The Socio-economic Impact of Covid- 19 in United Kingdom, France, and Spain

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Introduction

After more than a year of the outbreak of Covid-19, the health crisis remains an obstacle for countries' economies. Given the uncertainties that persist in the development of the disease, lockdowns and restrictions lifting measures remain top priorities in nation states' agendas and policies on a global level. The pandemic is having a profound impact on health, economy, as it is on society, leaving the health crisis to be the main determinant behind economic activity. The economic repercussions caused by the pandemic were worse than the recession of the great depression of the 1930's. Key sectors of the economy are at risk, unemployment rates have escalated, poverty rates have increased and the social security system can't provide the support needed too many people. However, governments on a global level implemented and created new policies to counter and mitigate the effects of the pandemic. The virus is present in all parts of the world; however, the focus is now shifted from Africa to Europe and America due to the higher number of recorded cases as well as the sharp decline in economy. United Kingdom, France, and Spain are on the top list of the hardest hit countries in Europe.

In response, the Forum for Development and Human Rights Dialogue issues a report entitled "The Socio-economic Impact of Covid- 19 in United Kingdom, France, and Spain**".** The report aims to address the socio-economic impact of Covid-19 on United Kingdom, France, and Spain. The report presents the ways in which the pandemic affected the three states economies. The report includes an analysis of the effect of Covid-19 on United Kingdom, France, and Spain economies, labor market and household consumption, the living conditions of the populations in each country as well as the measures and policies taken against the health crisis caused by Covid-19. In each country, the report is divided as follows; the first part reveals the unprecedented loss of the state Gross Domestic Product (GDP) as well as the decline of services and activities by companies and firms leaving a profound impact on the economy. The second part reveals the pandemic impact on the labor market, household consumption, savings, and low spending level as a result of the confinement measures. The third part emphasizes on the impact of the pandemic on vulnerable groups and people with disabilities. The last part outlines the governments adopted measures to mitigate the impact of the pandemic on the economy and the society, with special focus on the measures adopted to counter the losses in the job market and implemented schemes to aid firms, companies and Social Medium enterprises (SME's) most affected by the pandemic.

United Kingdom

Economic decline

Like many countries battling with COVID-19 pandemic, and despite the rollout of vaccinations on millions of people, the cases are still circulating in the United Kingdom. National lockdown rules have been in place since March 2020, and confinement measures will last until at least June 2021. The imposition of a third lockdown came into place in January 2021 under the 'road map' out of lockdown as announced by the Prime Minister, Boris Johnson. The map aims to gradually let UK get out of the lockdown.

Earlier 2021, the UK Office for National Statistics (ONS) specified that Britain's gross domestic product (GDP) has declined by 9.9 percent in 2020, the biggest fall in output that UK has experienced since modern records began in 1948.

In comparison to the United Kingdom' economic decline caused by the global economic crisis of 2009, UK experienced increased loss of GDP as a result of the pandemic. The ONS demonstrate that the economic recession in 2020 was more than twice the largest fall of 4.0% in 2009, as a result of weaker growth from services. For example, production percentage fell by 7.8% in 2009 and 8.6% in 2020, while manufacturing fell by 8.6% in 2009 and 9.9% in 2020. Additionally, services performed significantly worse, falling by 8.9% in 2020 compared with a 2.5% decrease in 2009.

The GDP in December 2020 was 6.3% below the level of February 2020, yet it has increased by 1.2% compared to November 2020. In the first half of December 2020, activities have slightly increased due to the ease of business restrictions leading to an increase of services by 1.7 percent, from the 3.1 percent fall in November; however, restrictions were tightened again.

The UK economy is comprised of 79% of services, meanwhile production, including manufacturing, and construction comprise 13.9% and 6.4%. In December 2020, the services output was 6.9% below the level of February 2020. ONS clarifies that 12 of the 51 industries have surpassed their level of output in comparison with February 2020. However, six services industries remained under 50% of their February 2020, with air transport and travel agents performing the weakest.

