

Literature review on the various social impacts of COVID-19

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Abstract. The COVID-19 has influenced the whole modern world after 2020, more in bad ways. This paper is to systematically review the impact of the pandemic on social aspects in the past few years. This literature review mainly uses literature summary to find out the effects of the COVID-19. Compared to similar incidents in history, the COVID-19 has posed incredible threats to most of the social categories we face daily. Just like any other international crisis throughout history, we need a long time before recovering from the damages it brought.

Keywords: Pandemic, COVID-19, Russian-Ukraine warship, Economics.

1. Introduction

This literature review mainly discusses the multiple impacts of COVID-19 in main aspects. Unemployment rates, war and national conflicts, and the change in tourism and stock markets. In the past four years, the pandemic has impacted almost every field, in ways more or less, from people's working styles, to how they receive health care. There are studies in each of these fields, or they can all be defined as studies of the post-covid era.

This review focuses on a few of these aspects, mainly those posting an overall impact on various social categories. Employment, warship, tourism, economics and stock markets.

2. Loss of working opportunities and loss of income

2.1. *Falling employment rate*

According to a survey conducted in 80 countries and regions, after losing jobs at higher rates, workers with low levels of education and women were also less likely to recover employment, while some groups are shown to be initially experiencing higher rates of employment loss than others. Women, informal workers and less-educated people are often those victims [1]. Overall, working opportunities are moving towards low-quality jobs, especially for those who are low-educated. Thus, this can lead to unequal outcomes in the medium or long term.

2.2. *Decreasing quality of jobs*

Even if jobs are increasing, these new jobs are not at the same level of quality as the ones before the pandemic. Even for people who regained employment, most of them held a job with a lower income, which gave them no choice but to hold a lower level of household.

Based on HFPS data, income losses were much more widespread than job losses. On average, households where respondents had lower education or experienced unemployment are more likely to have an income loss. In comparison, those with less access to education have less chance to recover their salary. In the medium term, there exist potential scarring effects that will lead to poverty and inequality. The extensive work stoppages peaked from 2020 to 2021.

Because the main victims of unemployment are women and less-educated people, and they are experiencing smaller gains in employment, they partially attributed to the differential effects of containment policies.

2.3. Informal employment

Besides, one important feature of the recovery of work loss is informal employment. Self-employment buffered the market shock caused by the pandemic partially, by offering lower quality jobs.

In conclusion, unrecovered and unmitigated welfare and income losses from the COVID-19 crisis due to labor market impacts could worsen inequality in the longer term, leaving “long COVID” scars on a post-pandemic economy [2]. Job and income losses persisted, especially among poorer population groups and countries. The adoption of negative coping strategies, including the use of savings and the sale of assets, could further hurt households’ productive capacity and ability to recover from the crisis. Combined with the impact of unequal learning losses, the full impact of the crisis may only be seen over the long term. One may ask, at the same time, whether pre-existing inequalities have contributed to more unequal pandemic impacts, consistent with a negative feedback loop (Hill & Narayan, 2020). This is an important question for future research when reliable post-pandemic income distribution data becomes available.

3. War and international conflicts

3.1. Russian-Ukraine warship

The war between Russia and Ukraine became the most important social phenomenon which affected the economy after the COVID-19 pandemic [3]. It affected not only the two countries but also many countries in the world, especially those from EU, provoking an economic crisis. The war, together with the pandemic and other social issues, caused price inflation, an investment reduction, and a rise in various interest rates. It also made it difficult to import food, exchange supplies internationally, and there was a paralysis in production. It is clear to everyone that the war is devastating the global economy, by inflation and rising costs.

3.2. Food insecurity

If the COVID-19 should be said to lead to a health crisis, the war caused further food insecurity, forcing people’s normal lives to a standstill and causing the economy to falter. Besides, it can cause the energy price to shock, and the external demand to drop, and financing becomes relevantly tighter. The unemployment has also remained at all-times high. The COVID-19 crisis hurt businesses across the globe, especially small ones. Their resilience to the loss of policy support has been questioned. The following three factors could make businesses more vulnerable to the war and lead to a decrease in our exports, an increase in energy prices, and not only a reduction in profits. The most affected industries include transportation, food and agriculture, chemicals, and pharmaceuticals.

The war has posed a challenge to agricultural products, with global wheat prices rising as Russia and Ukraine account for 40% of production. Since many of our daily purchases include wheat at a large amount, this problem is becoming more and more acute as the military conflict continues.

