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In December 2019, a cluster of pneumonia cases from an unknown virus surfaced in Wuhan, China. Based on initial laboratory findings, the disease named Coronavirus disease 2019 (abbreviated as COVID-19), was described as an infectious disease that is caused by severe acute respiratory syndrome coronavirus 2. The COVID-19 outbreak has since spread to about 196 countries and territories in every continent and one international conveyance across the globe. While there are ongoing efforts to curtail the spread of infection which is almost entirely driven by human-to-human transmission, it has accounted for over 400,000 confirmed cases with over 18,000 deaths. Beyond the tragic health hazards and human consequences of the COVID-19 pandemic, the economic uncertainties, and disruptions that have resulted come at a significant cost to the global economy. The United Nations Trade and Development Agency (UNCTAD) put the cost of the outbreak at about US$2 trillion in 2020. Most central banks, finance ministries and independent economic experts around the world have taken solace in the prediction that the impacts might be sharp but short-lived, and economic activities would return to normal thereafter. This line of thought mirrors the thinking of the events that shaped the 2007 global financial crisis. However, it is quite instructive to note that the 2007 crisis which emanated from the United States. The tumultuous events that COVID-19 had spread across the globe cut across every facet of human existence and the consequences may linger beyond thesecond half of2020.

The slowdown in the global economy and lockdown in some countries, such as Italy, Spain and most Eurozone economies and beyond, as a result, COVID-19 has also taken its toll on the global demand for oil. The decline in oil demand is estimated to surpass the loss of nearly 1 million barrels per day during the 2007-08 recession. This is also coming at a time when two key players in the global oil industry – Russia and the OPEC cartel – are at loggerheads on the decision to cut output. The unequivocal oil price war started between these two global oil market giants may have more dire consequences on the oil price that has started to dive. the impacts on the global aviation and tourism sectors are a result of the implications of the pandemic on global travel. As discretionary spending by consumers continues to decline, cruise companies, hotels, and hospitality are facing declining demand and patronage. For example, in Hungary alone, about 40 to 50% of hotel reservations have been canceled. Also, the pandemic is placing up to 8 million jobs in theleisure and hospitality sector at risk, with travel crashes and cancellations expected to continue. Moody’s Analytics, a rating agency, stated that more than half of the jobs in the United States which is about 80 million may be in jeopardy.

The virus is also taking its toll on health facilities and infrastructures across the globe. Italy is currently the largest affected country with a number of deaths surpassing China, since the outbreak of coronavirus. Across northern Italy, the virus has pushed the country’s National Health Service to a breaking point, emphasizing the test that other countries, especially developing and low-income countries, might face in their approach to contain the virus spread. Most hospitals and health facilities that could not handle the hazards are resulting to operating below their capacity by taking a few regular health-related cases or shutting down. What could be more devastating is the fact that the economic pains that accompanied the virus might not go away soon as envisaged. The decision to close educational institutions and schools around the globe in an attempt to contain the pandemic has also led to a soaring number of children, youth and adults not attending schools. According to UNESCO Monitoring report on COVID-19 educational disruption and response, the impact of school closures in the over 100 countries that have implemented the decisions around the world has impacted over half of the global students’ population. These educational disruptions are being escalated particularly for the most vulnerable members of society. For most developing economies, the odds of sliding into a downturn are gradually expected as the global coronavirus outbreak puts severe pressure on the economy. For Nigeria, the country is still sluggishly grappling with recovery from the 2016 economic recession which was a fall out of global oil price crash and insufficient foreign exchange earnings to meet imports. In the spirit of economic recovery and growth sustainability, the Nigerian federal budget for the 2020 fiscal year was prepared with significant revenue expectations but with contestable realizations. The approved budget had projected revenue collections at N8.24 Trillion, an increase of about 20% from 2019 figure. The revenue assumptions are premised on increased global oil demand and stable market with oil price benchmark and oil output respectively at $57 per barrel and 2.18 Million Barrels Per Day.