Despite the weak performance of most industries, some activities experienced growth. For example, the scientific research and development, with the majority of the work related to healthcare because of the pandemic, were the largest contribution to growth in this sector, growing by 5.7% in December 2020, resembling a 7.8% increase above its February level.

Despite the closure of industries and its low performance, the economic decline of the country must also be attributed to other reasons, as Covid-19 outbreak has impacted the UK in several ways. The economic sector has been largely damaged as a result of the health measures taken to curb down the spread of the virus. The initial disruption in early 2020 was to supply chains, as the government unprecedented health precautious measures have led to the entire shutdown of businesses in a lot of sectors; for example it led to the closure of major UK and European car plants in late March and early April 2020. Lock down measures in December 2020 led to a decline to retail sales by 4.2 %, while the 2021 lockdown measures resulted in 8.2% monthly fall in retail sales.

The third lockdown restrictions are not very severe, whereby some business, such as dentists and garden centers, can stay open as well as manufacturing and construction activities. However, statistics show that in January 2021, the GDP fell by 9 % in January, retail sales fell by 8.2%, and that more number of businesses has halted trading in 2021 than the second lockdown.

Schools closure was among the ways that affected the capacity of UK economy. Schools closure in 2020 and 2021 lockdown measures placed additional responsibilities on parents for childcare, affecting the level of the productivity of workers. Hence, the lockdown measures and its impact on the supply chain, workers and business closures have limited the economic development of the state.

The pandemic has also impacted the delivery of services by the state. The travel and tourism sector were the worst hit parts of the economy, as people movements were restricted along with their spending. Many business experienced decline in revenues, some companies risked ending their business, while others laid off workers to cut costs.

Labor Market and Household Consumption

The labor market began in 2020 with the highest employment rate 76.6% since 1971; the total number of employed people in the UK was 33.1 million. However, due to the lockdown, consumers' opportunity to spend has been restricted since the pandemic began, and with some businesses struggling to survive or facing revenue shortfalls, the number of people unemployed has rapidly increased. Estimates for November 2020 till January 2021 in comparison to the pre-pandemic period of January -- March 2020, reveals that the unemployment levels are up by 337,000 to 1.7 million. The unemployment rate has increased 5.1% by the end of 2020 from 4% prior to the pandemic; the employment levels are lower by 631,000, a 2% fall, concentrated among young people.

In addition, there are other labor market indicators that reveal the impact of the pandemic on the employees. In 2021, statistics suggested a reduction in employee payrolls of around 674,000 compared to March 2020, based on experimental HM Revenue and Customs data (HMRC). In addition, the number of job vacancies in 2021 is 27% lower than a year ago.

The number of furloughed works has also increased, between April and May, whereby over 8 million jobs were furloughed, with a peak of 8.9 million on 8 May. This number then declined to 4.7 million jobs being furloughed on 28 February.

In regards to household consumption, there was a large decline in consumer spending. The official statistics show that consumer spending fell by 10.6% in 2020. In the first lockdown consumer spending fell sharply, and in the second quarter of 2020 from April to June, it fell by 20.8% compared with the period from January to March.

The lockdown restricted the consumer's opportunity to spend money due to the closures of businesses and limits on mobility. The decline of spending was also caused by falls in expenditure on hospitality, and transport.

The other side of the coin of low household consumption was that consumers saved money during the lockdown as result of the schemes introduced by the government. The savings rate of households rose from 8.9% in Quarter 4, 2019 to 25.9% in Quarter 2, 2020. It is the highest households' savings that UK experienced since 1963. The Bank of England estimates that households accumulated £125 billion of additional savings between March and November 2020. However, most of the savings took place in high income households.

Living Conditions

In reverse to the accumulated savings by higher income households, the pandemic has left low-income families struggling with a significant deterioration in living standards and high stress levels. In November 2020, the guardian revealed that an average of 700,000 people in the UK, including 120,000 children, have been plunged into poverty as a result of the Covid-19 economic crisis. According to the Legatum Institute, the pandemic increased the total number of people living in poverty to more than 15 million, constituting 23% of the population.

