

Unemployment in Beijing During COVID-19 and Its Impact on Economic Development

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Abstract. This paper focuses on the unemployment rate and economic issues brought about by COVID-19 as the main topic of the study. An in-depth comparison of the difference in unemployment rates before and after the New Crown epidemic, post COVID-19 mainly and pre COVID-19, with the public's perspective, how COVID-19 brought about the crisis. There are three main research methods used in this paper, survey research case study and content analysis. The main one is the case study, which reflects some substantial impacts through examples of what happened in reality. Through the research, it is shown that the coming of major diseases has a great impact on people's productive life, and people's unemployment rate rises as a result. The rise in unemployment has been accompanied by a greater economic crisis. At the same time, the quality of life of the people has fallen dramatically. This vicious circle is detrimental to people's interests. The main purpose of this paper is to identify the problems and find ways to solve them in order to maintain the basic interests of people's lives.

Keywords: Unemployment, COVID-19, Economic issues, Beijing.

1. Introduction

The outbreak of COVID-19 had a significant impact on the world economy, including Beijing. The aim of this paper is to analyse the unemployment rate in Beijing during the COVID-19 and its relationship with economic development. By examining time-series data from a variety of sources, including official statistics, surveys, and academic studies, the paper examines the reasons for the rise in unemployment, its impact on economic development, and the strategies implemented by the Beijing government to mitigate the adverse effects. In the midst of this unprecedented crisis, understanding the relationship between unemployment and economic development is critical to formulating effective policies to mitigate its adverse effects. These findings shed light on the challenges Beijing faced during the pandemic and provide insights into the potential long-term impact on the city's economic landscape.

This paper focuses on the economic problems caused by COVID-19 on the unemployment rate and the unemployment rate. This paper is divided into three parts, i.e., comparison, case analyse and remedy.

2. Comparison of Unemployment Rates Before and After COVID-19

Prior to the Covid-19 outbreak, data showed that Beijing had an average unemployment rate of around 2.3 percent and GDP growth of 6.1 percent [1]. In addition, Beijing's strong service sector, including finance, technology and tourism, provided diverse employment opportunities. The government's focus on job creation and talent development also supports the low unemployment rate. As a result, Beijing's unemployment rate has remained relatively stable and shows a positive trend, with the city's strong economic growth and increasing job opportunities contributing to a favorable employment environment. A large number of multinational companies have set up headquarters or branches in Beijing, creating employment opportunities for both locals and expatriates. The city's booming technology industry, driven by companies such as Baidu, Alibaba and Tencent, has attracted skilled professionals from across China.

COVID-19 has had a serious impact on employment patterns in Beijing. The city faced severe economic disruptions, this will result in a decrease in economic productivity and development, leading to an increase in unemployment and joblessness [2]. According to official statistics, Beijing's unemployment rate reached 6.2 per cent in the first quarter of 2020, a significant increase compared to previous years. The pandemic has led to a decline in economic growth, with Beijing's GDP growth rate falling to 1.2 per cent in 2020. In addition, there has been significant unemployment in sectors severely affected by the pandemic, such as tourism, hospitality and retail. Embargoes, travel restrictions and reduced consumer spending have exacerbated the employment situation. For example, at the time of COVID-19, Beijing's thriving restaurants and hotels experienced a severe recession due to reduced tourism and people's reluctance to eat out. As a result, many businesses had to lay off staff or reduce working hours, causing the unemployment rate to soar.

What happened when the unemployment rate rose from 2.3 per cent to 6.2 per cent? What are the reasons? The strict embargo measures led to the closure of many small and medium-sized enterprises, especially in the service sector. The tourism industry suffered a downturn due to travel restrictions. The manufacturing sector has also suffered massive job losses. Rising unemployment has had a significant impact on Beijing's economy, reducing productivity and hindering economic development [3]. In a situation where the risk of unemployment is everywhere, this connection will promote the willingness of employees to increase labor supply to obtain higher wage income [4].

3. Case Analyse

However, it will eventually be hampered by three fundamental reasons, which will make the unemployment rate gradually rise:

3.1. Economic Disruption

Many small and medium-sized enterprises faced financial difficulties and were forced to downsize or close, leading to job losses as a result of reduced consumer spending and social distancing measures. The construction industry, which relies heavily on migrant workers, was disrupted as travel restrictions limited the availability of labour. Sectors that rely heavily on face-to-face interactions, such as hospitality, tourism and retail, were particularly affected. Beijing, for example, is known for its bustling shopping districts such as Wangfujing and Xidan. However, many retail businesses are struggling to stay afloat as footfall and consumer spending decline. This has led to unemployment among shop assistants, store managers, visual merchandisers and other retail staff. The official closure of these off-licences has led to a drastic reduction in employment opportunities and a sharp rise in the unemployment rate. Browning and Crossley proved that when an unemployed person in Canada is unemployed for more than 6 months, his consumption level will drop significantly by about 14% [5].

3.2. Supply Chain Disruptions

Beijing is known for its manufacturing industries, including electronics, automobiles and textiles. The epidemic disrupted global supply chains, causing delays in the delivery of raw materials and components from other countries. As a result, many factories in Beijing had to shut down or reduce production, leading to layoffs and job losses among factory workers. Small and medium-sized enterprises (SMEs) were particularly affected, as they often rely on just-in-time inventory systems and have limited financial resources to withstand such disruptions. The rise in unemployment is a direct result of the layoffs of factory workers due to the closure and suspension of production in many factories. Beijing's service sectors, such as transport, logistics, financial and professional services, have also faced challenges as a result of supply chain disruptions. Reduced demand for services, travel restrictions and social distancing measures have affected business operations in these sectors. For example, transport companies have experienced a decline in passenger numbers, leading to job losses for drivers and other staff. Similarly, logistics companies have faced difficulties in delivering

goods due to disruptions in global shipping and air freight networks. When the labor supply does not change much and the labor demand decreases, the market equilibrium wage and the equilibrium employment level will decrease [6]. Eventually, it leads to unemployment.

