Unemployment in the US and Korea during the COVID-19.

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Introduction

The COVID-19 has impacted the unemployment rates of many countries since January 2020. Although all nations are having a particular policy for this issue, the results vary, namely in South Korea and the U.S. In this research, the findings discuss the policies (unemployment insurance program in the U.S and relevant measures in South Korea) imposed to address the crises as well as the objectives, motivation, and affected stakeholders of each country for further results.

Theory

In the past, deadly pandemics such as the Spanish flu always changed our world in ways we could hardly have imagined. The sudden emergence of COVID-19 pandemic has afflicted the states' economy, including businesses and workers. Since companies shed their workforces and various government-ordered shutdowns, people are suffering from job loss.

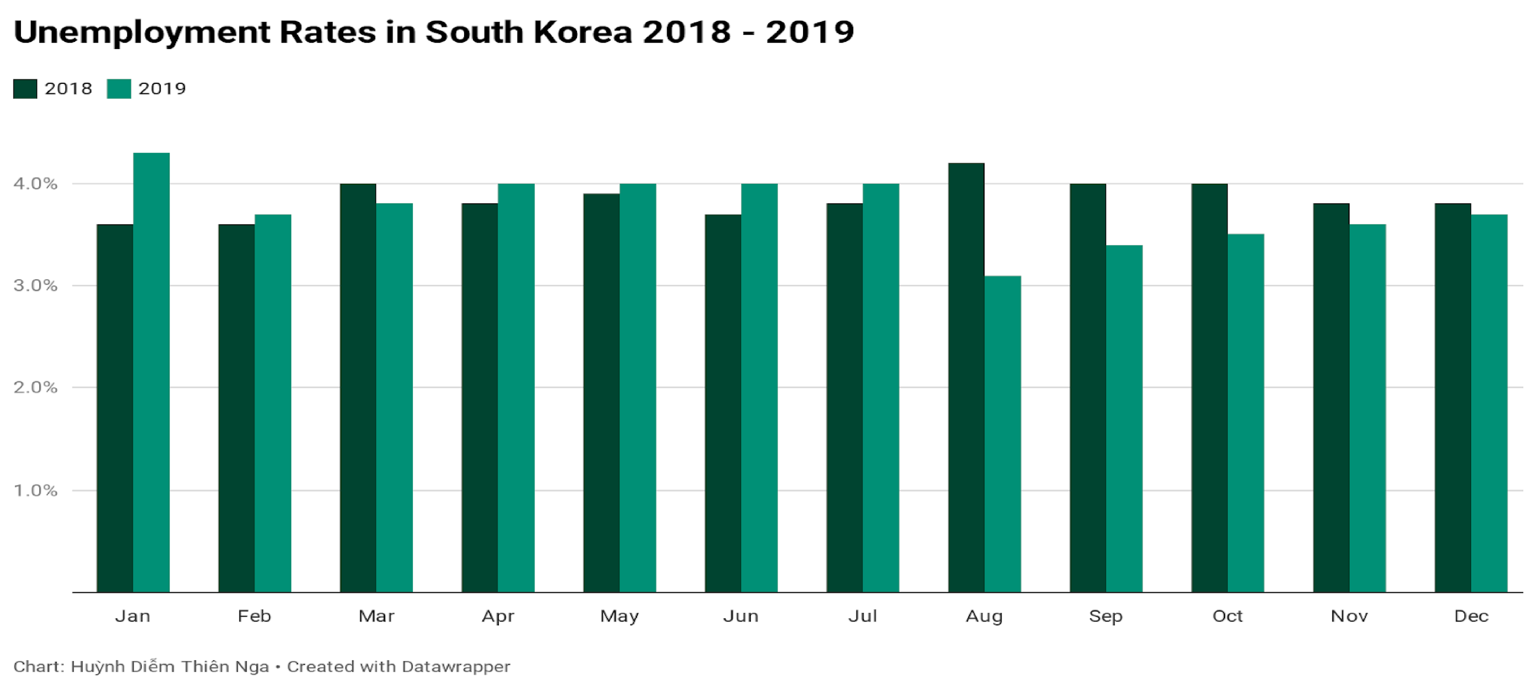
Countries are taking action to address the employment concerns and to protect those who are no longer able to work. Each government had to decide whether to offer a particular unemployment insurance program. This depends on the unemployment rates which can be affected by the government's proper response to the pandemic. Effective responses or policies can alleviate the crises. Furthermore, the citizens' awareness and knowledge about the pandemic also has a significant impact on the unemployment rates.

