

Coronavirus Recession a Short Review

Mr. Rahul K Bhandari¹

¹(B.com, PGDB,Pursuing M.com Aroma college of commerce, Gujarat Univesity, India)

Abstract:

Background: COVID 19 a tragic to human culture. which leads the roaming economy at a stay. Peopole are self issolated or quarantined. A virus that made the financial crises now leading to the great recession. Which is causing fear to human culture not only throughs it virus but also affecting in a psychological manner. The 213 countries and terriorities has faced these virus. It effects the stock market, no buisness is taking place. Crude oil rates have crashed. Due to high increase of demands in products but shortage in supply leads to increase of price and people facing inflation there purchasing power are coming down and that been effect GDP. People have fear as they are unaware when this panedimic is going to end and where the economy stands and when this all be stable like earlier days.

Materials and Methods: In this study Review of papers based on socio-economical effect on COVID 19 is done.

Results: The Effect of coronavirus leads to recession and also effecting psychologically.

Conclusion: Staying at home is the best way to defeat the virus and keep the mind and body busy in work to be free from psychologically. There will also a chance that, as our earnings has stopped and expenses are continues than we might face a huge cash crunch after the end of panedamic. So we should try to make a proper financial planning in which we can be ready to face any future uncertain events. After all life and future both are uncertain.

Key Word: COVID 19; Financial Crisies; Economic crises; Recession.

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I. Introduction

COVID-19 is the name given by the World Health Organization (WHO) on February 11, 2020 for the disease caused by the novel coronavirus SARS-CoV-2. It started in Wuhan, China in late 2019 and has since spread worldwide. COVID-19 is an acronym that stands for coronavirus disease of 2019.

On December 31, 2019, a strange new pneumonia of unknown cause was reported to the Chinese WHO Country Office. A cluster of these cases originally appeared in Wuhan, a city in the Hubei Province of China. These infections were found to be caused by a new coronavirus which was given the name “2019 novel coronavirus” (2019-nCoV).

It was later renamed “severe acute respiratory syndrome coronavirus 2,” or SARS-CoV-2 by the International Committee on Taxonomy of Viruses on February 11, 2020. It was named SARS-CoV-2 because the virus is a genetic cousin of the coronavirus which caused the SARS outbreak in 2002 (SARS-CoV).

The unofficial name for the virus is “the COVID-19 virus.”⁽¹⁾

The coronavirus case have impact, over 2,700,000 confirmed cases of COVID-19 across the globe.

As many as 213 countries and territories have registered COVID-19 cases, and the entire world is buzzing with uncertainty and questions: How long will the pandemic last? What will people’s lives look like once the pandemic is over?⁽²⁾

The virus is not only infecting people but it started making financial crises and inflation. Many countries has started facing ression. The stock market has shown a drastic decline and the volatile market has kept the people in fear. Due to which people has been started suffering through psychologically. They are facing anxiety, depression, disorders etc.

II. Material And Methods

Study Design: Review of papers

Study Location: Ahmedabad , Inndia.

Study Duration: February –April 2020

Procedure methodology

Papers related to effect of COVID19 were reviewed to find the present and future impact of COVID19.

III. Result

The present paper reviews overall impact of corona virus worldwide. Various studies have suggested that effect of coronavirus has lead to recession in world economy along with significant effect on psychology of population.

IV. Discussion

Coronaviruses (CoV) are a large family of viruses transmitting between animals and people that cause illness ranging from the common cold to more severe diseases such as Middle East respiratory syndrome (MERS-CoV) and severe acute respiratory syndrome (SARS-CoV).⁽³⁾

The Virus has created a havoch worldwide and people are been lockdown inside there house. Retail Shop, school, college, malls, industry are closed. So worlwide no flow of money is taking place as there is no buisness transaction.

As there is no buisness transacion taking place we can see the people are not able to earn income, the salaried are not able to complete there monthly goals or target. These impact the global market and we can see a drastic declining in the stock market.

So as per the feverish stock price reactions we can see that when the virus has captured the world its first impact came to stock market. So investor suffer a traggic loss of there capital and now they became increasingly worried about corporate debt and liquidity as its results are indicating through financial crises.⁽⁴⁾

As financial crises will bring a sudden downturn to economy and it will lead to economy crises.

An economy facing an economic crisis will most likely experience a falling GDP

As per the economic report article on corona virus outbreak on world economy we will see a decline in GDP 2020 of -2.8%. The country where more salried emplyment is there will suffer huge job loss or cost cutting in there salary. The country whose core income is tourism is also be negatively affected. Same with the countries which depend on foreign trade.⁽⁵⁾

Due to this will face a drying up of liquidity and rising of prices due to inflation. Which will take the form of Recession.

A recession occurs when there are two or more consecutive quarters of negative economic growth, meaning GDP growth contracts during a recession. When an economy is facing recession, business sales and revenues decrease, which cause businesses to stop expanding.⁽⁶⁾

As we can see that this is a temporary economic decline so the short-run economic impact of the pandemic depends critically on the monetary policy committee to drop in the natural rate of interest or not.⁽⁷⁾

As COVID 19 has sparked fears of an impending economic crisis over recession. Social distancing, self isolation and travel restrictions forced a decrease in the work force across all sectors and caused job lost or salary cuts leads to psychological impcat.⁽⁸⁾

As the people who are lockdown in the house and there income has also stoped but the expense cycle is keep on roaming so a review has been done from the psychological impact of quarantine. Of 3166 papers found, 24 are included in this Review. Most reviewed studies reported negative psychological effects including post-traumatic stress symptoms, confusion, and anger. Stressors included longer quarantine duration, infection fears, frustration, boredom, inadequate supplies, inadequate information, financial loss, and stigma.⁽⁹⁾

V. Conclusion

Review of Coronavirus recession says we should stay safe at home. As every buisness is shut down there will be financial crises so we should start working from home and not to be treat this as a vacation. We don't know how long the lockdown will continue so we should not sit idle instead we should try to gain extra knowledge and update ourself. If any individual has loan outstanding then he should keep excess one month emi amount into his account. we should try to cut down our expenses and should never panic by seeing the volatile market as if see the past records when ever the stock market has crashed it has always boost up with 100% return.

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