

STUDY ON THE EFFECTS OF THE PANDEMIC COVID-19 ON THE SECTORS OF THE NATIONAL ECONOMY

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Abstract: *The Covid-19 pandemic has hit all national economies; its effects were different from state to state, depending on the ability of each to take measures to counteract the effects of this crisis. Some sectors of the national economy were more affected than others. What we all noticed was that some have developed amazingly, as has been the case in the IT and pharmaceutical industries. The HORECA sector was one of the most negatively affected this time. There were also sectors that were not influenced, such as agriculture.*

Keywords: *crisis, measures, jobs, analysis*

INTRODUCTION

The coronavirus crisis has hit all European economies. All Member States have been obliged to take a series of measures to support private companies and their citizens. Some economic sectors such as IT and Pharma developed amazingly during the crisis, while others were not affected at all.

The Covid 19 pandemic has been a challenge for the whole of Europe. Each European state has had to adopt specific measures to protect citizens and provide them with a stable job. Unfortunately, some areas were severely affected, and HORECA workers found themselves sent into technical unemployment at best, or fired.

The impact of the COVID-19 pandemic on the economy was strongly felt, as economic activity was reduced through direct government action. Its decisions to suspend business to limit the spread of the virus have led to layoffs. The coordinated efforts of state institutions to maintain jobs, and to alleviate financial losses, but also to start the economic recovery, are vital.

MATERIALS AND METHODS

The purpose of this study was to show how the various sectors of activity in the national economy were affected by the Covid 19 crisis. As everyone perceived, some areas were more affected than others. The answers given by the managers and administrators of 50 companies with different object of activity were taken into account, during March - April 2021. The collected data were processed and interpreted; finally there are formulated some conclusions.

RESEARCH RESULTS

Question 1: *In which sector of the national economy do you work?*

We have all noticed that the hospitality sector, considered an important part of the national economy, which contributes almost 5% to GDP and provides more than 4% of all employees with individual employment contracts, is one of the areas that have been and continue to be strong. affected by the COVID-19 pandemic [12,13]. The measures proposed by the state in support of this sector have been welcomed, but can still be improved using the experience of other countries.

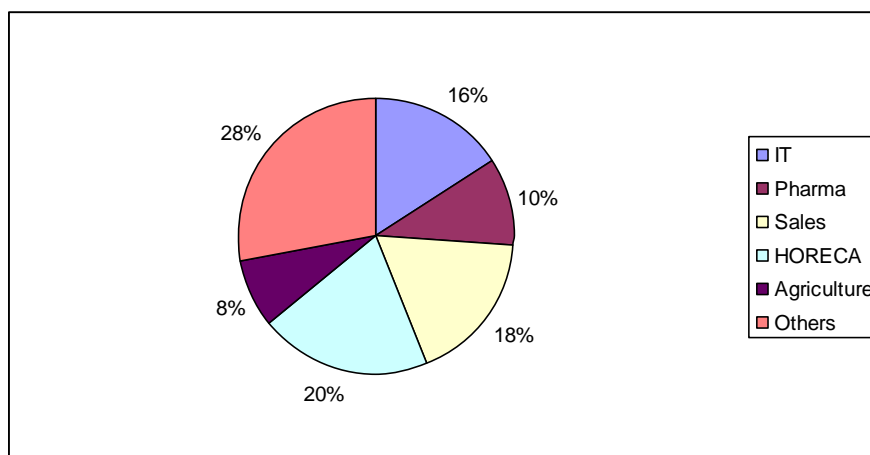


Figure 1. In which sector of the national economy do you work?

Source: answers collected from the questionnaire

The IT and Pharma fields were among those that did not suffer the least. Those in the IT field were able to work just as well at home, and the respective companies made substantial reductions in rents and maintenance costs. Likewise, in the pharmaceutical field, the business prospered, and even some investors who predicted what the demand would be hit the market [3,10,14]. Sales have also suffered, with the exception of online stores and those that have focused their business on promotion and sales through the Internet.

Question 2: To what extent has your pandemic business been affected?

Acting in a previously unknown territory, entrepreneurs and managers need to deal with the crisis in a proactive way, focusing on their risk exposure, their interdependence and their eligibility for government support [4]. The typology of expenditures has undergone major changes. While supermarkets, pharmacies and other businesses related to consumer demand and the virus have seen significant increases, other industries such as the hotel and leisure industry have seen declines in sales. At such times, the weekly cash flow forecast must be reconsidered and a performance and cash flow analysis must be made. In this way, essential information can be obtained for potential funding providers [15,16].