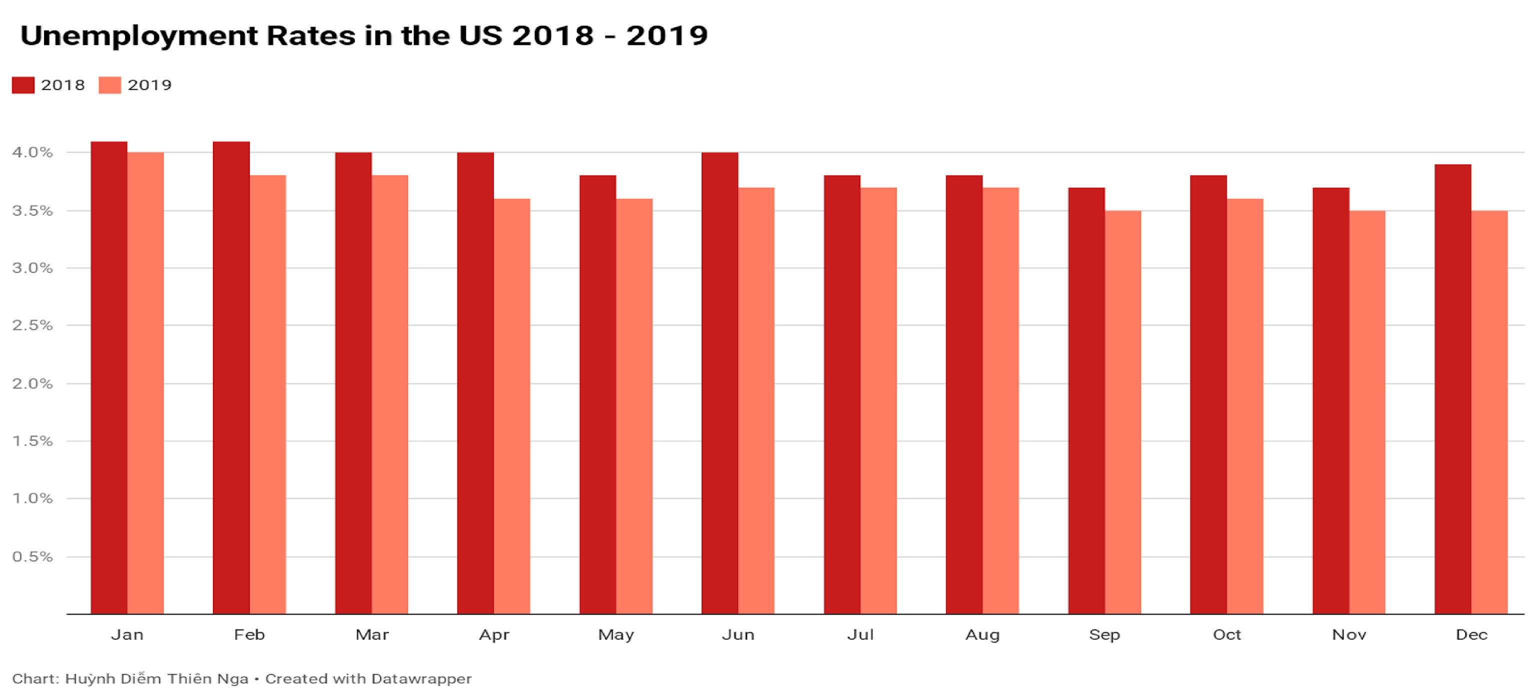
Methodology

Unemployment has been a serious problem during this global pandemic in many countries. To solve this problem, the US and South Korea have proceeded two different policies that gave different results. The other reason that we choose these countries is because they all have their first cases on the same day: 20th of January, 2020.

The analysis looks at two distinctive stages. The first discussion regards the period before the COVID-19 as well as the motivations and objectives of the government when applying policies against the increase of the unemployment rate. The period during COVID-19 is the main focus, including the impacts and outcomes of each country' policies for the unemployment issue.