The emergence of COVID-19 and its increasing incidence in Nigeria has called for drastic review and changes in the earlier revenue expectations and fiscal projections. Compared to events that led to recession in 2016, the current state of the global economy poses more difficulties ahead as the oil price is currently below US$30 with projections that it will dip further going by the price war among key players in the industry. Unfortunately, the nation has grossly underachieved in setting aside sufficient buffers for rainy days such as it faces in the coming days. In addressing these daunting economic challenges, the current considerations to revise the budget downward is inevitable. However, certain considerations that are expected in the review must not be left out. The assumptions and benchmarks must be based on realizable thresholds and estimates to ensure optimum budget performance, especially on the non-oil revenue components. Basically, the Nigerian government essentially must lead economic diversification drive. It is one practicable way to saddle through the current economic uncertainties and instabilities. What the consequences of COVID-19 pandemic should further offer the Nigerian economic managers and policymakers, is that the one-tracked, monolithic reliance on oil is failing. Diversification priorities to alternative sectors such as agriculture, solid minerals, manufacturing and services sectors, should be further intensified.

Most governments around the world have temporarily closed educational institutions in an attempt to contain the spread of the COVID-19 pandemic.

These nationwide closures are impacting over 91% of the world’s student population. Several other countries have implemented localized closures impacting millions of additional learners.

UNESCO is supporting countries in their efforts to mitigate the immediate impact of school closures, particularly for more vulnerable and disadvantaged communities, and to facilitate the continuity of education for all through remote learning. The bipartisan answer to the coronavirus pandemic seems to be: shutter the economy, then bail out everyone who is suffering economic pain. Of course, as RealClearMarkets editor John Tamny has observed, if we bail out everyone, we bail out no one. Instead of directly confronting the cause of the pandemic spread of COVID-19, we are inflicting vast damage on great swaths of the economy, likely bankrupting millions of small businesses, which we then seek to fix with massive fiscal and monetary stimulus. Stimulus can only bolster economic activity when slack resources – including the newly unemployed – can be put back to work in a timely way, to produce goods and services.

The unintended consequences of current policies are vast, in both human and economic terms. The governments of Taiwan, Japan, and South Korea seem to have shown that even a democracy can manage a health crisis directly, by seeking to minimize spread of the disease, in ways that won’t cripple the economy. The health of the economy is not as important as the health of the citizenry. However, the two are interconnected. You can’t crush the economy without exacting a human toll. In a 2018 academic article, Taiwanese researchers Yu-Hui Lin and Wen-Yi Chen showed a link between unemployment and suicide, one that may linger for two to three years after the job market has improved. These findings suggest that even a short, sharp recession has lasting consequences. In rough terms, they postulate that each 1% rise in unemployment leads to one additional suicide per 100,000 people, and a rise in divorces of up to 1%. If unemployment jumps by 5% in the current shutdown of the U.S. economy, that would translate into some 16,500 additional suicides and up to 3 million divorces. The human toll is very real. Some of the first actions taken by governments are the closing of schools.

The evidence that mandatory school closures reduce the number of cases and, ultimately, mortality comes from experience with influenza or from models that do not include the effect of school closure on the health-care labour force. The potential benefits from school closures need to be weighed against costs of health-care worker absenteeism associated with additional child-care obligations. In this study, we aimed to measure child-care obligations for US health-care workers arising from school closures when these are used as a social distancing measure. We then assessed how important the contribution of health-care workers would have to be in reducing mortality for their absenteeism due to child-care obligations to undo the benefits of school closures in reducing the number of cases.

It is estimated that, combined with reasonable parameters for COVID-19 such as a 15·0% case reduction from school closings and 2·0% baseline mortality rate, a 15·0% decrease in the health-care labour force would need to decrease the survival probability per percent health-care worker lost by 17·6% for a school closure to increase cumulative mortality. Our model estimates that if the infection mortality rate of COVID-19 increases from 2·00% to 2·35% when the health-care workforce declines by 15·0%, school closures could lead to a greater number of deaths than they prevent.