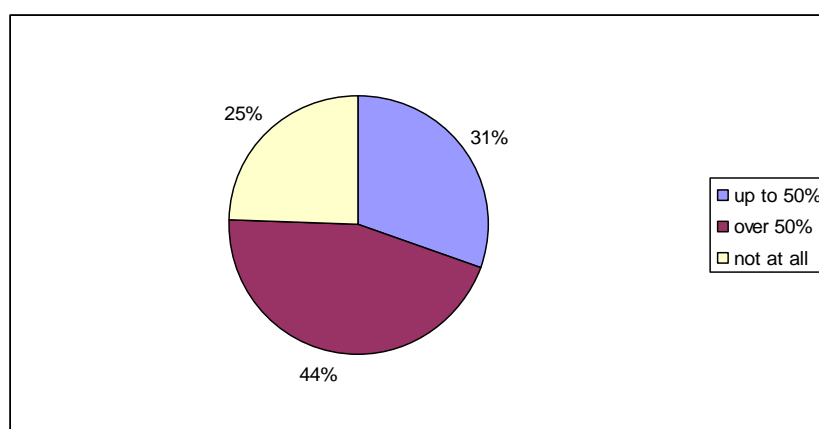


Figure 2. To what extent has your pandemic business been affected?

Source: answers collected from the questionnaire

Question 3: Has the value of the expenses you made during this period (starting from February 2020 until now) increased compared to 2019?

Regarding the size of the expenses, as shown in the graph, only about a quarter of those interviewed stated that they had higher expenses.

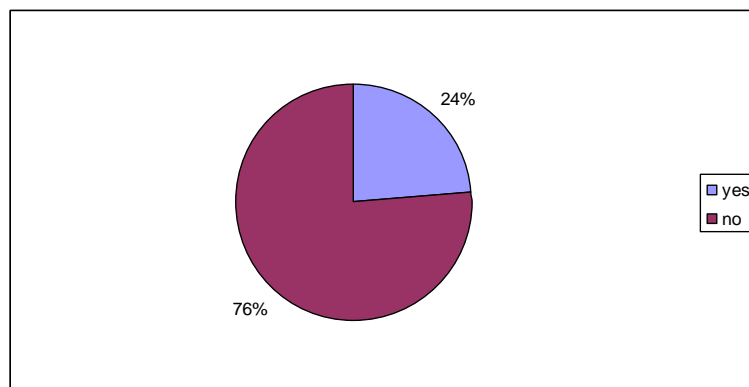


Figure 3. The movement of total expenses made during this period

Source: answers collected from the questionnaire

Question 4: How much has the value of the expenses you have made to protect the health of your employees increased (disinfectant, masks, thermometers, etc.)?

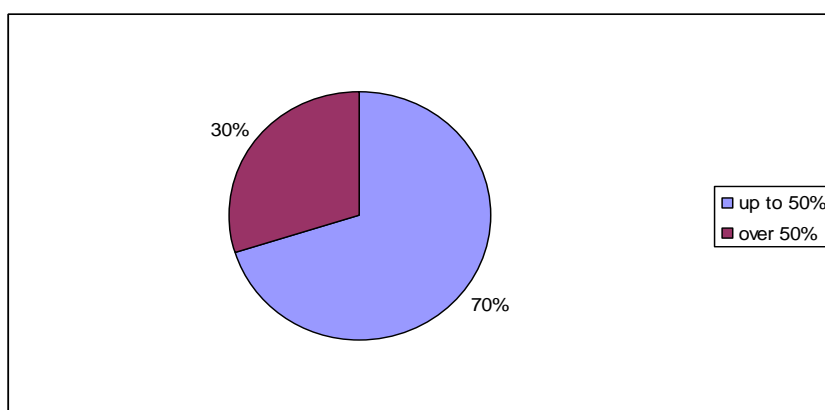


Figure 4. The movement of the expenses made to protect the health of the employees

Source: answers collected from the questionnaire

Figure above shows data on the evolution of expenditures made by the analyzed companies, in order to protect their employees, their health and the business they run. We all noticed that temperature scanners and disinfectant devices appeared everywhere. Some companies also provided masks, gloves and protective suits. All this generated additional expenses.

Question 5: Did you kept the same number of employees as in 2019?

