

LUISS GUIDO CARLI

Department of Economics and Management

Course of MicroEconomics

The impact of Covid on Households

ID Number: 259991

Victor Huré

Professor/Supervisor

Luigi Marengo

Academic Year: 2020-2021

Table of contents

I. Introduction	4
II. A major economic impact for households	5
1. Situation post-pandemic declaration	5
2. Quick and direct effects of the first quarantine	6
A. The enormous impact on the activity	6
B. A first household check	6
C. The “surviving” industry	7
D. French state Failure	8
3. Quarantine maintains the crisis	8
A. A very slight improvement	8
B. Households review their priorities.....	9
C. “The Beginning of the End for Quarantine”	9
D. Consequences of the first quarantine	10
4. the end of the crisis or just a momentary rest	12
A. Is it a return to normal?	12
B. An update on inflation	13
C. A real trend for a return to normal	14
D. A positive evolution	15
E. Unstable dynamics	16
5. Waves potentially more impactful for households	17
A. Fear of further confinement materializes	17
B. The phenomenon of online sales	18

C. The crisis, a vector of opportunity for certain sectors	18
D. An end-of-year review	20
E. 1 year later	21
F. A more general assessment	22
III. A crisis endangers the way of life of households	23
1. A disrupted way of life	23
A. Households, often the first to be affected during crises	23
B. A new way of living	23
C. The use of masks, a politicized debate	24
2. Instability of employment for households	25
A. The first confinement, a disaster for household employment .	25
B. Employment, a stress factor for employees	26
C. Employment upon release from containment	27
D. A deep divergence between consumers	28
E. The second containment, a relapse of activity	29
F. Where is employment one year later?	30
3. The perception of the crisis management	31
A. An initial assessment of the government's management of the crisis	31
B. The crisis, a vector of rapprochement for the population	32
C. Households put to the test during this crisis	33
D. Learnings for the future	34
III. Conclusion	35
IIII. Bibliography	36

I. Introduction

This file will address the Covid-19 crisis and its impact on the micro-economy of a country. We will study the behavior of economic agents and their evolution following this major event in recent human history. I chose this subject because it seems to me relevant to talk about a current subject, touching each of us. Moreover, it is personally difficult for me to discern the true information from the false ones propagated. It is a real race for information where each media tries to have its moment of glory. It seemed important to me to realize a file, highlighting some issues concerning this crisis, trying to be as fair as possible. The goal is to give a global vision of the impact that this event can have on our lives at several levels.

We start with a short reminder of this crisis and its beginning, to better understand the issues at stake. The Covid-19 pandemic is a pandemic of an emerging infectious disease, called Covid-19, caused by the SARS-CoV-2 coronavirus, which appeared in Wuhan on November 16, 2019. Indeed, the multiplication of cases of Covid-19 in China since November greatly alerts the world authorities. On January 13, 2020, we observed the first case located outside Mainland China. Faced with an appearance of cases around the world, the ¹WHO declares a state of public health emergency of international concern on January 30, 2020. There are therefore frequent cases among foreign countries. On February 25, 2019, the number of cases of Covid-19 listed abroad is higher than in China. WHO declares on March 11, 2019, that Covid-19 is categorized as a pandemic. From then on, everyone's lifestyle begins to change drastically. WHO is asking the governments of the countries concerned to set up an awareness campaign on barrier gestures to fight against the virus. Many countries are setting up lockdowns to slow the advance of Covid-19 to protect the population and limit the influx of patients in hospitals. All the measures taken have immediate consequences on education, social activities, and above all on the world economy.

France like any other countries has been tremendously hit by the worldwide pandemic, having to face the consequences that the health crisis

¹ World Health Organization

would have for the national economy. This unique event will cause France's greatest recession since World War II. This gives rise to a compromise with serious consequences between the fatal cases of Covid to be limited and the economic losses. The Covid has become a common, inherent topic of conversation, to such an extent that it is now difficult to imagine living without it. This pandemic has redefined our way of living in the present but also the future. Thus, the implications generated by the Covid also alert us to the certain limits of a model.

