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## Coronavirus will bankrupt more people than it kills — and that's the real global emergency

Omar Hassan 2 days ago

32-40 minutes



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Coronavirus's economic danger is exponentially greater than its health risks to the public. If the virus does directly affect your life, it is most likely to be through stopping you going to work, forcing your employer to make you redundant, or bankrupting your business.

The trillions of dollars wiped from financial markets this week will be just the beginning, if our governments do not step in. And if President Trump continues to stumble in his handling of the situation, it may well affect his chances of re-election. Joe Biden in particular has identified Covid-19 as a weakness for Trump, promising "steady, reassuring" leadership during America's hour of

need.

Worldwide, Covid-19 has killed 4,389 with 31 US deaths as of today. But it will economically cripple millions, especially since the epidemic has formed a perfect storm with stock market crashes, an oil war between Russia and Saudi Arabia, and the spilling over of an actual war in Syria into another potential migrant crisis.

We may look back on coronavirus as the moment when the threads that hold the global economy together came unstuck; and startups and growing businesses like mine could end up paying the price.

Just as important as fighting the virus — if not more important — is vaccinating our economies against the incoming pandemic of panic. Human suffering can come in the form of illness and death. But it can also be experienced as not being able to pay the bills or losing your home.

**Pictures: Coronavirus outbreak**





Slide 1 of 50: A person rides on a bike by an almost empty Il Corso street as the Italian government continues restrictive movement measures to combat the coronavirus outbreak, in Rome, Italy March 14, 2020.

*The world is battling an outbreak of a new coronavirus called COVID-19, which started in the city of Wuhan, China, and has been spreading since. The virus has claimed over 4,000 lives and infected more than 100,000 people around the world. The World Health Organization declared a global pandemic on March 11.*

*(Pictured) A person rides on a bike by an almost empty Il Corso street as the Italian government continues restrictive movement measures to combat the coronavirus outbreak, in Rome, Italy, on March 14.*

*People enjoy warm weather despite the health ministry ban on public gatherings due to coronavirus (COVID-19) spread in Podgorica, Montenegro, on March 14.*

*General view of an NHS notice, on March 14, in Barnton, England.*

*A student demonstrates how to wash hands during an awareness campaign about coronavirus (COVID-19), at a school in Chennai, India, on March 14.*

*Workers ration toilet paper to one package per Costco member in an effort to stem hoarding at a Costco store in Toronto, Canada, on March 14.*

*Buddhist monks pray during a pirith chanting throughout the night for the well being of coronavirus-affected people in the world as Sri Lanka deals with a major spike in confirmed cases, in Colombo, Sri Lanka, on March 14.*

*Dr. Debbie Birx, White House Coronavirus Response Coordinator speaks as President Donald Trump and other members of the White House Coronavirus Task Force listen at a press conference on the coronavirus, in the Rose Garden of the White House in Washington, D.C., on March 13.*

*Medical workers (R) check patients who recovered from the COVID-19 coronavirus as they arrive to be tested again at a hospital in Wuhan, in China's central Hubei province on March 14. China reported 11 new infections of the coronavirus on March 14, and for the first time since the start of the epidemic the majority of them were imported cases from overseas. The National Health Commission said there were four more people infected in Hubei's capital Wuhan, where the virus first emerged in December.*

*New Zealand Prime Minister Jacinda Ardern displays a graph during a press conference on March 14, in Auckland, New Zealand. Ardern explained how New Zealand will attempt to slow the increase of coronavirus (COVID-19) cases with travel restrictions and self-quarantine upon arrival to New Zealand.*

*A student takes a look at a banner regarding the symptoms and precautions for the coronavirus at an entrance of a university in Rawalpindi, Pakistan, on March 14.*

*A man plays guitar from the balcony of his home as a man looks at him in the neighborhood San Salvario during a flash mob launched throughout Italy to bring people together. The Italian government imposed unprecedented restrictions to halt the spread of COVID-19 coronavirus outbreak, among other measures people movements are allowed only for work, for buying essential goods and for health reasons in Turin, Italy, on March 13.*