3.3. Global challenge from all aspects

Actually, this global economic crisis is much broader than the food sector insecurity mentioned above. For example, the process of exporting coal from Siberia to Ukraine to the final consumer in Western Europe faces many challenges. Therefore, from a macro perspective, the complex sea, air and road

transport impacts are impacting the global market to a large extent, and from a micro perspective, the impact is already being felt by everyone. Therefore, it can be said that knowing the key aspects is the first step, while using it effectively is another necessity. Thus, awareness can reduce uncertainty and serve as an incentive to prepare for potential situations; It can be said that the more familiar you are with all the possibilities, the more accurate your calculations related to the problem will be.

In February 2022, when Russia's invasion of Ukraine worsened global economic conditions, COVID-19 had already devastated the global economy. As a result, there have been shutdowns, port congestion, and supply shortages, especially for semiconductors. Prior to the military conflict, many hoped that the devastation caused by the pandemic would be replaced by complex improvements or recovery. Interos' March 2022 analysis clearly shows that more than 2,100 US companies and 1,200 EU companies have at least one direct Tier 1 supplier in Russia, while more than 15,000 US companies and 8,200 European companies have Tier 2 suppliers in Ukraine. In addition, there are more than 190,000 companies in the United States and more than 109,000 in Europe, with suppliers in Russia or Ukraine.

The COVID-19 pandemic and Russia-Ukraine have posed a lot of challenges to the global business; The conflict has unleashed one of the worst humanitarian crises in Europe since World War II, with millions of people internally displaced or forced to seek refuge in neighbouring countries. This puts pressure on services, including health care and education, and poses long-term challenges to social well-being. In addition, the conflict has exacerbated geopolitical tensions between Russia and Western countries, leading to a polarization of the global environment that threatens not only Ukraine, but also global stability. Regional development is directly affected by the sharp decline in gross domestic product in a short period of time, and inflation expectations have soared despite the central bank's inflation targeting mandate. Also, a severe threat also exists for the society's education system. Military forces often damage or occupy schools and universities, making it impossible to access for children and young people. Therefore, it is a problem worthy of consideration due to its hindrance to social development..

4. Tourism and global change

National economies and tourism were deeply affected by new international, regional and local travel restrictions. Many countries had imposed travel bans, closed borders, or introduced quarantine periods at the beginning of the pandemic. Even though the situation has improved through these years, it wasn't the same before the pandemic. Because of several studies revealing that air travel plays an important role in the spreading of diseases, airlines were severely restricted for many years. The decrease in tourism has made international resource exchange difficult. Modern countries and societies rely heavily on importing and exporting trade. According to the World Bank's data (2020a, 2020b), the number of air transport carrying passengers and international tourism arrivals has been rising since 1995. This has led to the emergence and risk of spreading infectious diseases globally. The rate of epidemics and pandemics worldwide is increasing, and the four pandemic outbreaks we have experienced since the beginning of the 21st century have been a result of rapid movements around the globe caused by high-efficiency railway and shipping systems.

5. Global evidence of economic failing

Supported by the opinion and studies above that global transport enables the coronavirus to spread faster and wider, countries are setting restrictions for social and economic activities.

5.1. Shrinkage of economic activities

In 2020, governments around the world began enacting unconventional policies to mitigate the spread of the coronavirus, including stay-at-home orders, restrictions on travel and gatherings, and school and workplace closures. Some scholars argue that if there were no restrictions, widespread economic disruption would have occurred [4].

Even though it has been four years since the COVID-19 pandemic started, the world is still recovering from the recent unprecedented disruption to lives and well-being. In 2020, economic activity shrank in nine-tenths of economies, worse than the time during the Great Depression in the 1930s, World War II, or the global financial crisis lasting from 2007 to 2008, while global poverty increased for the first time since 1998, with 70 million people living in extreme poverty (data coming from World Bank, 2022a). The impact on the labor market has been particularly severe, with global supply chain disruptions impacting many industries and occupations as workplace disruptions due to social distancing requirements. The recovery has been slow and challenging due to inflationary pressures and the war in Ukraine.

5.2. Correlation between restrictions and failing economy

Restrictions on mobility and economic activity imposed by governments to curb the spread of the coronavirus may have saved many lives, as it delayed transmission until effective treatments and vaccines caused hardship for many families around the world, and restrictions may have exacerbated the scale and severity of the hardship [5].

