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Publishers, KMF and Rahman Tisha, Tajrin

Center for Academic Professional Career Development and Research  
(CAPCDR), Bangladesh University of Professionals University

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## Article

# Microeconomic impacts of COVID-19 pandemic: A Review Analysis and Policy Recommendations

Tajrin Rahman Tisha

Department of Development Studies  
Bangladesh University of Professionals University  
Email: tajrintisha729@gmail.com

### Abstract

Covid-19 has activated a global shock comparable to World War II. Worldwide lockdown, closed borders, regional trade, accelerated regionalism, and mitigated policies have resulted in a massive loss in the global economy. For some economists, the economic shock produced by the imposed lockdown is more costly than the pandemic itself. The progression of this contagion and its economic consequences are still highly unclear. They are also making it difficult for policymakers to design an appropriate microeconomic policy response. According to some estimates, each additional month of crisis costs around 2-5 percent of global GDP, and the GDP suffers a hit of about 3-6 percent, depending on the country's structure. As the pandemic is spreading fast, breathing issues are flatter more prevalent. We presume that the individual firm liquidity & preservation of the economic network are two further issues. Individual firms seem valued components of the economic cycle, and their absence will significantly impact the economy and the state. In contrast, banks may be reluctant to lend operating cash to firms. The current global crisis is unlike any other in a century, and it has caused financial volatility, which has led to the lockdown. It pledges on by the possible economic health consequences of mitigation strategies, such as the collapse of tourism, small business, the energy industry, rising oil prices, significant increases in unemployment, and increasing government debt. Predicting a solution for this pandemic is hard to define. Still, this study implies that if we ensure deceit in all sectors, inventive design planning on economic projects, if all the world leaders trumped up better determination, the microeconomic effects would be better off.

**Keywords:** Accelerated regionalism, mitigated politics, breathing issue, firm liquidity, collapse

## Introduction

The Covid19 pandemic has caused direct income impacts due to premature deaths, work absenteeism, and productivity reduction and created a negative power supply discharge, with production activities that decrease due to chain interruptions of global supply and factory closures. Consumers generally modified their spending behavior in the impact on productive economic activities, mainly due to the decrease in incomes and domestic finances and the fear and panic accompanying the epidemic (Yamey et al 2017). Restaurants, bars, travel and transport, entertainment, and sensitive production are among the United States sectors most affected by the quarantine covid19 measures. The preventive unemployment rate dedicated to the United States has already reached a record level of 11% per week by the end of April 11, 2020. The effects of Covid19's propagation have strongly influenced global financial markets (Eichenbaum et al 2020a).

Since the beginning of the year, the US and European securities lost a quarter of their value, with oil prices that decreased over 65% Starting from April 24, 2020 (Eichenbaum et al 2020b). The major economic problems are associated with the current and potential demand for oil translation in fluctuations in oil prices due to the reduced economic activity led by the Covid19 pandemic. Since international and quarantine travel restrictions are likely maintained for the foreseeable future, since countries try to stop the propagation of Covid19, migratory flows will be limited, hindering global economic growth and development.

In either case, infectious diseases such as COVID-19 can inflict severe economic and financial costs on regional and international economies. Because of high transportation connectivity, globalization, and economic interconnectedness, it has been complicated and

costly to contain the virus and mitigate the importation risks once the disease spreads in multiple locations. This warrants international collective action and global investment in vaccine development and distribution and preventive measures, including capacity building in real-time surveillance and the development of contact tracing capabilities at the national and international levels. As outbreaks of novel infections are not likely to disappear shortly, proactive global actions are required to save lives and protect economic prosperity

## Material and Methods

Some current studies consciously examines the impacts of Covid119 on GDP, employment, inflation, the stock market, external sector performance, and poverty in worldwide. Those analysis reveals that Covid119 negatively impacts GDP and work in developing countries. In addition to the main macroeconomic impacts of Covid19, that studies also observed the microeconomic effects of the Covid19 through the dynamics of poverty projected under the classification of the poverty of the fourth street (Eichenbaum et al 2020c).

Some review shows that almost all macroeconomic indicators have slowed or become hostile, suggesting a negative effect of Covid19 in the underdeveloped counties economy. Similarly, at the micro-level, the review shows that he has seriously influenced the national economy and commercial companies.

Reports also contain responses and policy measures adopted by the constituents of the ILO, governments, employers, and workers, and ILO tools and responses available at the specific level of the sector. The planned audience is the ILO constituents at national, sectoral, regional, and global levels promote decent jobs for typical women and economic sectors (World Health Organization 2019). During the Covid19 pandemic, the ports had to be adapted to the

reality of the lowest volumes, the lack of workers, the implementation of health and safety measures at work for the management and the staff of the coast, and the adoption of remote telecostanze and operations for employees. This brief policy summarizes the topics relating to the challenges of Covid19 labor and decent in the port sector (World Health Organization 2020).

Covid19 and the field of meat processing .The Covid19 pandemic continues to exert pressure on the agri-food industry both of the company and on the sides of the workers, with some sectors that take an exceptionally high load. Since the effects of the pandemic in our food systems continue to be developed, the learning of outbreaks in processing plants into several major central meat countries are catalyzing reforms that should contribute to the sector's sustainable development. Tripartite cooperation and social dialogue, and international labor standards are fundamental to promoting human recovery from the construction sector. Make sure that the workers of care, together with their employers and other interested parties, have the opportunity to make the voices heard that is essential if they were to play a complete and active role in the global response to the Covid19 pandemic.

