

THE IMPACT OF COVID-19 PANDEMIC ON PUBLIC ADMINISTRATION

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ABSTRACT

The COVID-19 pandemic that originated in China has now affected almost every nation on the surface of Earth. With the absence of any targeted cure, nations have introduced measures to attenuate its spread. Regarding the outbreak of Covid-19, certain measures (especially reducing the interaction between people) have significantly limited the activities of numerous sectors, especially the service sector. Thus, this pandemic will substantially impact economic growth in developed and developing countries. However, it is the pandemic's complete duration, coupled with the time when we return to normal economic life that will determine its absolute effect on the economy.

KEYWORDS: COVID-19 pandemic, calamity, economic growth, fiscal policy, efficiency, economic life, social distancing, quarantine measures, monetary policies, socio-cultural, global pandemic, healthcare workers, transmission path, global climate.

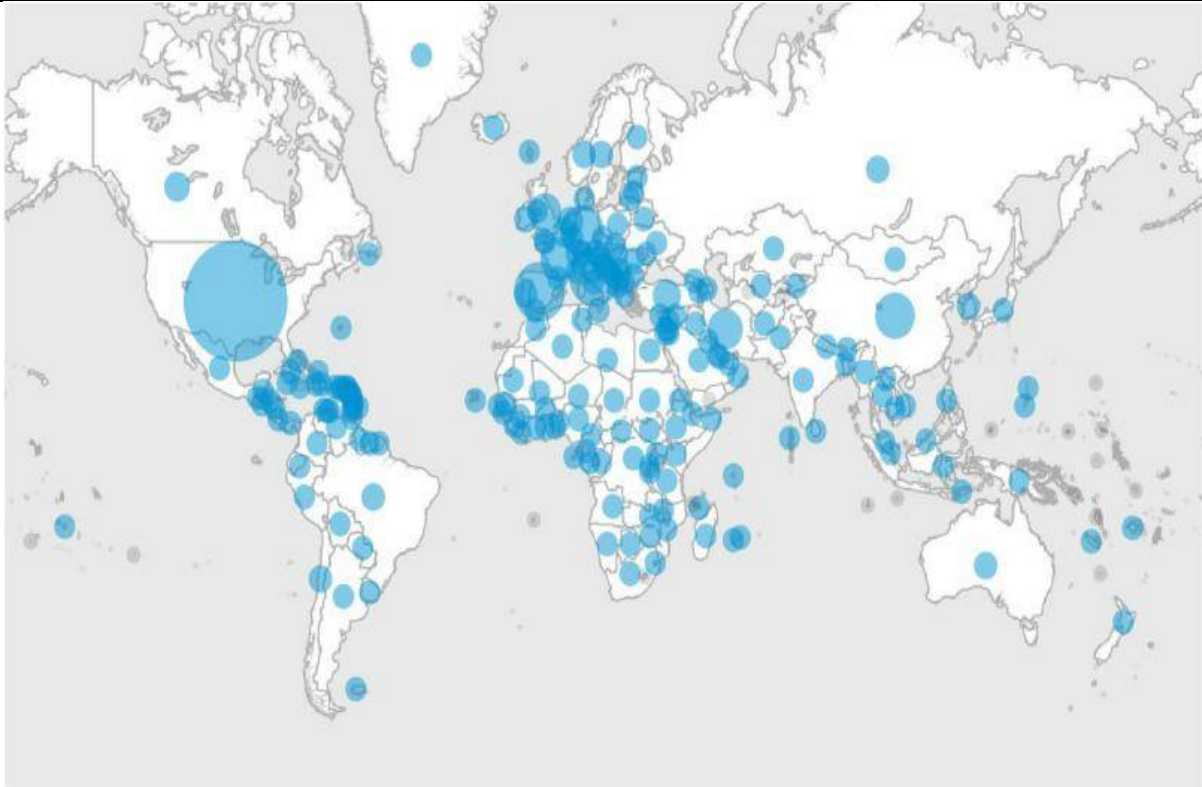
OUTBREAK OF A NEW TYPE OF CORONAVIRUS

The COVID-19 pandemic is considered as the most crucial global health calamity of the century and the greatest challenge that the humankind faced since the 2nd World War. In December 2019, a new infectious respiratory disease emerged in Wuhan, Hubei, province, China and was named by the World Health Organization as COVID-19(https://www.who.int/docs/default-source/coronaviruse/key-messages-and-actions-for-covid-19-prevention-and-control-in-schools-march-2020.pdf?sfvrsn=baf81d52_4#:~:text='CO'%20stands%20for,types%20of%20common%20cold)

It has rapidly spread around the world, posing enormous health, economic, environmental, and social challenges to the entire human population. The coronavirus outbreak is severely disrupting the global economy. Almost all the nations are struggling to slow down the transmission of the disease by testing & treating patients, quarantining suspected people through contact tracing, restricting large gatherings, maintaining complete or partial lock down etc.