*Speaker of the House Rep. Nancy Pelosi (D-CA) speaks to members of the media at the Capitol, on March 13, in Washington, DC. Speaker Pelosi held a briefing on the Coronavirus Aid Package Bill that will deal with the outbreak of COVID-19.*

*A shopper picks over the few items remaining in the meat section, as people stock up on supplies amid coronavirus fears in Austin, Texas, on March 13.*

*A doctor examines a Salvadoran woman who entered the country from Guatemala before sending her to a facility to be quarantined, as El Salvador's government has taken steadily stricter measures to prevent a possible spread of the coronavirus (COVID-19), in Ahuchapan, El Salvador on March 13.*

*A father and his kids, load their books checked out at the Seattle Public Library Central Branch before all Seattle libraries close until at least April 13 and the kids prepare to stay home from school until April 27 because of the coronavirus, in Seattle, Washington, on March 13.*

*A classroom sits empty ahead of the statewide school closures in Ohio in an effort to curb the spread of the coronavirus, on March 13.*

*A general view of the Louvre Museum which was closed until further notice on March 13, in Paris, France. France has more than 2,000 coronavirus cases, one of the highest totals in Europe. Its government announced it will close all schools and museums and ban large gatherings.*

*Kenya's Minister of Health Mutahi Kagwe announces the first coronavirus case in Kenya at the press conference in Harambee house in Nairobi, Kenya, on March 13.*

*La Sagrada Familia is closed to visitors because of the potential risk of catching the coronavirus on March 13, in Barcelona, Spain.*

*Some of the last flights to come from Europe to the US for the next 30 days are listed on a panel display at Logan Airport in East Boston, Massachusetts, on March 13.*

*An unusually uncrowded TCL Chinese Theatre is seen on March 13, in Hollywood, California. The spread of COVID-19 has negatively affected a wide range of industries all across the global economy.*

*Travelers arrive at the international terminal of the O'Hare Airport in Chicago, Illinois, on March 13. A minute before midnight, the US will enact a ban on travelers from a large number of European countries in an effort to stem the spread of coronavirus.*

*Several people stand at a safe distance in a queue to enter a tobacco shop in Pozuelo de Alarcon on the same day that the government declared a state of alarm in Spain as a result of the coronavirus on March 13, in Madrid, Spain.*

*Members of the Ferrari team arrive to pack up their equipment after the Formula One Australian Grand Prix was cancelled in Melbourne on March 13. The season-opening Australian Grand Prix was cancelled on March 13 just hours before the action was due to start over fears about the spread of coronavirus after a McLaren team member tested positive.*

*Catalan Police officers, Mossos d'Escuadra, wearing a protective mask stand guard at a check-point outside the city on March 13 in Igualada, Spain. The Autonomous region's authorities agreed to lock down 70,000 people living in Igualada, Vilanova del Cami, Odena and Santa Margarida de Montbui for 14 days. The number of people confirmed to be*

*infected with the coronavirus (COVID-19) in Spain has increased to at least 3,004, with the latest death toll reaching 84, according to the country's Health Ministry. As part of the measures against the virus expansion the Government has shut schools in the most affected Autonomous regions most as Madrid, Catalonia, Basque Country or Andalusia.*

*Passengers, including Aleksandra, left, from Poland and Sophia, center, from Germany, who said they will be working as au pairs in New York and booked their flights following Trump's announcement, wait to board the last direct United Airlines flight from Berlin to New York at Tegel Airport before the Trump European travel ban goes into effect tonight on March 13 in Berlin, Germany. The Trump administration is temporarily banning all non-U.S. citizens from flying from continental Europe to the United States in an effort to slow the ongoing spread of the coronavirus.*

*President Donald Trump and Irish Prime Minister Leo Varadkar joke about not shaking hands during a meeting in the Oval Office of the White House, on March 12 in Washington.*

*House Speaker Nancy Pelosi of Calif., left, and Senate Majority Leader Mitch McConnell of Ky., right, bump elbows as they attend a lunch with Irish Prime Minister Leo Varadkar on Capitol Hill in Washington, on March 12.*