What is the extent of the damage caused by the pandemic on households? How has our way of life been turned upside down? Can we already learn lessons from this crisis to use for the future?

We will try to answer these different issues on a spectrum starting from March 2020 until February 2021. This allows us to see the instantaneous consequences linked to the crisis and its evolution over practically a year. This report includes France as the country of analysis. We will therefore try to understand the consequences of this crisis mainly on households but also on companies and industries. INSEE (National Institute for Statistics and Economic Studies) will be our statistical database to support the analysis report (will be mainly used to support the first part). You can assume that the data come from INSEE when the source will not be specified.

The first part will offer a more positive approach with a lot of statistical data about the economic impact on French households.

Second part will explain mainly how Covid impacted the way of life of French households. It will also offer a more normative approach, what could have been done better, what lessons can we learn from this crisis even though it is not over.

II. A major economic impact for households

1. Situation post-pandemic declaration

First, we will measure the extent of the economic damage to households. Households are major players in our models. Indeed, economies across the world are almost all market economies where household consumption is one of the

main cogs necessary for the economy to function properly. During this crisis, the French were not spared from the disastrous economic consequences.

During the first month following the globalization of this crisis, the economic analyzes were very complicated due to a situation changing very quickly. The first confinement was put in place on March 17 by Emmanuel Macron (President of the French Republic). Many industries see their performance greatly diminished, reaching similar figures at a time when France was at war. Emmanuel Macron will also pronounce these words which still resonate today: "We are at War" during a speech that has now become legendary.

2. Quick and direct effects of the first quarantine

A. The enormous impact on the activity

Activity is estimated at 65% of normal, a figure which is used to assess household consumption. It is important to emphasize that these figures are revealed only 9 days after the announcement of the confinement in France, on March 26. This loss of activity is highlighted by a decline in the industrial sector (mainly construction, wholesale) operating at half capacity. Regarding market services (catering, hotels, etc.), it is estimated that there is a loss of activity of up to one third. During this period, we can see that employees do not yet suffer too much from this decline because many are still paid normally. The concern is not yet at its peak for these service professions because companies are far from imagining that many of them will still not have reopened 1 year later.

As can be expected for such a crisis, only agricultural activities do not see their activity collapse. Indeed, for an average loss of 35% of national economic activity, the agro-food industries lose 0 points of GDP of contribution to the decline in activity. A year later, it still appears from afar the industry which has suffered the least from this crisis.

B. A first household check

The feeling of economic decline in households is immediate. The household consumption sector which is the most impacted is the manufacturing

industry with an average loss of 60%. Consumer expenditure is reduced for some to 10% of normal, in particular the consumption of textiles. It is necessary to put into perspective, the closure of shops due to the introduction of confinement reducing the prospects for purchasing. The immediate consequence is, moreover, a sharp increase in online purchases of goods.

Thus, the same goes for the consumption of market services, the demand from households is sharply reduced, 33% less consumption. The hotel and catering sectors are the most affected with a 55% drop in consumption. It is not so much a question of declining household income but above all an almost total inability to be able to consume these services for households.

Non-market services are also strongly affected by a drop in demand. The construction branch is the most impacted with practically total paralysis of the sector and a 90% drop in consumption. This is partly to blame for an almost total stoppage of construction sites.

C. The “surviving” industry

As seen beforehand, the consumption of agro-food products is not negatively impacted, in this post-containment period, there is a 6% increase in consumption by households. It should first be noted that the Covid crisis will have and is still extremely beneficial to mass distribution. This is explained by food consumption that can no longer be carried out in small grocery stores, restaurants ...