Charities organizations and associations in the UK have also raised their concerns in regards to the increase of number of people seeking aid and support. A survey conducted by Child Poverty Action Group, shows that eight of 10 families face financially worse off as a result of the pandemic. The survey also revealed that more than three quarters of the respondents were unable to pay for food, utilities, and 47% were unable to pay for housing.

The pandemic has also negative impact on people with disabilities, ethnic minorities, women, young, and older people. According to 'Coronavirus and the social impacts on disabled people in Great Britain' survey conducted by the government, disabled people raised multiple issues that they are facing as a result of the pandemic. 35% of disabled people indicated the negative impact of coronavirus on their lives, in comparison with 12% of non-disabled people, 40% faced issues to access healthcare compared with 19%, 27% faced obstacles to access groceries, medication, and essentials compared with 12%. They also demonstrated that coronavirus was making their mental health worse.

A recent paper produced by the house of commons in March 2021, revealed that ethnic minority groups, women, young and older workers, low paid workers, and disabled workers have been most negatively impacted economically by the coronavirus outbreak. The Institute for Fiscal Studies (IFS) outlines that 15% of workers in the closed sectors are from minority ethnic group compare to 12% of all workers. Also employees aged under 30 and above 65 had greater chances to have been furloughed or out of work. The institute also indicates that 71% of the employment of disabled people was affected by the pandemic through the loss of income, being furloughed, or being made redundant.

Government Measures

As a response to the pandemic and its severe repercussions on the economy, UK has introduced a set of policies and adopted a set of countermeasures to be able to mitigate at least a part of the negative economic impacts caused by Covid-19. The Bank of England and its Monetary Policy Committee (MPC) announced a series of measures. The bank cut interest rates to 0.1%, introduced four backed financial loan schemes to aid businesses affected by the pandemic, and introduced measures to support lending to banks to have an additional capacity to lend businesses.

In addition, as part of the government plan to support the economy, in 2021 the government announced that over £340 billion of direct tax, welfare and spending measures to support households, businesses, and public services.

The government has provided £62 billion to support businesses in 2020/21 through measures that include business rates holiday for businesses in retail, hospitality, leisure and childcare nurseries sector with £9 billion, grants over £12 billion and a temporary VAT cut for hospitality and accommodation £3 billion. More than 906,600 business premises received grants by the government.

In regards to the labor market and employees, the government introduced the Coronavirus Job Retention Scheme (CJRS) and the Self-Employment Income Support Scheme (SEISS), as well as changes to social security benefits to support households during the coronavirus pandemic. The CJRS aims to ensure the attachment of workers to their employees, with the government support of paying up to 80% of their wages. The scheme has been changed by the government in March 2020 to be more flexible; however, it is set to close in September 2021. Since the inception of the scheme, more than 11.4 million jobs have been furloughed. Similarly, the SEISS aims to provide support to the CJRS but only for the self-employed with annual average profits of £50,000 or less.

In regards to the social security changes created by the government, a temporary increase in the universal credit standard allowance by £20 a week was introduced; along with a temporary increase in the basic element of working tax credit by £20 a week; a temporary suspension of work-search and similar requirements for universal credit; a temporary suspension of the minimum income floor for self-employed workers in universal credit; and an increase in the local housing allowance.

Moreover, the government recently announced ‘roadmap’ plan aims to ease restrictions in England and to reopen the economy gradually starting from June 2021.

France

Economic Decline

Like many countries, France started a stringent lockdown in March 2020 in an effort to curb the spread of the Coronavirus. Businesses, schools, restaurants and all shops except pharmacies and groceries were under complete shutdown. The health crisis had unprecedented social and economic impact on France.