*Disneyland guests walk past the Sleeping Beauty Castle while visiting Disneyland amid rain showers in Anaheim, California, on March 12. Disneyland will temporary close the Disneyland Resort in Anaheim in response to the expanding threat posed by the Coronavirus Pandemic. The closure takes effect Saturday (March 14) and lasts through the end of March. Disneyland and Disney California Adventure will close Saturday morning through the end of the month in response to Gov. Gavin Newsom and state health officials recommendation that gatherings of 250 or more people be canceled across the state, company officials said.*

*Florida State players gather with the championship trophy after they were announced the winner of the Atlantic Coast Conference tournament after the remainder of NCAA college basketball games were cancelled, on March 12 in Greensboro, N.C. The tournament were cancelled due to concerns over the coronavirus.*

*The seating area at Bankers Life Fieldhouse is empty as media and staff mill about, on March 12 in Indianapolis, after the Big Ten Conference announced that remainder of the men's NCAA college basketball games tournament was cancelled.*

*Goals used by the NHL club The Predators are stored in a hallway in Bridgestone Arena, on March 12 in Nashville, Tenn. The NHL announced that it is suspending its season indefinitely in response to the coronavirus.*

*A maternity nurse wears a mask as she cares for a newborn at a Private maternity hospital on March 12 in Wuhan, Hubei, China. Due to the shortage of medical resources in Wuhan, many pregnant women choose to give birth in private hospitals. Flights, trains and public transport including buses, subway and ferry services have been closed for almost two*

months..

*NHS nurses wait for the next patient at a drive through Coronavirus testing site in a car park on March 12 in Wolverhampton, England. The National Health Service facility has been set up in a car park to allow people with NHS referrals to be swabbed for Covid-19.*

*A worker removes stanchions used for arriving audience members at the Richard Rodgers theater where the musical 'Hamilton' plays after it was announced that Broadway shows will cancel performances due to the coronavirus outbreak in New York, on March 12.*

*Grace Wedgwood, 30, of Seattle and a Quaker, takes a moment to pray during a visit to St. James Cathedral, which is only open for prayer after the Archdiocese of Seattle canceled all public celebration of mass at all parishes due to concern over the coronavirus, in Seattle, Washington, on March 12.*

*A trader has his head in his hand on the floor of the New York Stock Exchange, on March 12. The stock market had its biggest drop since the Black Monday crash of 1987 as fears of economic fallout from the coronavirus crisis deepened. The Dow industrials plunged more than 2,300 points, or 10%. The vast majority of people recover from the new coronavirus. According to the World Health Organization, most people recover in about two to six weeks, depending on the severity of the illness.*

*A machine sprays disinfectants at a school on March 13 in Marikina, Philippines. The Philippine president announced domestic travel to and from metropolitan Manila will be suspended for a month.*

*Lisa Wymore, a professor of dance, theater and performances studies at University of California, warm-ups for an online course on March 12 in Berkeley.*

*A Los Angeles Dodgers fan looks through the first base gate at Camelback Ranch after Major League Baseball suspends Spring Training due to the ongoing threat of the Coronavirus on March 12 in Glendale, Arizona.*

*Empty seats during the UEFA Europa League match between Olympiacos FC and Wolverhampton Wanderers on March 12 in Piraeus, Greece. The match is played behind closed doors as a precaution against the spread of Coronavirus.*

*Screenshot of the news broadcast from France 24 channel shows the declaration of France's President Emmanuel Macron, made from The Elysee Palace in Paris, about the situation of the COVID-19 outbreak on March 12 in Paris, France.*

*People walk in the Theater District in Manhattan on March 12 in New York City. New York City's Broadway theaters will need to close by 5 p.m. Thursday after New York Governor Andrew Cuomo has announced a ban on gatherings of 500 people or more amid the growing COVID-19 outbreak.*

*A view outside of TD Garden, the venue that hosts the Boston Bruins and Boston Celtics on March 12 in Boston, Massachusetts. It has been announced that NBA and NHL*

*seasons have been suspended due to COVID-19 with hopes of returning later in the spring.*