There is also a real fear of the French from a shortage of food products. During the pre-containment period corresponding to the announcement of the latter until the very beginning of containment, we observe peaks in turnover in large-scale distribution amounting to 41% more than usual. Surrealist scenes are filmed, shared during which we witness real brawls between people to decide between the last remaining package of pasta. Real apocalyptic scenes will relatively calm down as the mass distribution demonstrates its ability to maintain a constant supply. Nevertheless, according to observers, these scenes are not observed only in France, the hexagon remains one of the countries where these

phenomena are the most moderate unlike the United States, the United Kingdom in particular.

The demand for food products that can be stored over time increases by just over 35% over the period before / onset of the first containment.

D. French state Failure

This end of March also corresponds to the (“Covid”) period when there will be the most disparities in household consumption. This is explained by the psychosis created by the pandemic, resulting in the purchase of hydroalcoholic gels, facial masks much larger than normal. One of the biggest controversies resulting from this Covid crisis in France has been the incapacity to manage mask supply. In 2009, the French state held almost 2 billion masks, including surgical and FFP2 (masks offering better protection). To compare, in 2017, only 150 million surgical masks are in stock, and virtually no FFP2. The reason is attributed to a non-renewal of stocks. This will lead to a shortage of masks during this period, to a huge rise in prices as well as to the development of parallel markets where people will spend lavishly to obtain masks.

3. Quarantine maintains the crisis

A. A very slight improvement

On April 9, the estimate of household consumption remained more or less the same (around -36%) although it was based on more tangible information due to a greater number of consumptions. The OECD (The Organization for Economic Co-operation and Development) estimates the impact of confinement at around -32% on final household consumption in France. The loss in household consumption is therefore estimated at around 1/3 compared to normal. Almost 1 month after the introduction of confinement, the evolution in French economic activity is minimal, at 65% of normal. A very slight increase in activity is therefore observed. The explanation can be found in part of a partial recovery in activity in certain sectors such as the construction industry in particular.

There has therefore been a very slight upturn in household consumption compared to the start of confinement (going from -35% to -33%). The French still see their consumption of manufactured goods and market services plummeted due to the closure of public places. As the supply in these sectors is practically nil, one could believe in significant savings made by households. This was without counting the significant drop in income due to the decline in activity and an inability for the greatest number to be able to work normally.

Then, the slight upturn in consumption can be explained by a resumption of construction work (in which the reduction in consumption goes from 90% to 78% in 1 month). Once again, the food industry is the only one whose consumption is up 10%. Demand is high as households continue to stockpile. The mass distribution sector strives to maintain an offer that matches this demand.

B. Households review their priorities

Since the start of the crisis, we have generally seen a desire on the part of households to concentrate on priority spending. All the more so as spending linked to leisure activities has all been reduced to zero due to the closure of all private and public common places. The utility for primary consumer goods is important at a time when part of the population is still afraid of a potential food shortage. The regular need for energy (electricity, gas, etc.) due to the confinement is also felt, the utility for primary expenditure is therefore very high.

We also quite logically observe less diversification in product purchases. This data is notably extracted using bank card transactions. Indeed, household consumption reports during the crisis will often be supported by bank card data and the use of in-store cash data allowing easier tracing.

C. “The Beginning of the End for Quarantine”

The gradual exit from confinement in France is announced on May 11. The economic effects on household consumption are immediate. Indeed, household consumption is estimated at 6% below normal whereas it was 35% below normal a month earlier. We can therefore observe a gain of 30 percentage points. This recovery is partly explained by the consumption of goods that had not been

purchased during the quarantine except through online distributors, especially from industry giants such as Amazon.²The demand for goods from these distributors exploded during the confinement (but also after) because they offered the only alternative/ substitute to businesses considered non-essential which were closed. On the other hand, the purchase of certain so-called complementary goods is lighter. For example, whether it is fuel due to the still precarious use of means of transport or sports equipment to be used in sports halls (still closed post-containment) are very limited.