Pandemics is general are not merely serious public health concern, rather these trigger disastrous socioeconomic and political crises in the infected countries. COVID-19, “CO” stands for “corona”, “VI” for virus , and “D” for disease, and 19 represents the year of its occurrence.(https://www.who.int/docs/default-source/coronaviruse/key-messages-and-actions-for-covid-19-prevention-and-control-in-schools-march-2020.pdf?sfvrsn=baf81d52_4#:~:text='CO'%20stands%20for,types%20of%20common%20cold)

Almost all of countries/ regions on the surface of Earth have reported confirmed COVID-19 cases, including China, Italy, Iran, South Korea, India, Switzerland, Taiwan, USA, Sweden, Singapore, Sri Lanka, France, Australia, Malaysia, Spain, United Arab Emirates, UK, Nepal, Finland, Netherlands, Japan, Russia, and Germany etc. After hitting China in January 2020, COVID-19 severely out broke in countries like South Korea, Iran and Italy in late February and early March,2020. The emergence and spread of COVID-19 from Asia to the Americas, Africa and the Europe represent a global pandemic threat.



Picture 1

COVID-19 is spread from person to person through direct contact. Thus, the spread of respiratory illness during the mass gathering is a major public health concerns with the potential of distribution of these infectious diseases. Different countries postponed all types of religious, cultural, social, scientific, sport and political mass gathering events in different parts of the world. Some international events such as Umrah, Hajj and the Olympic Games have already been suspended in order to avoid mass gathering. Media and information technology are providing significant support to the society for prevention and control of COVID-19 outbreak. So, restricting mass gathering could be the primary preventive strategy for COVID-19.

Environment change is one of the biggest and most vital changes of the 21st century. In spite of all their efforts to restore the nature during the last few decades, humans could only move a few steps forward. At this point, it is indispensable to control the source of disease, cut off the transmission path, and use the existing drugs& means to control the progress of the disease proactively.

The COVID-19 pandemic has now affected 200 countries, infecting over 50 million people and, causing at least 1.5 million deaths. (<https://www.worldometers.info/coronavirus/>) Pandemics cause significant social, political, and economic challenges by engendering sudden and widespread disease and death. Although pandemics have occurred since ancient times, COVID-19 is the most severe since the 1918 Spanish flu pandemic because of the threat and the global effects it engendered COVID-19 pandemic differs from the previous pandemics by its distinctive features (Nuno Fernandes, [https:// papers. ssrn. Com /so 13 /papers. cfm?abstract_id=3557504](https://papers.ssrn.com/so13/papers.cfm?abstract_id=3557504)):

- It is global.
- It is not exclusive to low-income and middle-income countries.
- It emerged when global interest rates were very low.
- It emerged when the World was intensively integrated economically.
- It has engendered spill-over effects on global supply chains.
- It has caused destructive effects on market supply and demand.

The recent global outbreak of COVID-19 pandemic caught humanity unprepared. Even as science and technology have developed beyond anyone's imagination, the pandemic not only unexpectedly affected the social and economic lives of societies but also disrupted individuals' mental health and well-being. Billions around the world suddenly became prisoners in their own homes, and nearly all economic activities in many

countries halted. Repeated supply and demand shocks also caused contractions from production to consumption including across the entire supply chain.

This pandemic dramatically affected economic growth rates in both developed and developing countries because governments across the world have introduced strict measures to prevent the spread of the disease. These measures to reduce social interactions between people have already led to significant reductions in the activities of many sectors. Because the severity and duration of the disease will dictate when to return to normal economic life, which will ultimately determine the real effects of this pandemic on the economy. Governments should provide support and incentives to the industries that are most in need to help them to recover as soon as possible. COVID-19 has caused direct effects on the labour market such as death and incapacity and has led to indirect consequences such as quarantine measures, travel restrictions, and social distancing. These effects are both numeric and seasonal, and they have profound economic impacts on the labour market. Although sufficient data set is yet to be obtained for fully assessing the labour market effects of COVID-19, it is possible to make some predictions. However, according to the official website of the Ministry of Employment and Labour of the Republic of Uzbekistan, there are 13.2% of unemployment in 2020, in comparison to 9% in 2019 (<https://mehnat.uz/uz/news/uzbekistonda-ishsizlik-darazhasi-132-foizni-tashkil-etdi>).

The rapid spread of COVID-19 virus in the world has impacted a great deal upon social and economic life as well, causing elements of uncertainties that threaten the human health. For this reason, some economists argue that global economy is moving fast towards a state of crisis. It is now necessary to assess the efficiency of the fiscal policies to address a potential crisis in the presence of pessimistic scenarios because the structural differences between developing and developed economies affect the efficiency of the fiscal instruments. To better identify the more effective fiscal policy for the economy, a fiscal multiplier calculation was performed, followed by the trend of change in the multiplier since 1960(<https://web.uri.edu/acmead/files/1960sA.compressed.pdf>), concluding that government spending is more effective policy in addressing the approaching crisis. Based on the findings, ideal fiscal policies were recommended.