The recession that France experienced in 2020 remains historical, by recording a decline of -8.3% of GDP. The French budget deficit reached a record level of 178 billion euros, instead of the 93 billion provided for in the initial finance law. However, the government expects that the GDP is expected to be around 4% below its pre-crisis level in the first quarter of 2021. In March 2021, the National Institute of Statistics and Economic Studies (INSEE) office announced that the French government deficit in 2020 accounted for at €211.5 billion, standing for 9.2% of the state GDP. Revenues have also decreased by 63.1 billion.

France had the highest public debt in the Eurozone in the year of 2020, as France's public debt soared from 98.1% GDP in 2019 to 118.7% GDP due to the pandemic repercussions, and is forecasted to reach 118.6% GDP in 2021.

The country is experiencing a major challenge of economic recession from the pandemic, and the containment measures like elsewhere had impacted the French economy. The first confinement lockdown measure was implemented by the government in spring 2020 has caused a historical decline in French economic activity. An estimate of 34% of companies have suspended their activities, 73% announced sales drop in their sales greater than 10% and 35% a drop greater than 50%. In addition, most companies closed for an average of 57 days. INSEE revealed that during the lockdown, four out five companies suffered a drop in their output and activities between 10 and 50% in comparison to the same period in 2019. In the first half of 2020, activity fell by 17% on average, but a quarter of companies posted a decrease greater than or equal to 30%.

To cope with the sudden drop of the economy, INSEE statistics office revealed that four out of five companies in France have appealed for aid placed by the public authorities; in addition, 41 percent of companies had loans guaranteed by the state. These measures were particularly used in the sectors of catering, automobile trade and repair, and accommodation.

The second lock down, which was put in place on October 2020, had also negative impacts on the economy; yet the measures were less strict. The decline in the economic activity represented only -11.6% of GDP in November, contrary to -31% in April, which is a result of the less stricter measures implemented by the government.

On the production side, the government indicates that the state is witnessing a moderate growth in the industrial production. Along these lines, the French government has recently highlighted the different impacts of the pandemic on different sectors in January 2021. In industry, the pharmaceutical, chemical and agrifood sectors have returned to activities close to pre-crisis, the transport, automobile and metallurgy sectors are below. However, in regards to market services, the catering and accommodation are having minimal activities, the information and communication sectors are growing, while the business climate indicator remains very low.

Apart from businesses losses, the largest losses in activity are found in accommodation and catering, whereby it lost 60% of its activity in comparison with the level pre-crisis. Other service activities, such as museums, libraries, sport halls, shows and transport services experienced a -42% decline due to lockdown, restrictions on tourism and business travel.

The containment measures and the closure of business played a huge role in declining the GDP of the state; however, the decline of the GDP throughout the year 2020 should also be attributed to the decline in market services and the contraction of domestic demand services. The drop in consumers demand in France, which was underlined by 66% of companies, had supply problems by 58%, difficulties in logistical transport and delivery difficulties by 50%, and cash flow problems by 34%.

Labor Market and Household Consumption

Prior to the pandemic, the French government had a plan to decrease the unemployment rate in France; however, the pandemic shifted the government ambitions by increasing the unemployment rate to 8.9% in 2020, and is expected to also increase to 10.2% in 2021.

In November 2020, INSEE office outlined that France's unemployment rate in the third quarter of 2020, rose to its highest level in two years, being the Eurozone' second-biggest economy that grapples with Covid-19 repercussions. The jobless rate has also increased from 7.1% to 9.0% in the second quarter of 2020, its highest level since the third quarter of 2018.

The Paris-based French Observatory of Economic Conjunctures (OFCE) specified that the containment shock affected 9.1 million jobs, whereby some were affected by mandatory closures, particularly in childcare following school closures, and teleworking.

The confinement has drastically changed the employment situation of the employees. During March 2020, the workforce of companies continued to work on site constituted less than a third, a percentage of 29 percent of the total workforce. The reorganization of employment workforce was more visible in the teleworking sector, which alternated to the use of digital equipment's and platforms, including 40 percent of companies.