*A nun walks next to an empty St. Peter's Square, on the third day of an unprecedented lockdown across of all Italy, as seen from Rome, Italy on March 12.*

*Greek actress Xanthi Georgiou, playing the role of the High Priestess, lights up the torch during the flame lighting ceremony at the closed and empty Ancient Olympia site, birthplace of the ancient Olympics in southern Greece, on March 12.*

*A lab technician begins semi-automated testing for COVID-19 at Northwell Health Labs on March 11 in Lake Success, New York.*

*In another coronavirus precaution, California officials cordoned off the sculpture of a bear outside the office of Gov. Gavin Newsom, at the Capitol in Sacramento, Calif. on March 11.*

*President Donald Trump addresses the nation from the Oval Office about the widening coronavirus crisis on March 11, in Washington, D.C. President Trump said the US will suspend all travel from Europe for the next 30 days.*

*Judie Shape, center, who has tested positive for the coronavirus, blows a kiss to her son-in-law, Michael Spencer, left, as Shape's daughter, Lori Spencer, right, looks on as they visit on the phone and look at each other through a window at the Life Care Center, on March 11, in Kirkland, Washington, near Seattle.*

#### 50/50 SLIDES

Small businesses in particular are struggling as supply chains dry up, leaving them without products or essential materials. Factory closures in China have led to a record low in the country's Purchasing Manager's Index which measures manufacturing output. China is the world's largest exporter and is responsible for a third of global manufacturing, so China's problem is everyone's problem — even in the midst of a trade war between the White House and Beijing.

All this makes it even more worrying that governments continue to see this as a health crisis, not an economic one. It is time the economists took over from the doctors, before the real pandemic spreads.

It is difficult to imagine Italy not entering a recession (the world's ninth-largest economy is now on lockdown). It is also difficult to imagine that failing to affect Europe and its largest trading partner, the United States. And it is impossible to see how any of this will not add up to a global downturn, unless governments step in faster and harder than they did 12 years ago during the last financial crisis.

. © *Guardian* Worried wealthy jet off to doomsday bunkers to dodge disease . © *Getty* hat will you do if you start coughing? ('Staying at home' is not enough)

. © *Reuters* Britain's Chancellor of the Exchequer Rishi Sunak The stakes are higher this time, because there seems to be a coordinated effort to economically hurt many Western countries, and warn them away from the aggressive trade policies that Trump has so enthusiastically adopted.

Although China bore the brunt of the virus's economic and human cost, many in Beijing will see a silver lining

in the weakening of the US economy, and a distraction from Trump's trade wars that appeared to be escalating with no end in sight.

Almost perfectly synchronized with the coronavirus, a Russia-Saudi oil war has erupted. In the short-term, both Moscow and Riyadh can afford the 30 per cent overnight drop in the oil price. But America's shale gas business cannot: The more expensive process of fracking means that much of the US oil sector will simply not exist if oil prices stay at historic lows, leading to shut downs, job losses and perhaps even state-level recessions.

President Trump has pushed through overdue payroll tax cuts and help for hourly workers — measures that will help both employers and employees survive. In the UK, [Chancellor Rishi Sunak yesterday unveiled a 'Coronavirus Budget'](#). But everyone needs to think bigger if they want to properly deal with how this new factor changes the status quo.

This is about much more than coronavirus, oil prices, or even the global economy. This is about the balance of power between East and West. The epicenter of this has been, for the last 10 years, Syria. After a decade of conflict on the ground, the face-off seems to have now escalated from proxy war to economic conflict.

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The emerging superpowers of Russia and China witnessed what many saw as American irrelevance in Syria. And they are now trying to cement their vision of a truly multi-polar world. Rather than allowing US ally Saudi Arabia to lead the oil markets through the OPEC cartel, Russia and China want to reshape global markets — and power balances — to their advantage.

To survive these shifts, the US, UK and others will need to protect the future of their businesses, large and small, and look for opportunities to benefit from the new economic world order, not deny it. Ignoring these changes will be even more damaging than any flu pandemic.

*Omar Hassan is a an economic development specialist and co-founder of [UK:MENA Hub](#)*

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