Before Covid-19 outbreak & Motivation, Objective of Government

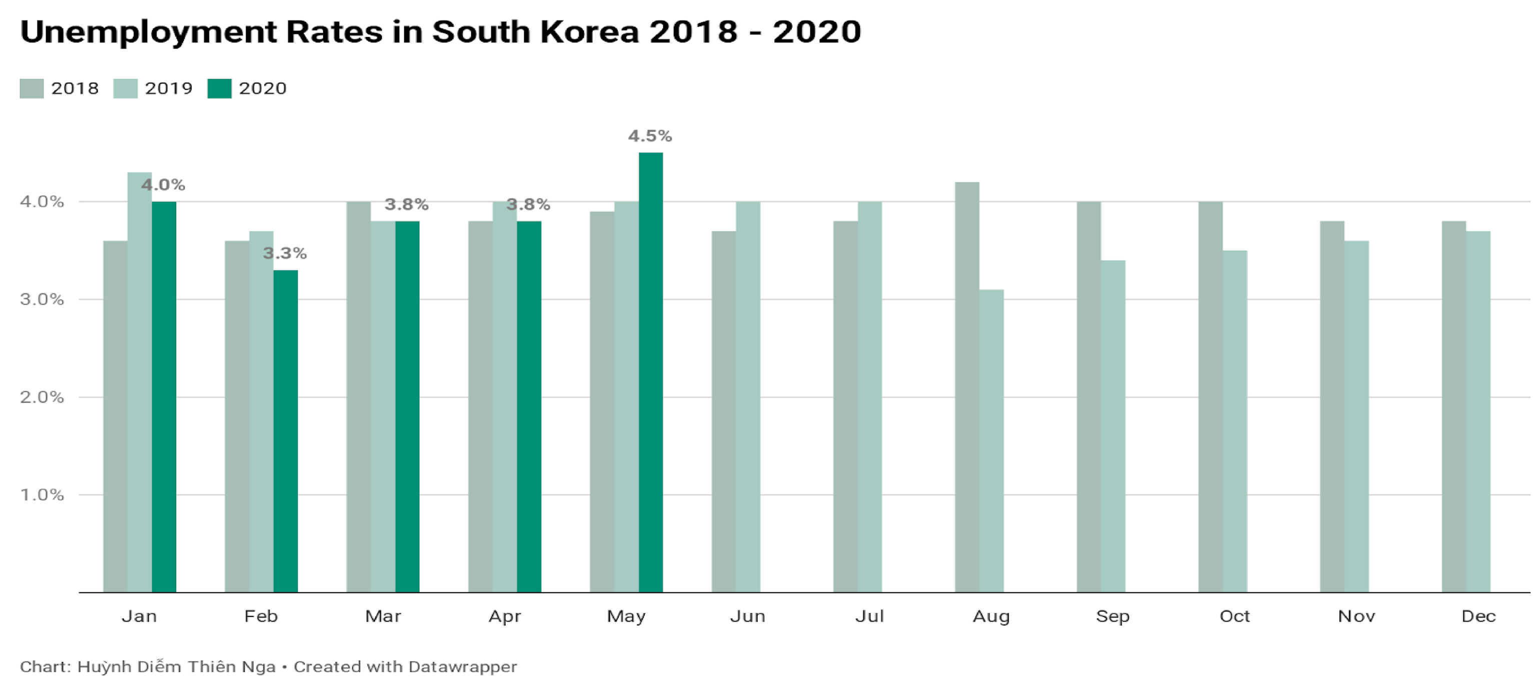


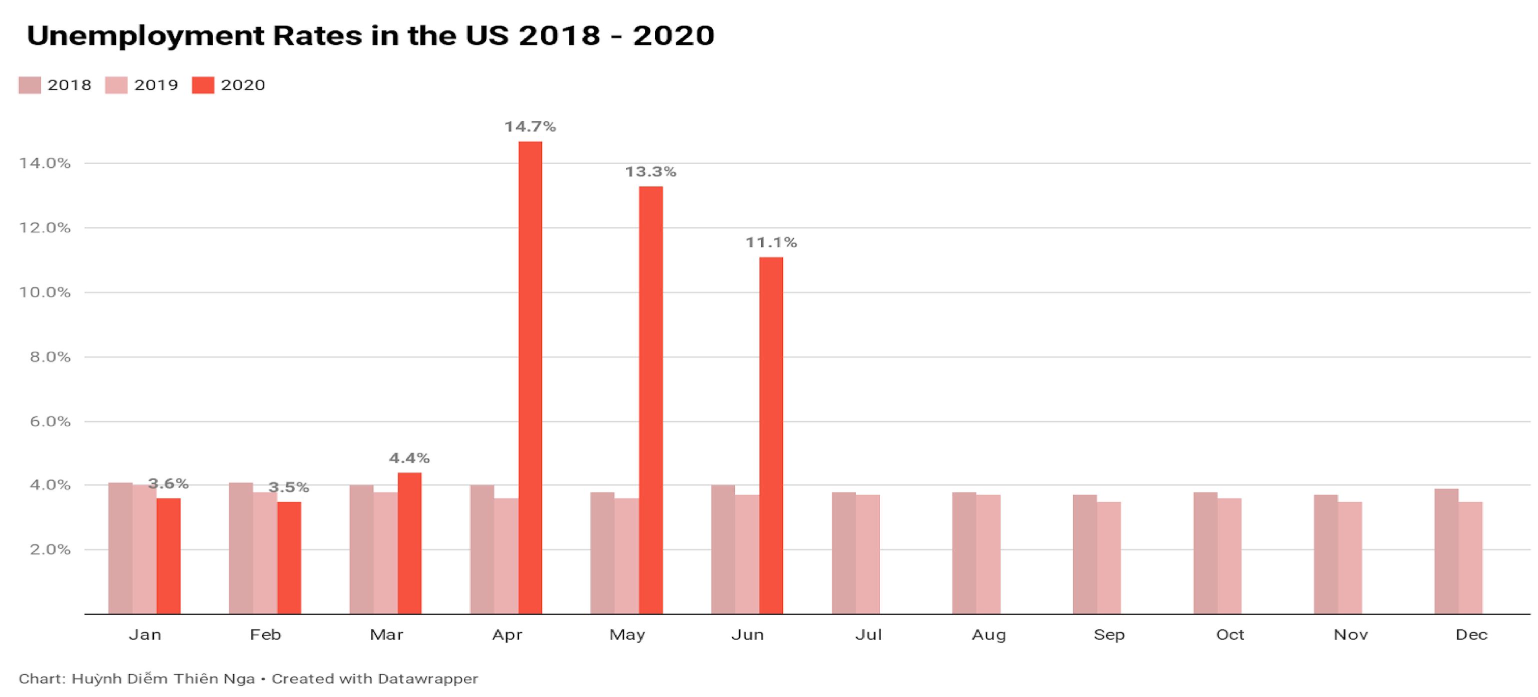


South Korea's response to COVID-19 stands out as it flattened the epidemic curve quickly by issuing stay-at-home orders or implementing many stricter measures adopted by other developed countries. From the outset, decisions have been made based on the proper collaboration of the government and the scientific community in South Korea. Therefore, South Korea did not need to have any particular unemployment insurance program like the U.S.

Introduced in 1935, United State's unemployment insurance is a form of social insurance, with contributions paid into the system on behalf of working people so that they have income support if they lose their jobs. States provide most of the funding and pay for the actual benefits provided to workers; the federal government pays only the administrative costs. However, during the COVID-19, because of the late response of the government, the unemployment rates increased rapidly, leading to extended insurance.

During Covid-19 outbreak & Effects of Polices





Korea has given three supplementary budgets in states which included: 17th of March, 30th of April, 3th of July. But these budgets weren't enough to stop the crisis immediately and the unemployment persons even rose in May that why they need to provide another supplementary budget in the early of July.

According to the chart in 2018-2019, the U.S remained a low and stable percentage of unemployment, below 4.4%. However, after the pandemic hit the U.S, the rates surged in April 2020. Despite undergoing the Spanish flu in the 90s, the U.S government seemed to not prepare for proper solutions in time in the COVID-19. This can be proved by the unemployment rates in April 2020, reaching a peak of 14.7%.