In the first half of 2020, 715,000 jobs were destroyed, and the working time for those who remained in their employment was reduced by 34%, executives worked from home by 81 %, while partial unemployment concerned mainly manual workers (54%) and employees (36%).

Excluding temporary work, the strongest drop in employment was found unsurprisingly in market services.

The labor market has also experienced a drop in the private-sector salaried employment, INSEE office estimated a decrease of salaried employment decreased by 715,000 or -2.8%, which is more than 450,000 net job destructions in one quarter, including almost 300,000 temporary jobs. The partial unemployment has also increased, reaching 70 percent of companies.

In regards to household consumption and spending, the government announced that in November 2020, the household consumption has rebounded in October to +3.7% after -5.1% decline in September. The second lockdown has led to a sharp decline in household consumption in November with a loss of consumption at -15% compared with its pre-crisis level. However, the gradual easing of the restrictions expects the percentage to be reduced to -6% in December. Despite an increase in household consumption of market services in comparison to November, the percentage continues to deteriorate, reaching -16% compared to quarter 4 in 2019, due to the limited activities and temporary closures of catering, trailing, and accommodation. INSEE also announced that citizen's consumption in 2021 should fluctuate around an average of 65 percent, below its pre-crisis level as a result of the ease down of the confinement measures.

With the contraction on the demand of domestic services, and consumers less spending, household's savings started to increase. The pandemic has definitely changed household consumption behavior. In April 2020, Statista Research Department stated that 53 percent of French people stated that the pandemic has made the more money than ever before in addition, 9 percent considered investing in the stock market.

The uncertainty due to covid-19 has fueled French households to increase their savings as precautionary measures. The bank of France announced that about 120 billion euros were built as excess savings by French households in 2020, as lockdown curtailed people's activities and government aid maintained incomes. The household savings rate have increased sharply during the first lockdown, reaching 27% in the second quarter of 2020, which represents nearly three times the amount saved in 2019. The household savings rate stood at 22% in the fourth quarter. However, according to Crédit Mutuel, the Economic Analysis Council (CAE), savings were among the higher income households, while the poorest households have not managed to save more than usual

Living conditions

The pandemic has also left low income families struggling. In regards to household's gross income, the beginning of 2020 year marked a huge decline in the income as a result of the health crisis. The well-known French charity organization 'The French charity Secours

Populaire', revealed in a recent report that 1.27 million people came to collect food at one of their organization branches in France. Le Monde, French newspaper has also announced that the health crisis pushed one million French people into poverty, adding to the 9.3 million people already living below the monetary poverty line.

Migrants and poor communities were more vulnerable to Coronavirus in comparison to the rest of the population due to their poor living conditions. A study by INSEE reveals that between March and April 2020, the death rate of immigrants has doubled compared to people born in France.

Moreover, people with disabilities faced more even isolation and exclusion as a result of the pandemic. According to a recent research by the French Institute for Public Opinion (IFOP), nearly a third of people with disabilities experienced deterioration in their physical and mental health since the outbreak of the pandemic. There are 12 million people in France, which is 1 in 6 people, suffer from a disability that the government has excluded from the confinement measures.

Government Measures

The pandemic has severely impacted France heath and economic sector, making France's main concern to save lives while minimizing the economic costs of the pandemic. The French authorities have responded to the pandemic by implementing two strict lock-down measures in March and in October. The authorities have also amended the budget several times to adapt to the crisis. An emergency support package was also introduced to support household and firms by preserving jobs and providing liquidity.

In March, the French government introduced various aid measures to businesses in order to cope with the drop of the businesses activities caused by the confinement. The government announced loans, guaranteed by the state (PGE) and a moratorium on social or fiscal deadlines. The measures adopted by the government have encouraged Public and private organizations to either postpone rents and energy bills or to reschedule debts.

