

Performance of Macroeconomic Determinants and Covid-19

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Abstract: Performance of macroeconomic determinants and Covid-19 caused an economic tradeoff implicitly made between lives saved and economic decline. The emergence of coronavirus disease (COVID-19) on the global public health scene has led to growing concerns and uncertainties, and it has intensified many curiosities as well as implication of the COVID-19 pandemic. This review will focus on the microeconomic costs of the COVID-19 pandemic that relate to those borne by individuals/households, firms and other establishments like schools, hospitals, clinics, health centres, health facilities, health workers and the government, which includes the burden of morbidity and mortality of COVID-19 pandemic, and suggest the implementation of social distancing in the early stages of the epidemic, using several sources of commercial smart-device data, proxy mobility patterns that are still in place in order to curtail the disease outbreak that cause inflation as well as devaluation of some other currency. The number of empirical studies of the performance interest rates, taxes and government spending to regulate an economy's growth and stability of banking sector using different statistical techniques using regression analysis, ratio analysis, and CAMEL model.

Keywords: Covid-19, Macroeconomic, Macroeconomic determinant.

INTRODUCTION

The development of countries depends mainly on the improvement of both the real and financial Sectors, role of financial sectors and to finance economic activities in the countries that could be an important role in financing the development of countries (Kartal & Depren, 2020). However, the emergence of coronavirus disease (COVID-19) on the global public health scene has led to growing concerns and uncertainties, and It has intensified many curiosity and result to an implications of the COVID-19 pandemic globally, especially African countries that bears a disproportionate burden of poverty and disease from the perspective research of an economist as well as infect millions of individuals around the globe and resulted to 130,000 deaths as estimated by World Health Organization (Ataguba, 2020). According to (Rojas & Simon, 2020), stated that the overall burden of COVID-19 remains uncertain, and it is still not clear when and how regular economic and social life will return in the world. Moreover, the determinants of social distancing in the early stages of the epidemic, using several sources of commercial smart-device data that proxy mobility patterns are still in place in order to curtail the disease outbreak, but the global economy status is still uncertain, as the regressions study to assess the mobility patterns and respond to mitigation efforts that include formal policies as well as information events related to threats likely in the state or county are estimated. On the bases of various research conducted and find out the factors that increase or hinder economic growth has been one of the central tenets amongst theoretical and

empirical growth of the researchers, but little consensus has been reached to date. Within the framework of economic growth theory, there have been two important novelties that have spearheaded much of the existing discussion on economic growth, that include neoclassical growth theory and endogenous growth theories (Chirwa & Odhiambo, 2016). However, the financial and payments systems throughout the world generate a vast amount of naturally occurring, and digitally recorded transaction data, but the national statistical agencies mainly rely on surveys of much smaller scale for constructing official economic series, as some countries apply the idea of lockdown as well as easing, which are of independent interest to the literature on the effects of the COVID-19 crisis and its aftermath (Carvalho, *et al.*, 2020).

Performance of macroeconomic determinants and Covid-19 caused an economic tradeoff implicitly made between lives saved and economic decline, as (Friedson, *et al.*, 2020) discuss with information on mortality versus jobs, and which is built into unemployment benefits and other payments being directed at people whose jobs are lost in an attempt to increase social distance by the disease, as most of the countries perform some validation exercise by establishing the properties of card spending and aggregate consumption and dominant component in GDP, and conducted benchmarks card spending against the official household budget survey by some national statistics institute depending on the country guidelines by limitation of card data, and also relates to mobility, whose measurement has

taken on increased prominence during the pandemic by using some application of Google Mobility Report, because coronavirus crisis has triggered intense debate about border closings in the Schengen area as a way to contain the spread of the epidemic as the virus spreads all over the world (Baldwin & Weder, n.d.). It is worth saying at the start that, the bottom line of all this affected the economist as a secondary source to the health consequences for any pandemic that has a significant fatality rate in response to the coronavirus disease pandemic, by which several national governments have applied lockdown restrictions to reduce the infection rate (Bonaccorsi, *et al.*, 2020).

