

JOBS LOSS AND UNEMPLOYMENT STRESS DURING AND AFTER CORONA

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Abstract:

Introduction: Unemployment in the nation is arguably the most drastic of all the impacts of the covid-19 crisis. Unemployment rate hit a 50-year low in February 2020 standing at 3.5 percent. One month later, 10 million people filed for unemployment and an additional 11 million people in the first half of April. Unprecedentedly, there has been a massive spike in unemployment rate with 40 million people out of work. Whilst it is certain that some people who lost their jobs owing the crisis will not regain them, uncertainties as to the course the crisis confronting public health will take makes it difficult to determine when and how the nation will open up for business. In addition, upon the economy's recovery, new skills and industries may play a part with uncertainty about everything from vaccines to workplace procedures. Thus, major concerns of this pandemic are as centered on how to return to 'normal' life—i.e. returning safely and productively to work amidst fears of COVID-19 transmission—as they are of when to return. Research question: In the event of resumption to work, certain questions are posed concerning the availability of jobs left for people to return to and the nature of the said jobs. The difference of this unemployment crisis from previous unemployment periods will be examined by looking at the nature of the grief evoked by the parallel loss of work and loss of life. Methodology: individual-level data from the Current Population Survey is used with key variables of the employment-to-population ratio, the unemployment rate, and the labor force participation rate. Using surveys prior to the covid-19 crisis, new estimates of how these variables have changed in the last three months are analyzed. Findings: The performances of the employment market in China, the United Kingdom and the United States, prior to the outbreak of COVID-19 crisis are compared against the changes that have taken place in the past few months starting from March 2020. This comparison reveals a decline twenty times faster and much deeper than the Great Recession. Distributional effects of the crisis show that the most susceptible persons—who are unable to work from home—are being affected the most. It is also expected to see how different institutional features can isolate the corresponding populations from the worse effects of large exogenous shocks.

Keywords: COVID-19 Pandemi, unemployment, labor market

JEL Codes: J16, J21, J64