In addition, the French Ministry of the Economy and Finance announced measures for firms encountering serious difficulties as a result of the pandemic. These include: possibilities for deferral of corporate/income tax payment and social security contributions for firms and entrepreneurs, guarantees on loans made to Small Medium Enterprises (SMEs) increased to 90% of the amount borrowed, a suspension of penalties for payment delays in government contracts. In the same month, the government announced further measures to support business and SME's. a massive economic fund of 300 billion euros has been promised to help businesses from going bankrupt, a halt on companies' rents and utilities bills has also been ordered.

In November 2020, the French Finance Minister Bruno Le Maire has outlined plans to extend COVID-19 supports for French businesses. The Government plans aim to extend the exemption from social security contributions for companies working in tourism, hotels, catering, sport, culture, air transport, and events sectors those employee no more than 50 employees. A tax credit will also be offered to property lessors who agree to waive rent payments for one month over the winter period, for tenants employing fewer than 250 employees who provide temporary accommodation services or catering services.

In order to reimburse the loss of jobs and revenues by employees, the government implemented a partial unemployment scheme, which is used by private companies dealing with temporary difficulties. The scheme enables compensation to be paid to employees for their loss of income due to: either reduction of their working hours below the legal, conventional or contractual working time, or the closure of the establishment. In October 2020, the number of employees registered in the partial unemployment scheme has fallen significantly to 3 million against 9 million. France has also placed a solidarity fund of 2 billion Euros for the self-employed, and has provided 1,500 Euros monthly as a compensation for self-employed and small companies, only when their turnover is less 1 million euros or experiences a drop in turnover of 70% or more.

Moreover, to face the new wave of Covid-19 in 2021, and to support the vulnerable people, the French departments and municipalities are working to monitor and address the special needs of the most vulnerable, including the migrants communities. The departments continue to ensure the provisions of social services and support to the vulnerable populations in the face of the health crisis, through purchasing masks, reinforcing human and financial resources in retirement homes, creating of emergency centers for youth and children in difficulty, and setting up dedicated telephone numbers

The French government efforts to rebound of the economy remain dependent on the health situation in their countries.

Spain

Economic Decline

Spain is the second most affected country by covid-19 in Europe after Italy. The outbreak of Covid-19 and the lockdown measures adopted as part of the Spanish government efforts to limit the spread of the virus have resulted in a massive contraction in the economic activity in the first half of 2020.

In 2020 spring, the government started to ease down lockdown measures as a step for economic activity to go back on track, resulting in the rebound of the GDP in the third quarter of 2020. However, with the virus outbreak at the end of the year, strict containment measures have been implemented again, reducing the level of economic activity to less than 9.1%, below the percentage of a year earlier.

During the first wave, the government announced a state of emergency from March 2020 till June 2020 with restrictions on movement to essential purposes only, limited commercial, cultural, recreational, hotel and restaurant activities, and reduced operation of public transport. The 94 days home confinement halted the economy between March and June 2020, led to a 17.8% decrease in economic output.

In addition from March to April 2020, all non-essential activities were halted. Temporary restrictions were also introduced in May on entries through ports and airports from Schengen countries, with only Spanish citizens, residents, cross-border workers, and health and elder care professionals allowed entering.

The National Statistics Institute (INE) specifies that Spain economy has fell off to 11% in 2020, the biggest drop of Spain economy since the civil war in 1936. As a result of the pandemic, Spain debt has increased in 2020 to €112,438 million, a bulk of money almost equivalent to the annual cost of pensions in the country. In addition, the ratio of debt related to the size of the Spanish economy soared from 95.5% of GDP in 2019 to 117.1% in December 2020, the highest level in more than a century.

One of the main factors that contributed to the decline of the Spanish economy is the deterioration of the activities in the tourism sector. The tourism sector, which accounts for 12 percent of Spain's economy and 12.7% of the state workforce, has been hardly impacted by the pandemic.

The international arrivals have been reduced from 85 million in 2019 to 20 million in 2020 due to restrictions on the free movement of people and lower demand for tourism services due to uncertainty and caution. The halted activity in the tourism sector led to business closures in the spectrum of tourism sector. In turn, it had also impacted the job market which is heavily dependent on tourism like the Balearic Islands and the Canary Islands. The tourism collapse was compounded by a slowdown in the country's exports and a decline in domestic demand fueled by uncertainty of employment, as many workers were laid off and furloughed.