The COVID-19 has posed an unprecedented challenge to the global workforce, so we need to better understand the impact of the pandemic on work and careers to guide individuals to navigate through this dynamic situation. To this end, I so far call for researchers to take a closer look at the boundaries in the career context, both micro and macro levels, and given their critical relevance to vocational behaviors and career outcomes (Ct, 2020). The pandemic cause inflation as well as devaluation of some other currency (Ali & Rizvi, 2020).

LITERATURE REVIEW

Going by the current physical research of the nCOVID-19 pandemic in the population, there are bound to be long term implications in terms of socio-economic and psychological impact. The rapid rise of fear and anxiety among people due to uncertainty of the disease are coupled with essential of socially disruptive measures of lockdowns and quarantines, and may likely lead to significant psychological and psychiatric disturbances with posttraumatic stress disorder, as well as economic fall down around the globe (Effects & Disease-, 2020). However, number of empirical studies in which researchers have evaluated the performance interest rates, taxes and government spending to regulate an economy's growth and stability of banking sector using different statistical techniques, such as regression analysis, ratio analysis, and CAMEL model, because in any economy, banking sector contributes toward better financial performance and helps in better resource utilization during the last couple of decades, considerable revolutions have taken place in the banking sector across the globe. These transformations have markedly affected the practices of banking operations and

competition environment in the banking industry. A healthy and profitable banking sector is better able to provide a safeguard against negative shocks, improves the likelihood of successful modernizations, and helps to stabilize and strengthen the financial system. Therefore, examination of the empirical determinants of bank performance has equally attracted the attention of academic researchers as well as bank managers, bank supervisors, and financial market regulators structure, behavior, and decision-making of an economy as a whole that includes regional, national, and global economies (Rashid & Jabeen, 2016).

Novel Corona Virus

According to WHO COVID-19 is an infectious disease caused by a newly discovered coronavirus, the disease are cause by respiratory infection (flu) with sign of cough, fever, and more severe cases, difficulty in breathing, and also spread primarily through contact with an infected person through cough or sneezing as well as affecting those with underlying medical problems like cardiovascular disease, diabetes, chronic respiratory disease, and cancer, and also affecting the world economic growth (East, Syndrome, Acute, & Syndrome, 2020).

Covid-19 Pandemic Effect Associated with the Microeconomic Costs

The microeconomic costs of the COVID-19 pandemic relate to those borne by individuals/households, firms and other establishments like schools, hospitals, clinics, health centres, health facilities, health workers and the government, which includes the burden of morbidity and mortality of COVID-19 pandemic, the families may bear costs for diagnosis and treatment if they are not covered by the government or health insurance schemes. Even where these costs are covered, households may still experience copayments, transport costs and other related expenses, including the indirect costs of care (Ataguba, 2020).

Macroeconomic Burden on Economic Growth

The macroeconomic impact of the COVID-19 pandemic is the most economic effect in popular media. In summary, macroeconomic impacts result from a combination of 'demand' and 'supply' shocks in the economy. These impacts can be summed up by looking at the effects of the pandemic on macroeconomic aggregates such as the country's GDP, unemployment rate and inflation rate. As commodity scarcity created by a

decline in Productivity (or reduction in imports from countries affected by the pandemic disease) could fuel a rise in general price levels (i.e. inflation). Also, when export oriented firms or enterprises are unable to export goods, the demand for exports and export income will decline, which may be accompanied by the economizing the production units and laying-off workers. In Nigeria, for instance, the falling global price of oil in the face of the pandemic has forced the country to devalue the Naira. Importantly, the impact of several activities on GDP growth will indicate the implication of the COVID-19 on aggregate economic activities in the country. In South Africa, for instance, the 2020 growth forecast was revised downward from 0.7 to 0.4% following the COVID-19 outbreak (*Coronavirus impact: Moody's cuts India's growth forecast to 2.5% from*, 2020).