Households are therefore starting again to consume a much more varied basket, notably with manufactured goods (such as textiles, clothing, etc.) but also the consumption of market services, notably personal services to households. Another important industry to mention post-containment is that of construction where we go from an activity reduced to 25% of normal on May 7 (just before deconfinement) to an activity operating at 60% of normal in this post-containment period. Nevertheless, these are figures which will not evolve constantly, data concerning household consumption following deconfinement can hardly be considered as reliable indicators. Households sometimes adopt unusual behaviors. We could even speak in some cases of irrationality because there is a desire for people to make up for the lost time. This can result, for example, in excessive purchases of clothes, as households seek to indulge themselves, we can guess that they give more utility to goods that they would ordinarily consume more normally.

We observe the recovery in consumption through an increase in bank card transactions compared to the figures observed during confinement. There is above all a strong recovery in physical sales thanks to the reopening of some of the non-essential businesses such as textile/clothing stores for example. There is therefore a very slight sensation of a return to normal, of more usual consumption methods despite the shadow of the Covid still hovering very strongly.

D. Consequences of the first quarantine

² See the Article from Les echos: <https://www.lesechos.fr/industrie-services/conso-distribution/coronavirus-la-fortune-de-jeff-bezos-gonfle-durant-la-pandemie-1195348>

French people who have generally saved take advantage of this and start buying goods linked to leisure activities, although there are large disparities in the savings of the French³. During confinement, savings were mainly made by the most financially well-off households, between around 3,200 and 4,800 euros of spending per month for the 9th and 10th deciles of the richest French. In addition, only 20% of households achieved 70% of the additional savings in France. This had the very logical consequence of lowering the indebtedness of the latter. Despite everything, as in practically every crisis, it is the households with the most modest financial means that have suffered the most since they have saved well below normal and have worsened their indebtedness.

The consumption of cultural and tourist services is still subject to strong restrictions because they are not considered important enough to take the risk of reopening places linked to these services. This will give rise to many criticisms, from professionals in the field testifying to the importance of cultural activities and the lack of understanding vis-à-vis government policy⁴. In general, this crisis has not been beneficial for the image of the government in place. Whether it is for polemics as seen before with the masks, or the decisions taken throughout the crisis until now, criticism is increasing against the government. In addition, this crisis is a continuation after that of the "yellow vests"⁵, so households / French people will continue to show their dissatisfaction with the government in place during this Covid-19 crisis.

³ See the article from **Lafinancement**:

<https://www.lafinancement.com/2020/10/14/covid-19-les-effets-de-la-crise-sur-la-consommation-et-lepargne-des-menages/#:~:text=L%C3%A9tude%20montre%20que%20la,suivant%20la%20fin%20du%20confinement>.

⁴ « **Pierre Niney** », a famous French actor asking the French president why places of worship, department stores... are open and not theaters.
<https://twitter.com/pierreniney/status/1358357747348230148>

⁵ The "yellow vests" is the name of a protest movement vis-à-vis the French government and its policy that emerged in 2018 and practically ended with the first confinement. The French / households reproached the government for a drop in purchasing power as well as the political reforms taken described as too liberal.

4. the end of the crisis or just a momentary rest

A. Is it a return to normal?

On June 14, speech by the President of the Republic to announce an almost total deconfinement (except for the overseas territories). The Ile de France, the economic hub of France, returns to the green zone and many businesses (such as restaurants, cafes, etc.) have the possibility of reopening in this region as well as in others strongly affected by the virus. The reopening is explained by an alert threshold that is no longer exceeded in the zones concerned (this threshold is said to be exceeded when more than 10 people out of 100,000 inhabitants are infected in 1 week in the said zone)⁶.

The gradual exit from confinement in May allows a resumption of consumption among households. During this period (after the announcement of June 14) corresponding to an almost complete exit from confinement, household consumption is estimated at 5% below normal, a figure very slightly above 6% a month earlier. However, grounds for hope can be formed when one compares to the post-announcement period of containment at the end of March and the 40% below normal. The natural question is, therefore: where does this recovery come from? To answer, it suffices to observe the data and we notice a similarity with the figures observed during the first deconfinement measurement in May. Nonetheless, we observed abnormal increases in consumption in certain industries, recoveries which will weaken while average consumption in sectors severely endangered during the crisis will continue to trend towards normal.