In March, the World Tourism Organization (UNWTO) revised its forecast for international tourist arrivals in 2020, lowering them to -1% to -3%, meaning estimated losses of revenue to international tourism of 30 to 50 billion US dollars.

Moreover, the advance of Quarterly National Accounting data, demonstrates that reasons behind the economic decline of Spain must be contributed to the contraction in national demand by citizens in terms of consumption and investment due to containment measures, which subtracted 9 points from GDP in 2020, in comparison to the negative contribution of the external demand, which was 1.9 points.

Labor Market and Household Consumption

The employment sector in Spain was recovering from the 2009 global economic crisis and its recession; however, with the outbreak of the pandemic, unemployment rate has massively increased leading the government to witness a blow in the Spanish job market. Spain's coronavirus containment measures and lockdown has resulted in the job loss of one million people between April and June, according to the latest data from INE.

Despite the government implementation of the furlough schemes (ERTEs) to mitigate the impact of the crisis on workers' loss of income, the labor market has been adversely affected. Official statistics reveal that by the end of January 2021, a 3.9% of total employees, equivalent to 739,000 workers, had been full or partly suspended. Despite this high figure, it remains below the peak recorded in April. In October, Spanish authorities announced that 355,000 people were left unemployed in the third quarter, increasing the total percentage of unemployment to 16.3% from 15.3%. In the same month, INE said that the unemployment rate reached 15.33%, equivalent to 3.7 million people

In May 2020, almost 30 percent of Spain's workers were required to work from home. Some 18 percent of respondents were placed under ERTE regulations, by which they were temporarily laid off and had access to unemployment benefits paid by the Spanish Government. The furlough scheme adopted by the government has helped to contain the massive increase of unemployment rate; nevertheless, unemployment stopped at 16.1% of the labor force in the last quarter of 2020.

As people uncertainties of the pandemic increase, household consumption has been reduced, while savings have been increased. Spain has a record of fluctuated household saving rates from 2007 up till 2019. However, in the second quarter of 2020 in the mid of pandemic, the households saving increased in Spain to an all-time high of 31.17 percent. On the contrary, Spain had the largest household consumption decrease, reaching -23.9%.

Living conditions

The pandemic has severe repercussions on vulnerable and poor people, not only for being more prone to carry the virus, but also for pushing them further into poverty.

The annual inequality report published by OXFAM indicated that 790,000 people have fallen into the poverty line in Spain, as a result of Covid-19 repercussions. The estimates reveal that the total number of these people, who live with less than 16 euros a day, could reach 5.1 million people, representing an increase from 9.2% prior to the pandemic to 10.86%.

Unemployment caused by the pandemic is a main factor behind the inequality and poverty of the state, due to the fall in income of the most precarious workers. The sectors subject to closure during 2020 maintained an annual salary that, on average, represents 60% of the median salary in Spain, while those sectors that have been able to telework during closures maintain salaries 140% higher than the median salary.

Migrant communities faced more hardships in comparison to the rest of the population. The poverty rate among the migrant population reached 57% on the contrary to an average of 22.9% for the rest of the population.

People migrants, youth and women are the groups most affected by inequality that caused the pandemic. Among young people, the wage income inequality increased by 1.6 times above the average, while the unemployment rate reached 55% among people under 20 years of age. On the other hand, women, constituted 57% of all underemployed people and 73% of those who work part-time. In a particularly vulnerable situation are the 300,000 workers in an irregular administrative situation, whose jobs are concentrated in sectors particularly affected by activity closures and who are totally unprotected from the measures taken by the government.

The pandemic has also generated obstacles for people with disabilities. It is estimated that more than 30,000 people with IDD are exposed to greater risk infections. Despite the state implemented measures to support IDD people and to facilitate the lockdown for them, by scheduling therapeutic outings and developing technology based supports, still many essential services remain inaccessible.