Digital Inequalities of Covid-19 Determinant in Health Sector

Digital inequalities can be theorized in multiple ways in macroeconomics. Although the question of access to technical equipment and Internet connection is essential in economic growth in any country (Paul & Eszter, 2001). Four proximal factors are impacting to the degree of ability to use technologies efficiently and effectively technical means (the quality of the equipment that one can access, both in terms of hardware and software as well as the power and reliability of Internet connection, autonomy for the use of location and social support and experience of time dimension enabling people to be familiar enough with the technology for retaining benefits from its use as most of sale rely on the online mode (Buchheim & Dovern., 2020).

The Potentiality of Economic Digital Inequalities of Covid-19

From a technological perspective, the COVID-19 pandemic has provoked massive, immediate, and unprecedented changes in population use of digital technologies and media as well as affecting the economic growth of the globe and also affect both macro and micro economics status. Pre-COVID-19 Internet access and use was not necessarily a priority, as some people were able to function normally in most aspects of social life without it due to day-to-day business transaction, either because of the help of someone or simply because their social context (Lupac, 2018). However, with what is now a global lockdown that servers the inter personal ties so essential to maintain our fundamental social structures, the status of virtual

digital spaces have switched from an amenity to a necessity in all business purpose (Beaunoyer & Dup, 2020).

Macroeconomic Determinants and Social Consequences of Covid-19

The macroeconomic approach in assessing the impact of ill health should be concerned with establishing the aggregate impact of disease and injury across different economic agents on three areas related to economic welfare both now and in the future; non-health consumption possibilities, leisure time and health status, although the cost of illness approach concerns itself with the societal impact of disease or injury, it would appear to fall some way short of providing an adequate model at the macroeconomic level distinct from concerns over the societal or population level impact of ill health, there is increasing policy and research interest in the microeconomic impact of disease or injury, focusing in particular on the impoverishing and other effects on the consumption possibilities of households by Measuring morbidity and mortality are key considerations for estimating the burden of disease in populations (Financing, n.d.). By which Social distancing and lockdown measures have been shown to adversely affect labor markets, mental health and well-being, racial inequality and gender roles Environmental Outcomes of economic activities is expected to have a positive effect on the environment (Jabeen, 2020).

Prevention and Control Measures of Macroeconomic Consequences

The money laundering poses is a risk to the financial system and its institutions on a macro level of any country economy. The soundness and confidence in the financial system as a whole could be seriously jeopardized thereby losing the trust of the public, if the financial system is trapped, laundering by criminal (Gordon Brown, speech on money laundering on 28 November 2000). The Bank are making a concerned effort to ensure that they uphold its reputation as a 'clean' financial centre, and integrity of the banking and financial services marketplace is heavily reliant on the perception and its functions within a framework of high legal, professional and ethical standards. A character for integrity is perhaps one of the most valuable assets of a financial system and institution and were given the emphasis on name and reputation in attracting and maintaining business in the finance world, it would not be difficult to imagine the decline of a reputable financial center. Hence, the importance of

confidence and the need for transparency in the financial system should not be understated, because it will result conventional of cost-of-illness approach offers an inadequate and ill-defined representation of the macroeconomic consequences of disease and injury. Other potential macroeconomic consequences of unchecked money laundering have been cited by the **International Monetary Fund** as inexplicable changes in money demand, contamination effects on legal financial transactions and increased volatility of international capital flow and exchange rates payable to unanticipated cross border asset transfers (EU, 2020)

CONCLUSIONS

In this mini review the macroeconomic determinants of economic growth focus on developing and developed economies and consequences caused by Covid-19, the effect of digital inequalities that are reviewed by qualitatively surveying of previous research article and review studies. However, it also accesses the aims and consensus amongst growth economists in terms of the key macroeconomic determinants that either drive or hinder economic growth around the globe. In future a critical review needs to be carried out in order to correlate between macro and micro economic determinant.

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