Strong evidence was found that countries with stricter disease suppression policies suffered higher rates of economic loss. China experienced a massive economic recession during the biggest lockdown in the first several months of 2020, with the economic grounding to a halt. Shops were forced to close, all kinds of traffic transport stopped, and people were not allowed to step out of their front doors. Putting restriction rules to prevent people from moving between cities carrying the virus into effect also enhanced the difficulty of making ends meet [6].

Also, strict economic and social restrictions were found to foreshadow more serious harm globally, but other public health efforts – such as contact tracing, widespread vaccination, and special protections for older adults – did not predict economic losses.

5.3. Figure studies of economic losses

The economic loss caused by COVID-19 was found in models that considered individual-level demographic variables, disease dynamics in a given month, and national burden of disease and policy environmental measures over time. These sections confirm the work of previous scholars on country or region-specific analyses and add richer and more comprehensive evidence to support this work. In addition, the association between strictness and harm was stronger in individuals with lower baseline socioeconomic status.

For now, the most crucial question for future development, or recovering from the pandemic is that whether alternative policies can be developed, or during future pandemics, that can save lives and mitigate disease without causing widespread economic loss or disproportionate harm to the poorest households. These are tricky questions that involve a lot of uncertainty as well as value judgments that will certainly vary from person to person and from country to country.

6. Stock markets

In the era of global economics and deepening financial market integration, multiple countries tend to experience the same trend of price change, whether upwards or downwards, which is defined as the coordinated movement of the stock market.

6.1. Correlation of stock markets

According to classic economic theories, the synergistic effect of the stock market mainly relies on two mechanisms [7]. On one side, the economic fundamentals of different stock markets are related to each other. The stock market is a macroeconomic barometer which reflects the whole economic situation, and that the macroeconomic fundamentals of countries are interconnected, thus triggering a coordinated movement across borders between different stock markets. On the other hand, the market contagion mechanism leads to the linkage between the upper and lower levels. This view is that in a black swan event, such as a financial crisis, the herd effect of financial markets amplifies investor

speculation and exacerbates price volatility. Also, it enhances the synergistic movements among stock markets [8].

With the degree of globalization rising to the highest rate in history, both the correlation between stock markets and the spread of the infectious disease reaches their peak. This accounts for the significant stock market co-movements, which strengthened in the year 2020 to 2022 in the market of developing countries, and markets in developed countries enjoy a better stock market co-movement than those in developing countries. Also, stock markets in developing countries are more unsteady, because they have a weaker connection with the global market, which could be a double-edged sword for investors [9].

6.2. Impacts from the pandemic and warship

In 2020, the COVID-19 pandemic caused global financial market shockwaves, leading to increased uncertainty and pessimism among investors about joining the stock market due to potential financial losses. As a result of multiple factors altogether caused by the pandemic, the mobility of financial markets was crippled, and general stock prices plunged by over 10% in main Western countries, transcending that number from The Great Depression. From February 13, 2020 to March 13, 2020, Bitcoins dropped in price from USD 10,514 to USD 3880, while gold price fell by 14%, from USD 1689 to USD 1451, between February 24, 2020, and March 16, 2020. These losses illustrate the severe impact of the COVID-19 pandemic on global financial markets.

In terms of how the Russian-Ukraine warship affected the stock price, directly related countries, Russia, Ukraine, Poland, and Slovakia, were the most vulnerable ones, whose stock markets gave a negative reply just several days before the war began, followed by other European, Asian countries [10]. Respectively, stock sectors of daily necessities, including food, drugs, medical service, show a direct improve after the announcement of the recoupling of financial markets, while transportation sections saw few improvement.

7. Overall review

The COVID-19 pandemic followed the start of the third decade of this century, and it undoubtedly posed numerous threats and challenges to human beings all around the globe. Due to the rapid development of airlines and railways in the past 30 years, the virus has spread wider and faster compared to other infectious diseases people experienced in the past. Since the pandemic started, studies have boomed from each category and subject, studying every single detail relating to its impacts. From health, to economics, which accounts for the low employment rate and deterioration of people's standard of living, to the warship between Russia and Ukraine, the pandemic pushes us to a state which nothing is certain in the future, no matter better or worse. However, just like every other stage in history when economics fall to the lowest point because of warships, financial crisis, or other kinds of international issues, recovering from the current crisis of the pandemic could have taken a long and step-by-step process.

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