

The Challenge of Measuring the Economic Impact of Coronavirus

Teaching Notes

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Online Pub Date: April 06, 2020 | **Original Pub. Date:** 2020

Subject: Economics, Supply Chain Management

Level: Intermediate | **Type:** Indirect case | **Length:** 741 words

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Organization: | **Organization size:** Large

Region: [Global](#) | **State:**

Industry: Accommodation and food service activities| Air transport| Arts, entertainment and recreation|
Manufacturing

Originally Published in:

Publisher: SAGE Publications: SAGE Business Cases Originals

DOI: <http://dx.doi.org/10.4135/9781529741377> | **Online ISBN:** 9781529741377

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Case Summary

This case covers the ongoing COVID-19 pandemic and its vast disruptions to the economy, both global and local. As experts predict a resulting global recession, many industries are already taking a huge hit, with international corporations straining against delayed or stalled supply chains and businesses struggling with nation- or city-wide lockdowns and work stoppages. Students are asked to explore how the economy might recover.

Teaching Objectives

Students should apply learning in economics and supply chains to reflect on and discuss both the global and local fallout they've seen, what might be yet to come, and what's needed for the economy to recover.

Target Audience

Although this case is a good fit for students in economics or supply chain courses, the universal nature of the pandemic and its effects make it appropriate for graduate or undergraduate students in any business or management course. With the outbreak impacting the economy in multi-faceted ways, some of which are likely to be directly affecting students, all students should be able to contribute to the discussion.

Suggested Teaching Strategy

Note: SBC Express Cases are meant to spark student discussion and stimulate critical thinking by asking students to apply their theoretical learning to current-day news events. Because the issues presented in Express Cases tend to be ongoing, there are no correct or incorrect responses to Discussion Questions, and instructors are encouraged to guide the discourse so students may explore all possible outcomes of the news event. Instructors may use these cases at the top of class to kick off conversation, or as an interlude in the day's learning as an opportunity for students to try their hand at putting theory into practice as they evaluate the economic implications of real-world events.

As the situation regarding the spread and economic ramifications of COVID-19 changes daily, bear in mind that there will likely have been new developments between the publication of this case and use in the classroom. Because the pandemic is still so ongoing, with no clear consensus on how dire or lasting the fallout will be, case instruction should be geared around open and discursive student discussion, with an emphasis on applying students' learning on what they've seen in their own lives and communities—most campuses, in fact, will be conducting courses online.

Begin by going over the major economic aftermath of the pandemic—its disruptions to global supply and distribution lines, air travel and tourism, and everyday consumer activity. Based on this, economists have predicted a global recession, and several industries in the United States are already appealing for federal aid. Introduce Discussion Question 1 and have students discuss in what other ways they expect to see the economic impact manifest. What do students think this means for labor and class relations, or for public policy? How do students think the pandemic will strengthen or weaken the movement for stronger social safety nets in different countries? Will countries that provide those safety nets see a diminished economic impact? Have students debate or discuss.

Move on to Discussion Question 2 and have students reflect on the ways they've seen the economic impact in their own lives or local communities. Many cities mandated a lockdown that closed or limited operating hours for many businesses, and small retail or service industry businesses are struggling with a sharp and sudden drop in revenue, which in turn has already resulted in layoffs. What ripple effects are students seeing in their own communities? Many students also work, not uncommonly in service industry jobs. Have students talk about how this has affected them. Do they feel equipped to handle the disruptions? What economic changes do they think need to be made to recover from the pandemic, and to avoid a similar domino effect in the future?

This provides a transition to Discussion Question 3. Have students discuss how lasting they think the economic fallout of COVID-19 will be. What steps do they think ought to be taken for both the global and local economy to recover? Do they think their administrations are doing enough to aid in the recovery? To that end, do they think their administrations are doing the right or wrong thing? Has the pandemic made students aware of elements of the economy they hadn't previously considered, or had taken for granted? Have students suggest, debate, and discuss what economic conditions need to be in place to allow for recovery.

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