We can observe a significant recovery in useful daily expenses for households (tending towards the averages observed before the Covid-19 crisis), in particular those related to fuel, consumption is back above 80% compared to normal. This can be explained by a return to usual daily practices. Indeed, whether it is the resumption of face-to-face work for some of the expansion of areas where people have the possibility of moving, people leave their homes again other than to shop. Households take pleasure in being able to go out, to get

⁶ See the article from Le Parisien: <https://www.leparisien.fr/info-paris-ile-de-france-oise/carte-du-deconfinement-l-ile-de-france-passe-au-vert-14-06-2020-8335428.php>

out of the monotonous rhythm imposed by the crisis and its confinement. There is also a decrease in the consumption of agro-food products, the only sector where over-consumption could be observed. This is explained by the reopening of catering businesses as well as schools. In addition, the great fear on the part of many households of a food shortage has disappeared. The demand for certain products (pasta, cans, etc.) had skyrocketed, often with stock shortages.

Back to catering-related services, which are the big winners in this second phase of deconfinement. Thus, households living in large metropolises where these businesses were often still closed will show a strong desire to consume again. Despite everything, between great caution on the part of households and very restrictive measures for restaurateurs, the supply can hardly respond optimally to the demand displayed by households. Distancing measures in particular limit the number of consumers for these businesses, which must review their way of proceeding to adapt to restrictive policies.

This difficulty in the recovery is also explained by a desire of certain restaurateurs to increase their prices to increase their margins, for products that could almost be considered luxury. This is particularly observed in high-end restaurants/cafes always seeking to maintain their image, a certain policy, and knowing that there will always be a demand for what they have to offer. For more modest restaurateurs, we observe a weakening of prices to sell and make a profit. We will see in more detail in the second part the difficulties encountered by households working in this practically neglected sector since the installation of the first in confinement despite the sale by delivery was always possible during this period.

B. An update on inflation

Overall, from the start of the health crisis until this period of deconfinement, inflation has declined, going from + 1.4% to 0.4%.

As a reminder, inflation is often calculated by following the evolution of a fixed consumption basket compared to a past period. This development is partly explained by the fall in the prices of petroleum products due to a drop in world demand as well as the fall in the prices of services (particularly related to

transport) due to restrictive containment measures. On the other hand, as we have already seen, the demand for food products has skyrocketed while the supply has fallen because of the constraints that one can imagine (difficulty of supply, reduced production, etc.) This has therefore led to a rise in prices for these products. As said before, it is the fall in prices for energy products that have contributed the most to disinflation. This is easily explained by the low need for fuel for households, travel restrictions, precarious operation of means of transport without forgetting the significant drop in production. This generalized disinflation could lead to believe in a great gain in purchasing power for households but the fall in prices⁷ concerned goods/services much less consumed by households. Rather, the savings were made through savings due to consumption restrictions due to containment. This is true for those who have not suffered too much from the fall in wages although French households, due to the country's social policy, have not been among those most affected.

C. A real trend for a return to normal

On July 10, the president put an end to the state of health emergency. Overall during the summer, household consumption continues to trend towards normal again despite some sectors are still in great difficulty, namely the air transport industry, cultural activities still well below usual standards. This is simply due to a still effective closure of places of culture as well as a severe restriction on international flights. Despite everything, we are therefore returning to a more usual economic activity and household consumption. We are witnessing a positive and consequent change in demand with more ordinary consumption choices. We, therefore, have rather a dynamic household consumption, knowing that the income of the French has been relatively spared (depending on their wealth obviously), people are inclined to diversify their consumption again. At the same time, during this period there is a fear of a demand shock since production in industries is still restricted. There is a gradual

⁷ See the article from Le Monde:
https://www.lemonde.fr/economie/article/2020/06/25/pouvoir-d-achat-quels-seront-les-effets-du-covid-sur-l-inflation_6044114_3234.html

resumption of the production process before being able to reach an efficient production capacity, optimal productivity.