Government Measures

To address and mitigate the difficulties and repercussions caused by the pandemic on the economy and the population, the government adopted different measures to mitigate the economic, income, labor market losses. The government has also introduced legislations as measures to address the Covid-19 crisis. The measures addressed health and economy, with emphasis on the firms, SMEs, tourism industry, and self-employed.

The government placed employment and households incomes as a priority in its agenda leading the government to put in place temporary lay-off schemes (ERTEs). It is a furloughing scheme that has been adopted in 2020, and recently extended until May 2021.

The scheme aims to save thousands of jobs, endangered by the consequences of the pandemic, currently benefiting around 800,000 workers. The scheme provides workers with about 70% of their salary and prohibits companies from firing people. Up till November 2020, the government has supported the wages of some 3.4 million workers and currently keeps 600,000 under its national furlough scheme.

The state has also announced more flexible mechanisms for temporary adjustments on activities of suspending contracts and reduction of working hours. The government also implemented measures to support the continuation of the employment of workers with permanent seasonal contracts in the tourism industry and tourism-related retail and hotel and restaurant sectors. As an alternative to suspending workers employment contracts, the government in the face off Covid-19 introduced working hours and salary reduction measures, whereby the employee's salary will be reduced in proportion to the reduction in working hours.

The government has also announced a 'Basic Income Scheme' for vulnerable and poor people, which aims to reach 2.5 million people, who will receive between €462 and €1,015 per month per household depending on the number of household members.

In the government efforts to support firms, the government has set up public guarantees for bank loans given to firms. The public loan guarantee programme aims to improve the firms' access to bank loans. The programme has extended the loans of 600,000 firms and self-employed employees for an amount of EUR 115 billion till late December. In addition, the government announced an €11 billion direct aid package to help and support Spain's small and medium enterprises, companies, as well as the self-employed workers.

In regards to tax issues, the Spanish authorities approved tax legislation as a way to alleviate the impact of the pandemic against firms and companies. The measures included; suspension of tax time periods, adjusting deadlines for tax procedures, deferral of tax and custom debts, and suspension of administrative deadline.

Conclusion

The Covid-19 health crisis has caused an economic crisis of unprecedented magnitude. Its impact has severe impact on health, economy, and society. In the current extraordinary context of the pandemic and the related lockdown, UK, France, and Spain main priorities is to secure the lives of their citizens while minimizing the chances of higher economic costs. The spread of the virus and necessary containment measures led to a significant drop in economic activity and services delivery. The disruption caused by the pandemic did not affect all sectors equally, it caused the damage of the economic sector and the labor market, but development was found in the area of research. The pandemic has also unequal effects on the population, whereby poor people, ethnic minorities, and migrants were left struggling.

The report observes the present similarities among the three countries on so many levels. With the disproportionate impact of the pandemic on each country's economic activity, the low household consumption and the decline of demand of services as a result of the confinement measures constitute main factors behind the decline of the economic activity in the three countries. Despite of not being able to support and meet all the needs of workers who lost their jobs due to the deterioration of the labor market, all three states responded with a broad inclusive plan that aims to tackle all the economic issues resulted from the pandemic, with almost similar loan and furloughed schemes but with different budgets and measures. Despite the measures taken by the governments, the population remains struggling financially, whereby more people are driven into poverty. The states adopted measures had disproportional impacts on the population, impacting each person differently, particularly on low income strata and vulnerable people. The pandemic had more severe impact on ethnic minorities, low income families, and people with disabilities. However in comparison with UK and Spain, France had very limited sources in regards to the impact of the pandemic on migrants, low income families, and people with disabilities. Finally, the report observes that vulnerable people are excluded from the government measures adopted by the three states.

With all the presented information in the report, it still remains early to assess the full impact and the magnitude of Covid-19 on United Kingdom, France, and Spain, as statistics and data will fluctuate as long as the health crisis remains present.