

Backward of Economic Growth due to Pandemic

Abbie Jenkins*

Department of Business Management, University of Denver, Colorado, USA

Description

COVID-19 is not only a global pandemic and public health crisis; it has also severely affected the global economy and financial markets. This pandemic has greatly destroyed economic growth entirely at worldwide. The recession was caused by drastic government policies, structural changes in the economy, and unfavorable monetary policies. Financial crises, on the other hand, are caused by uncontrolled human behavior, contagion, systemic failures, regulatory and leverage failures. Social distancing, self-isolation, and travel restrictions have led to a reduction in the workforce in all financial sectors and resulted in the loss of many employments. Schools have closed and demand for raw materials and manufactured goods has eased. On the other hand, the demand for medical supplies has increased significantly. The food industry is also facing increased demand due to panic buying and hoarding of food.

The impact of COVID-19 is reflected in each and every individual financial growth, which focuses on key aspects, including

- Primary industries related to raw material extraction,
- Secondary industries related to finished product manufacturing, and
- Tertiary industries including all service industries.

Some sectors which mainly causes for the fallen of economic growth will be discussed below

Agriculture

The flexibility of the agricultural sector has been fallen greatly by the COVID-19 outbreak. Global demand for hotels and restaurants decreased, causing prices of agricultural commodities to fall highly. The people in the world are maintaining protective measures to control the pandemic. It includes social distancing, avoiding unnecessary travel, and banning congregations. It will have a definite impact on purchasable goods such as meat and vegetables. In addition, with the closure of local trade, the market went further, affecting raw material trade and the ability to import goods from one place. It directly tends to decrease economic growth.

Education

COVID-19 has affected all levels of the education system, from preschool to higher education. It has affected social mobility because schools can no longer provide free school meals to children from low-income, socially isolated families and became as a dropout rates. Childcare costs for families with young children are also significantly affected. In addition, access to technology in times of social isolation can prove that getting a huge difference among high-income groups pursuing digital education. Education is the cornerstone of economic development. It contributes to the social and economic development of the people. No country can achieve sustainable economic development without investing in human capital.

Finance industry

COVID-19 has affected each and every communities, businesses, and organizations through the entire world, accidentally affecting financial markets and the global economy. Uncoordinated government response and barriers disrupted the supply chain. Some of the financial sector in which the largest decline in economic growth has happened on

- Banking Industry Wealth
- Management Mutual
- Funds Insurance
- Stock Market
- Treasury/Debt
- Instruments Tax/Audit
- Consulting

Real estate and housing sector

The real estate industry faces excessive uncertainty due to COVID-19. On an every individual level, social distancing provisions have reduced the view of the home, and a significant part of the selling process, and the need for buyers and sellers to rethink their plans. In addition, thousands of workers around the world had been dismissed or provisionally made redundant without pay, this will have a significant impact on an individual's ability to pay rent, mortgage, and various household expenses and which leads to the burden of economic growth of each individuals.

*Address for Correspondence: Dr. Abbie Jenkins, Department of Business Management, University of Denver, Colorado, USA; E-mail: abbiejenks98@gmail.com

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Significant declines in incomes, growing unemployment and disruptions in the transport, service and manufacturing sectors are among the consequences of the epidemic mitigation measures that have been implemented in many countries. It is clear that most governments around the world have underestimated the risks of the rapid spread of COVID-19 and most have responded in response to the crisis. As the epidemic is unlikely to disappear in the near future, proactive international action is needed not only to save lives, but also to protect economic prosperity.

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