Nonetheless, over time the supply continues to rise as more orders multiply. Industries/sectors gradually resume functioning at their own pace depending on the restrictions and constraints they must face. Despite everything, there is always a real fear of a relapse, of the second wave in a sector such as catering for example. Indeed, consumers are used to consuming primarily in restaurants/cafes although many have become used to home delivery.

D. A positive evolution

Household consumption during the second quarter fell sharply compared to pre-crisis figures with a drop of 12%. Nonetheless, the summer with the easing of measures was a superb opportunity to mitigate this decline with a strong boost in household spending. Market services were only 7% below normal, encouraging development with all restrictions in place. Many criticisms have also been issued against these establishments sometimes having difficulties in ensuring that the precautionary measures are fully respected, the latter being divided between making restrictions to make as much profit as possible and being cautious to avoid the creation of a cluster and potential new confinement.

Household consumption for manufactured goods was also very high, especially spending on textiles/clothing, which was one of the major vectors of this increase. This can be explained by overall positive savings from households during confinement with therefore a larger budget to allocate as well as a desire to have fun and spend money according to their leisure. The choice in these expenses being moreover limited with the restrictive measures still in force restricting cultural expenses, as well as the possibilities of traveling with important border control. Indeed, these travel restrictions also explain the lower fuel expenditure compared to the figures of last year at the same period with a virtual ban on travel for tourist reasons as well as teleworking for many employees.

Thus, post-containment is therefore observed to have a catching-up effect for purchases not made during containment, and to a return to more usual

consumption trends. Many sectors are also trying through incentive measures to attract households and consumers to come and consume their products (consumer premium, discounts, etc.).

E. Unstable dynamics

During the period that follows, the positive dynamic in household purchases weakens as consumption habits gain the upper hand. The average consumption level is down slightly compared to July-August, -4% compared to the pre-crisis level. On the other hand, if we compare to the figures for the second half of the year, there is an increase of 16%. Clothing expenditure, in particular, fell relatively significantly, consumers were able to take advantage of sales during the summer as well as, as explained previously, there was limited consumption for a long period, thus resulting in sometimes excessive post-containment consumption.

In terms of market services, a logical drop in consumption is observed in accommodation spending. Indeed, despite the impossibility of traveling abroad, the French still took the opportunity to travel to France during the summer season. In addition, a curfew is introduced from October 17 in the largest French metropolises prohibiting all travel from 9 p.m. to 6 a.m. Additional health measures to combat the resurgence of the epidemic are added, including the impossibility of gathering more than 6 people in public spaces. This complicates the ability to operate efficiently for market service industries. It is also important to note that the sale of manufactured goods continues to prosper since the end of the lockdown as households continue to make up for missed spending.

It is also interesting to observe the evolution of consumer prices following this summer period, in fact, inflation reached its lowest level, namely 0.1% while its level was at 1.4 % in February, at the beginnings of the Covid-19 crisis. This extremely low level is partly attributable to the summer sales which contributed to the increase in the year-on-year price change in July and then to its decline in August. In fact, in September inflation for clothing spending stood at 9.1%. Overall, during the crisis, inflation has logically been kept at a lower level due to the fall in demand and therefore consumption. This did not prevent core

inflation in some sectors from developing abnormally, especially for agri-food products where the rise in prices rose sharply, especially during the lockdown. Indeed, as already explained, household consumption was abnormally high for these products.

