The sectors most affected by the pandemic include the service industry, transportation and the production of durable goods, among others. [Countries](#) across the world have enacted stimulus packages to combat the effects of Covid-19 but the quality and success of these programs is not universal with LMICs often [struggling](#) to adequately fund and support these measures.

However, economic bright spots have emerged within the crisis. Perhaps unsurprisingly, utilities and financial services have been generally unaffected, and sectors like food delivery and online retails have skyrocketed. Additionally, capital investment has reached close to [record](#) numbers, especially in medical companies and delivery services. Furthermore, some countries have been able to fend off major economic repercussions, such as [Taiwan](#), who's economy is set to grow by 1.77% this year. On top of this, an article from the [Harvard Business Review](#) notes that the economic recovery is moving faster than anticipated. However, the human capital toll has still been tremendous, with the [UNCTAD](#) estimating that the pandemic could send an additional 130 million people into extreme poverty. This in turn, sheds light on some of the social implications of the pandemic.

Social Fallout:

The effects of the pandemic have not been felt evenly across society with marginalized groups often bearing the brunt of the burden. For example, women have been disproportionately effected by the economic ramifications of the pandemic with the [UNCTAD](#) reporting "Across the 32 countries for which gender-disaggregated data are available, the countries with higher Covid-19 incidence have seen greater increases in female unemployment than male." Beyond this, various groups have been disproportionately impacted by the pandemic in one form or another, be it concretely or psychologically. [These](#) include young people, disabled persons, indigenous groups, and the elderly. Beyond this, the impact on minority groups has also been greater. Across the globe, racial and ethnic minorities are experiencing health, economic and social ramifications more so than the majority. This is largely a universal trend, occurring in places like the United States as well as abroad. As noted in the [Economist](#), "In São Paulo, Brazil's richest state, black people under the age of 20 are twice as likely to die from Covid-19 than their white counterparts. Sweden tallied deaths early in its epidemic and found that those born abroad were several times more likely to die than those born in Sweden." Furthermore, as was previously mentioned, [LMIC's](#) are also suffering greatly, being unable to mitigate the situation and provide support in the same way as richer nations. In line with this, the question of LMIC's equal access to a potential vaccine remains in question.