The managers of companies with field of activity in agriculture were the ones who answered positively to the question: did you maintain the same number of employees during the crisis?

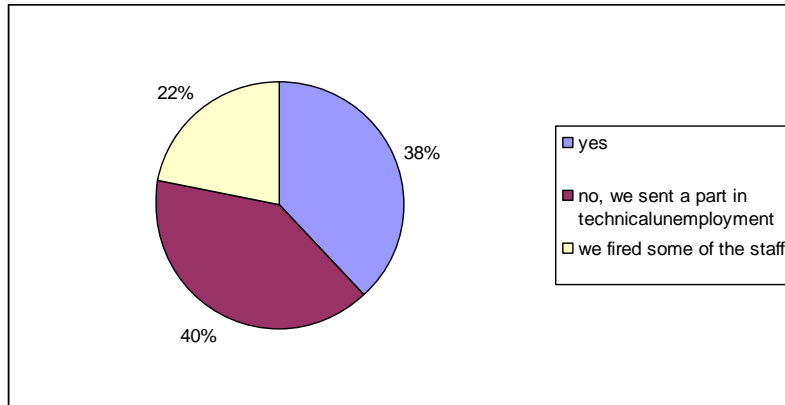


Figure 5. Situation of employment

Source: answers collected from the questionnaire

Question 6: *Have you used telework in the case of some employees?*

If the specifics of the job allow employees to have the opportunity to work from home, to expose themselves as little as possible.

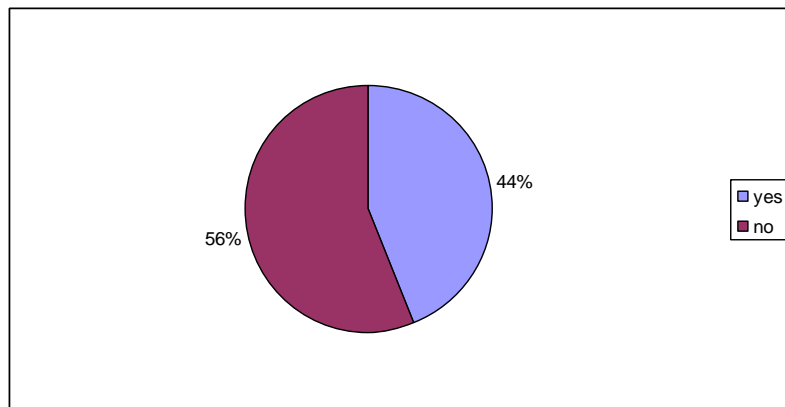


Figure 6. The use of telework

Source: answers collected from the questionnaire

At home, stress can affect the ability to organize, so even the most organized and calculated people can have problems at the moment, in the context of the Covid-19 pandemic, due to the fact that they face an unusual situation and difficult to manage. .

Some employees are forced to share the workspace with partners and children, others with parents, and their daily schedule may be affected by these factors. Also, a person who has never worked from home may have difficulty adapting in terms of breaks but also the pace of work [5].

Question 7: *Were you forced to use digitalization to improve the business of the company you run?*

The present pandemy forces companies to digitize or reorganize their existing strategies. Thus, companies need to develop a long-term sustainable digitalization strategy. Opportunities with high development potential must be exploited in the context of the Covid 19 crisis, in the medium and long term, but above all, rapid decisions must be made to win new customers, to explore new markets but especially to keep them [6,7].

The COVID-19 pandemic has significantly changed the work of all professionals and the truth is that those who have been able to adapt more easily have survived. It has

become clear that digitization is no longer optional, but absolutely necessary for existence on the market. Forced digitization has often been the solution to continue business [9].

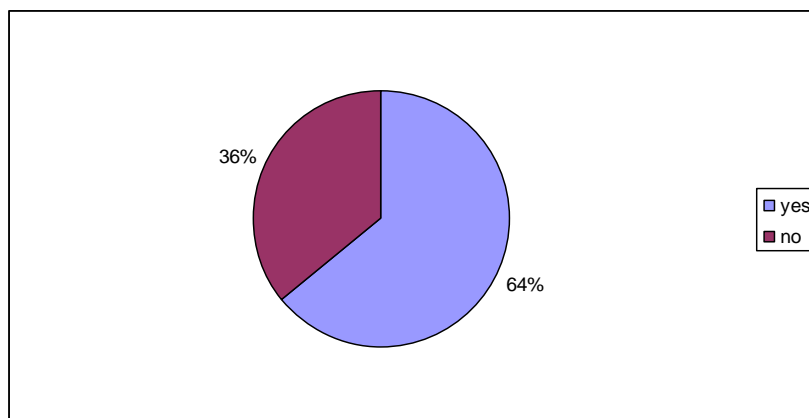


Figure 7. The use of digitalization

Source: answers collected from the questionnaire

Question 8: *Have you changed the field of activity to adapt to the new requirements on the market?*