3.3. Reduced Consumer Spending

Put simply, reduced income and financial uncertainty. Many people face reduced income or unemployment during a pandemic, making them more cautious about spending. As a result, people prioritise essential purchases such as food and healthcare, while cutting back on discretionary spending. Reduced consumer spending has had a negative impact on businesses across all sectors, resulting in lower economic revenues and, more recently, higher levels of layoffs and unemployment. Take many young children, they love snacks and usually buy them all the time, but due to COVID-19, parents will reduce or prohibit their children from buying snacks in order to spend more wisely, due to the fact that those who sell snacks can't sell them, of course their position in the market diminishes, and gradually they will withdraw from the market, and the unemployment rate rises along with it.

4. Remedy

In the analysis of unemployment, the best route that was identified was the creation of awareness and involving the individuals in the governance process [7]. According to official figures the increase in unemployment associated with COVID-19 has had a significant impact on society in terms of economic instability, mental health problems and social consequences. Of these, economic instability has had the greatest impact on people's productive lives. In the case of stock market volatility, the economic instability caused by Beijing's response to the outbreak has led to significant fluctuations in global stock markets. Uncertainty about the economic impact of the virus, coupled with trade tensions and geopolitical concerns, has led to sharp falls and volatility in equity prices. The increased risk and uncertainty faced by investors affected market performance and investor confidence. However, it is important to note that the situation remains dynamic and the long-term effects are still being felt as countries and economies respond to the ongoing epidemic. Not only is the unemployment rate in general higher than unemployment levels through 2019, but the volatility of the unemployment rate has also tended to steepen [8]. In addition, During the epidemic, when economic development and the market are depressed at the same time, many enterprises will ruthlessly lay off a large number of workers, resulting in a sharp rise in unemployment [9].

In view of the significant reduction in unemployment, the necessary measures should be taken. The current situation in society has given rise to a number of ideas to alleviate the economic problems caused by unemployment. There can, be enhanced employment program, this is done by setting plans to develop infrastructure, power supply, roads, and other facilities that encourage production [10]. Besides, the following example is a good choice.

Firstly, companies can be encouraged to implement teleworking. Governments can provide appropriate subsidies to employees who implement a teleworking policy, including the costs associated with setting up a home office or improving Internet connectivity. Guidelines and best practices for teleworking could also be developed to ensure productivity and work-life balance. In addition, companies could be encouraged to use digital collaboration tools and platforms to facilitate remote communication and project management.

Second, support the development of small and medium-sized enterprises (SMEs). A support fund could be set up specifically for Beijing SMEs to provide low-interest loans or grants to support their operations in times of crisis. Business advisory services can also be provided to help SMEs adapt their business models, explore new markets or diversify their products/services. Where appropriate, networking events and matchmaking meetings could be organised to facilitate networking between SMEs and potential investors or partners.

Finally, conquests could increase investment in the health and biotechnology sectors. Funds could be made available for research and development of vaccines, medical devices and pharmaceuticals, and jobs could be created for scientists, researchers and medical practitioners. Partnerships could even be established between local universities, research institutes and pharmaceutical companies to speed up the development of treatments and vaccines. At the same time, grants or tax incentives should be provided to healthcare and biotechnology companies to encourage innovation and job creation.

5. Conclusion

In summary, the unprecedented outbreak of COVID-19 had a profound impact on Beijing's labour market, leading to a significant increase in unemployment. Strict measures to contain the spread of the virus, such as embargoes, travel restrictions and business closures, severely disrupted industries and led to widespread unemployment. The negative impact of the pandemic was particularly evident in sectors that rely heavily on face-to-face interaction, such as retail, tourism, hospitality and entertainment. Business closures and reduced consumer spending had a knock-on effect on the economy, leaving many people unemployed or underemployed. Nevertheless, initiatives such as financial assistance, training programmes and support for small businesses have helped to alleviate some of the burden of unemployment. In addition, the implementation of targeted policies to encourage the growth of new industries, such as e-commerce and technology, provided new employment opportunities for the affected workforce. Despite these measures, the road to recovery remains challenging. The lingering effects of the pandemic, including reduced consumer confidence and the global economic slowdown, continue to hamper job creation. A comprehensive and multifaceted approach is needed to address these issues, including short-term relief measures and long-term strategies for sustainable economic growth. Looking ahead, the government needs to prioritise investment in education and skills development to ensure a flexible workforce able to adapt to the changing demands of the labour market. Strengthening social safety nets and providing comprehensive support systems for the unemployed will also be crucial to mitigate the long-term effects of the crisis.

There are still some shortcomings in this paper, which lacks the part of hypothetical conjectures and experimental analyses, and the actual implementation of the solution, so as to carry out a closer examination of the problem, and ultimately develop a more perfect solution. At the same time, there is a lack of analyses and research on the unemployment rate in multiple regions and locations and the economic problems it causes. In future research directions, the author will attempt to increase research and analysis on multiple regions within a country, while considering their internal and external impacts. In addition, the analysis of simulation experiments is also essential. This will lead to more in-depth research on the topic of this study.

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