To tackle this issue, the government has imposed the unemployment insurance program which authorizes all unemployed workers to receive an extra $600 a week for up to six months. As a result, the unemployment rate decreased slightly to 11.1% in June 2020.

Conclusions and Discussion

Comparing the U.S and South Korea, our team discovered the reason for the surge of unemployment rates in the U.S.
Since South Korea faced similar outbreaks 12 years ago, such as SARS or MERS both the government and citizens have had adequate experience and lessons to tackle the COVID-19. Although America underwent the Spanish Flu in 1918, the time distance is too large for anyone to prepare for this pandemic. For that reason, our team believes this finding is one of the reasons for the differences of the unemployment rates in two countries.

It is undoubted that the economy in each country has been devastated, mostly in the U.S. However, some prospective areas in providing delivery and virtual learning platforms, such as Amazon or Zoom take the advantages. With this development, our team believes distant learning and remote working will pave a way for additional education and job opportunities in the future.

Furthermore, our team considered other key factors that make a country, which is South Korea in this case, face the pandemic successfully. Unlike the U.S, South Korea's government has gained positive outcomes which are resulted from past experience (dealing with SARS and MERS), public education, collectivism, and sensible policies. These factors along with the government's timely responses have helped cope with the pandemic as well as the unemployment rates.

The question here is that will the U.S government have another policy to overcome the job loss crisis besides the unemployment insurance program?

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