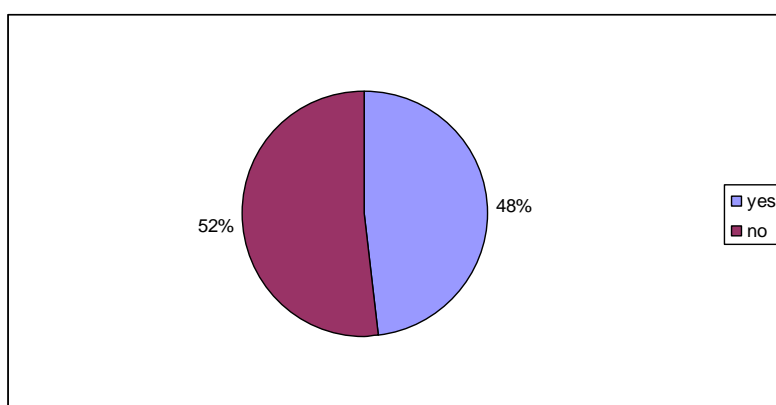


Figure 8. The changes in the field of activity

Source: answers collected from the questionnaire

Each company has at its disposal a range of strategies that contribute to attracting and retaining customers, so that it can maintain its field of activity. However, during this period, many companies had to rethink their activity and focus on more lucrative areas [8,11].

Question 9: *Did you use the delivery service to sell your products?*

Courier companies prospered during this period. Many of those who lost their jobs in other fields were reoriented and managed to find a job.

Many companies that previously did not have delivery services found that in order to remain on the market they need to make a change and resorted to delivery service, adding to the cost of products sold and the shipping fee, but also the possibility to pay online.

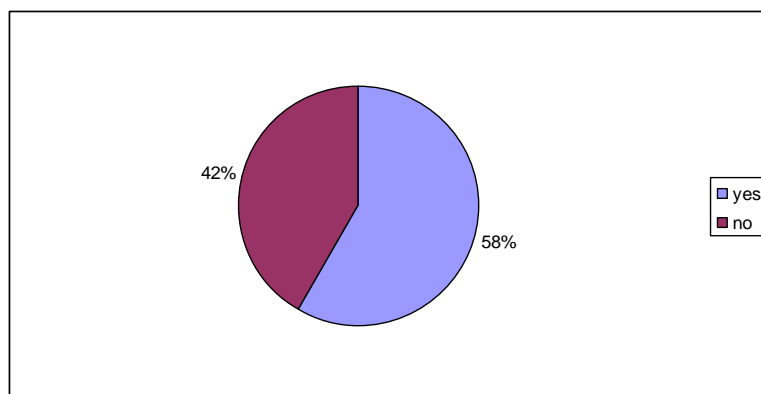


Figure 9. The use of delivery service

Source: answers collected from the questionnaire

CONCLUSIONS

The coronavirus crisis poses a great threat to the European economy and the living standards of all its citizens. In Romania, as well as in all other European countries, during this health crisis, it was vital to protect not only the critical sectors of the economy, but also the assets, the technology and the infrastructure. But first and foremost, it was needed to protect people and their jobs.

In Romania, three main directions of action should be pursued, fully harmonized with the economic and financial context in which we are currently:

1. Expenditure on combating adverse effects on public health must be covered. (expenses for testing, purchase of medicines, medical equipment, etc.).

2. The aim must be to ensure the stability of consumption, which is currently contracted, as a result of the large number of people made redundant and the decrease in purchasing power. It is therefore imperative that the state take steps to boost consumption to become the main driver of economic development, not recession.

3. Business continuity must be encouraged, including by supporting the formation of stocks of raw materials and critical materials, which will ensure the independence of the economy in the event of a crisis.

I believe that the state is the one that must bring real help to all private affairs. All previous periods of economic and financial crisis have highlighted the fact that state intervention has been crucial in reducing losses and economic recovery.

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