5. Waves potentially more impactful for households

A. Fear of further confinement materializes

The fear of a second wave has been on everyone's mind, whether it is those of the government, households, businesses, it is a whole society that has strived to return to a normal life after the first confinement knowing full well the resulting risks. Indeed, it is not with great surprise that the French are once again attending a speech by the president for the establishment of a new lockdown from October 30. As already noted, the summer period was a godsend for reviving economic growth, household consumption (of the population) but also an open door for the arrival of a second wave of the epidemic. Indeed, the latter begins in the summer with the reopening of businesses, many public places as well as the possibility for certain industries to reopen their doors to their employees. We, therefore, have all the conditions in place so that at the end of October, the number of infected cases identified each week is too high not to set up a second containment. The latter is nevertheless accompanied by less restrictive measures, in particular the maintenance of face-to-face courses for many students or the possibility of keeping factories open.

The implementation of the second lockdown led to a drop in consumption among households that was more substantial than in October, although it was less intense than during the first lockdown. Indeed, we go from a loss of consumption of 30% after the introduction of the first containment to a loss of 15% after the second. Indeed, all the sectors affected by a decline (practically all except agri-food products) suffer less during this second confinement. The explanation is to be found in confinement that is simply less restrictive in these measures. The most impacted purchases are those in fuel (teleworking for many employees, ban on going out in general), spending on services (stores, restaurants, etc. are closed again), and as well as purchases of non-essential

manufactured goods. Nevertheless, manufactured goods are those whose loss in consumption is the most attenuated compared to the first confinement thanks to the maintenance of the operation of the factories. Merchant services suffered greatly with a decrease of 19% compared to October, although delivery sales are still possible.

B. The phenomenon of online sales

There is a significant drop in the purchases of physical goods in favor of online sales as already observed during the first containment. However, during this confinement, online sales make it possible to better mitigate the overall loss of consumption. During this confinement, we are witnessing much less irrational anticipation spending as we had seen during the first confinement with agri-food and basic necessities for fear of a food shortage. Indeed, households are much more reassured about the ability of the French state and industries to meet demand. It is still necessary to qualify, there are still anticipatory purchases for some households but in much smaller numbers. These anticipatory purchases correspond mainly to spending by households in businesses that close when containment is instituted. Fuel purchases are much smaller than during the March lockdown because there is much less of this fear of a negative supply shock. Online sales are therefore dynamic, accumulating 24% of the total amount of transactions. However, these purchases are sharply accentuated at the start of containment and decline over time. This is explained by one-time purchases that will be useful to the household for containment and which they could not necessarily obtain in stores either for lack of time or for lack of necessity during this period. As we have seen before, it is the big names in the online distribution sector who have benefited from this second confinement.

C. The crisis, a vector of opportunity for certain sectors

Can we cite a streaming platform other than Netflix when we talk about the monopolization of the Vod market during this crisis? Indeed, the latter has practically doubled these subscriber figures arrived. Relief measures regarding the possibility of traveling were put into effect on December 15, which suggests yet another upturn in household consumption, economic activity. Indeed, this year for the different industries/sectors will have been marked by endless rebounds in an economic cycle taking the form of a roller coaster. There are thus recoveries in fuel costs stimulated by the return of certain employees to the premises of their respective companies, although teleworking remains the most common way of carrying out work.

At the end of December, it's Christmas twice before the hour for the cultural activities sector, which sees theaters, cinemas and museums reopen. However, households are also not rushing to re-consume culture due to a lack of interest in the choice of films offered and the ever-present fear of the spread of the virus. Indeed, if the rooms have been closed for so long, it is because of their architectural characteristic, without the possibility of opening windows during the sessions with potentially several people locked in the same room for several hours, the risk of propagation seems obvious. In addition, the consequences of the crisis in this sector were dramatic with the impossibility for many studios to finance new films as well as the release of those planned in theaters at the start of the crisis which had to be indefinitely postponed or broadcast on streaming platforms. We are witnessing the closure of independent cinemas, the most important names among the studios in great jeopardy, all for the benefit of streaming platforms during lockdowns, going from 9.6 million from January to March 2019 to 15, 8 in 2020. The observed progression is a little less impressive during the second confinement, in particular, because of the less restrictive measures allowing people to resume a semblance of social life. How to explain such a phenomenon beyond the fact that households are limited in cinema screenings as well as very clearly restricted at home? ⁸The answer presents a slightly wider spectrum, among the people questioned, we find as a reason the possibility of watching programs in the original version (therefore in English for many programs) in a period when it is difficult to continue to practice English.