It also includes information on tripartite and sectoral measures that employers, workers, and governments have taken, principles, and ILO instruments, including international work standards. Since the ILO century declaration for the future of work, adopted by the 108th session of the International Labor Conference (Geneva, 2019), stresses that safe and healthy working conditions are fundamental for decent job, we dedicate this brief policy Heavy hygiene in the workplace. In response, governments, employers "and workers` organizations, and other interested parties all over the world, are trying to mitigate the impact of this pandemic for protecting societies and livelihoods, even though social dialogue and promotion of International work

standards. Covid19 and Public Service. In addition to workers in health and education, all public servants play a role in stopping the pandemic's propagation and recovery.

## **Result and Discussion**

The June 2020 Global Economic Outlook describes the near-term and near-term prospects of the pandemic's impact and its long-term damage to growth prospects. This crisis underscores the need for urgent action to mitigate the health and economic effects of the pandemic, protect the vulnerable, and lay the groundwork for lasting recovery. For emerging and developing countries, many face tremendous vulnerabilities, so strengthen public health systems, respond to the challenges of informality, and implement reforms to support strong and sustainable development after the health crisis subsides. 5% in response to domestic outbreaks. "The crisis highlights the need for urgent measures to mitigate the health and economic impact of the pandemic, protect the vulnerable, and create conditions for a lasting recovery". Every region is experiencing a significant slowdown in growth. Emerging and developing countries will be hit by economic headwinds from multiple sources: pressures from weak health systems, losses in trade and tourism, lower remittances, weak capital flows, and financial tensions from increased debt.

The forecast assumes that the pandemic will subside to such an extent that the developed economies can abandon domestic climate protection measures in the middle of the year and then unfavorable global spillover effects can be mitigated in the developing countries in the second half of 2020, and widespread financial crises can be avoided. This scenario assumes that global economic growth will return to 4. 2% in 2021, albeit cautiously. In this downside scenario, global economic growth could shrink by almost 8% in 2020 (Katz et al 2018).

Here are some of points that the crisis has overtaken the global economy that can provide clues as to the extent of the recession. The sharp downward revision of the global economic growth forecast suggests that further downward revisions are possible in the coming months. Policymakers need to take more action to support economic activity. A particularly worrying aspect of the prospect is that the global economic recession will bring humanitarian and financial losses to economies with large informal sectors, estimated to be one-third of GDP in emerging and developing countries, as well as % of total employment. Long-term damage to potential output and productivity growth. The June 2020 global economic outlook beats the short-term outlook and focuses on the possible lingering effects of a deep global recession: Potential production setbacks - the economy can be fully hit, production levels reached, and full employment - and labor productivity.

Efforts by emerging and developing countries (including low-income economies with limited health care capacities) to contain COVID19 may result in a deeper and longer recession, fueling the decade-long trend of potential growth and slowing productivity growth. Before this crisis, many emerging and developing countries had experienced weaker growth; the effects of COVID19 have now exacerbated the challenges for these economies. Once restrictions on economic activity are lifted, low oil prices may only temporarily support growth at best.

### **Recommendation**

This paper provides examples of good practices on political responses to help mitigate the impact of the crisis in regions and municipalities in all OECD countries and beyond. Below are ten first Carlids to administer the territorial implications of the Covid19, its repercussions on multilevel governance, subnational finances, and public

investments, and points for policymakers must be considered as the regions build.

- Present, activate, or reorient the existing multilevel coordination agencies that carry the representatives together by the national and subnational government to minimize the risk of a fragmented crisis response. Promote the use of electronic administration tools and digital innovation to simplify, harmonize and accelerate primary-level supply practices.
- cross-border cooperation should be pursued and actively supported at all levels of government, to Promote a recovery approach by response consisting in a vast territory (for example, the closure of borders and reopening, containment measures, output strategies, migrant workers).
- Consider adopting a "place-based" or territorially sensitive approach to the measures to combat pandemic.
- Strengthen national and subnational support to the groups vulnerable to the limit more significant deterioration of their conditions and strengthening inclusion, even when To simplify and facilitate access to support programs. Helping subjacent governments Reduce the gap between the decrease in income and increased costs during the Covid19 crisis to avoid insufficient and uncontrolled mandates and possible substantial cuts to subnational expense.
- Integrate a territorial dimension in national investment relaunch strategies and involve subnational governments in their implementation from the beginning, not just municipalities but also regions.
- Use public investments at all levels of government to support the recovery of COVID19 over time: avoid using as an unstable environment; minimize

fragmentation in the assignment of investment funds aimed at Covid19 answers; Make sure that strategic regional priorities drive the assignment criteria; Integrate social and climatic objectives into recovery plans designed by all levels of government; And take into consideration the introduction of a policy for the construction of retaliation for the allocation of public investment funds for all levels of government.

The crisis has Covid19 governments worldwide operating in a context of radical uncertainty and faced with difficult compensations given health, the economic and social challenges it raises. Many countries "has released "containment virus measures to mitigate the impact of the financial crisis only to face the growing wave of cases in autumn 2020, resumed in danger, the strategy of exit from the problem is not linear, with possible plans of blocks" Stop and go". The projections for granted that the sporadic local splashes of the virus will continue, with these faced by direct local interventions instead of national blocks; A vast availability of vaccination is expected to date in 2021. Covid19 is demonstrating to be unique in its generation of a supply-side and a shock of demand and its impact on all areas and regions of the world.

Governments face a difficult obstacle to manage the economic recovery and mitigate the impact of a second wave of the virus. The Covid19 crisis has a strong territorial dimension with significant political implications for the management of its consequences. Two central considerations for policymakers are the regional and local impact of the crisis.

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