The social distancing, travel restrictions, curfews and other similar radical measures, now implemented in many countries after the declaration of pandemic by World Health Organization on 11 March 2020, have caused serious disruption to the operation of global economy. The negative impacts of the measures upon macroeconomic variables including labour, investments and total demand have had dramatic impacts in a number of fields and areas, ranging from service sector to manufacturing. Reports by international agencies and institutions draw attention to similar problems. Almost all countries are moving fast towards a state of economic crisis.

The negative economic impacts of the pandemic vary in accordance with the medical measures taken to hold the spread under control. The cancellation of commercial activities and fairs, shutting down of restaurants and hotels as well as many small businesses, cancellation of schooling activities for an indefinite period in a number of countries, termination of production and manufacturing activities, cancellation of public gatherings, conventions and sports events and the negative outlook of the main indicators in financial markets lead to the ineffectiveness of the measures.

The health measures taken as part of the Covid-19 pandemic have taken to the global and local economies to the brink of collapse. Some economists hold that the world is moving towards one of the greatest economic crises in the history of mankind. Apart from this, all agree that in case of the scenarios discussed in different platforms, the global economy will inevitably face a huge social and economic devastation. The main factor that distinguishes this potential crisis from others is the possibility of experiencing negative impacts of the measures upon social and economic life. At a time when there is uncertainty as to when normal life will be reinstated, it will be optimistic to expect success from economic and political formulations. Despite all the problems, the experiences compiled from previous crises will help decision makers develop innovative policies that will deal with the impacts of the crisis.

To this end, the main principles that countries should pay attention to in their fiscal policies can be cited as follows. To begin with, it should be noted that the efficiency of fiscal policies depends on its integration with the monetary policies. Disintegrated and unrelated economic policies and decisions lead to many problems. Policies that do not show a sign of integration will not generate success unless the inconsistencies have been

removed. For this reason, it is essential that the relevant institutions will act in coordination in the process of drafting and implementing the economic and political decisions. Another thing that previous crises showed is the efficiency of the monetary policies. In the times of recession and crisis, the developed economies with low interest rates are unable to implement the monetary policy instruments as a full-fledged solution. The interest rates approximating the zero margin without being reconciled with the market realities lead to dysfunction of the monetary policies in practice. This inevitably makes it harder to benefit fully from the financial policies. For the success of the expansive financial policies, the interest rates should be delicately determined in times of crisis and recession.

On the other hand, the common conviction within the literature is that the fiscal policies are more effective. The efficiency of the policies that can be classified into two main categories, government spending and tax incentives, exhibit different aspects in developed economies. In developing economies, the government spending is more influential in alleviating the impacts of the crisis whereas in developed economies, tax reductions work better. For this reason, it is better to focus on government spending with careful consideration of the priorities. Both the households and the real sector should be supported so that they overcome the crisis. A review of the course of the fiscal multiplier since 1960s shows that placing emphasis upon government spending will work better for economy. Channelling the resources to government spending rather than tax reductions contribute to the recovery process and also to the growth rate in the long term. However, under the current circumstances, the best option is to combine both methods. The government spending should be given weight; but the tax burden of the manufacturers and producers should be alleviated by postponing the tax payments. A number of enterprises are unable to manufacture good and services because of external factors that deeply impact upon social life. For this reason, the producers should be extended support on tax-related issues.

The exponential growth of COVID-19 cases has created a shared understanding that humanity is witnessing the eve of an age of transformation. Due to such remarkable and comprehensive changes, working life, which was in a state of transformation before the pandemic started due to temporary employment relations and precarity, will most likely change also. For this reason, it is now necessary to consider the future of work arising from the effects of the pandemic starting with two possible scenarios(<https://www2.deloitte.com/global/en/pages/about-deloitte/articles/covid-19/covid-19-scenarios-and-impacts-for-business-and-society-world-remade.html>) :

- 1) The pandemic, as a catalyst, may accelerate the current transformation of working life;
- 2) The pandemic may have positive or negative significant effects for the future of work.

Of course, the extent of the transformation that will result from the pandemic, as well as the actions taken by each specific State, will be the main features that will determine the results of the pandemic on the pandemic on working life.

It is unclear when the COVID-19 pandemic, which has been spreading throughout the globe since the end of 2019, will be brought under control as of the time of writing. Although other epidemic threats such as SARS and Ebola have occurred in recent years, these diseases and their effects largely remained local and outside the Western world. COVID-19, however, has become a global threat and has begun to affect the West immensely. The global character of the pandemic has caused many problems in many fields, especially in terms of economic and social consequences. There is thus an expectation that the pandemic will bring significant transformation, specifically so to working life, the main topic of this chapter.

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