⁸ See the article from France Info: <https://www.franceculture.fr/emissions/le-reportage-de-la-redaction/un-apres-le-premier-confinement-comment-le-streaming-sest-impose-dans-nos-vies>

but above all the spectacular ability of Netflix to adapt its content. Indeed, the streaming platform has never made so much effort to neat its catalog and offer diversified content so that within a family everyone has the benefit of watching a program. The streaming platform industry, along with e-commerce, is one of the sectors that has benefited positively from the crisis and its confinements.

Moreover, can we speak of missed opportunities for sectors that have been strongly affected by the crisis and which have not succeeded in having their consumption postponed to households? Indeed, as already observed beforehand, the agri-food industry, as well as tobacco, have managed to maintain their overall profit steadily. This is due to the sale of goods deemed necessary and extremely useful for households but also to the ability to allow households to anticipate their purchases by maintaining a constant supply. Companies whose loss of consumption had a strong impact on income and which failed to find an alternative during confinement, as well as too little reported household consumption have suffered and are still experiencing cash flow difficulties. Despite everything in the service sectors, be it catering or accommodation, it is difficult to postpone consumption. This problem also concerns industries where storage is impossible or limited since it is therefore impossible to keep large stocks in reserve.

D. An end-of-year review

From the end of November until the establishment of a curfew on December 15 (8 p.m. to 6 a.m.), measures to ease the restrictions are put in place by the government. We are witnessing the reopening of "non-essential" shops to stimulate household consumption before Christmas. Indeed, unlike some countries where efforts have been made to tighten up measures during the holidays, France has decided to reopen businesses and gradually deconfine. There is therefore a real economic choice to revive the consumption of industrial, manufactured goods such as clothing spending, which experienced a strong rebound during this period. The French have generally saved and we hope they will use these savings to revive sectors where the second lockdown had reduced profits. In 2020, the average savings rate amounted to 21% of gross household disposable income, i.e. 6 percentage points more than 2019. Nevertheless, during

this fourth quarter, with the drop in consumption linked to the second confinement and the stability in disposable household income, the savings rate is still higher than in the third quarter. Despite everything, we must put into perspective by not forgetting that post-containment consumption, especially during the summer, had been abnormally high for a period of crisis.

Regarding market services, restrictions still limit the optimal functioning of companies in this sector. There is nevertheless solidarity on the part of households who wish to consume these services, consumers have for a very long time had to substitute a lunch at a restaurant, a cafe on the terrace with delivery, or quite simple meals at home.

In terms of inflation, there is a slight upturn of 0.3% at the end of the year compared to October, going from 0.4 to 0.7%, the explanation is quite simply to be found in the upturn in consumption in post containment in certain sectors. Despite everything, in certain industries such as transport services (especially air), prices continue to fall inexorably with travel measures that are still restrictive. Agri-food products like tobacco are seeing their prices slow down. The first because the reopening of catering businesses as well as teleworking reduce meals at home and therefore purchases in supermarkets. The slowdown in the price of tobacco has no cause and effect with the Covid-19 crisis but rather is due to the end of a series of massive price hikes since 2018, to the delight of smokers.

E. 1 year later

We are therefore 1 year after the start of this crisis, even a little more for France since the first measures were taken at the end of January to fight against the spread of the virus. However, what interests us, namely household consumption has started to be affected from the first containment of Mars. In January, there is a strengthening of health measures with an advanced curfew at 6 p.m., the government on the other hand is doing everything possible to avoid new confinement. If we add the uncertainties in the evolution of the health situation as well as a shift in the winter sales, we obtain the perfect combo for a further decline in consumption, around -7% compared to the situation before the

crisis. The consumption of services is maintaining its overall negative trend at the end of the year with ever more restrictive health restriction measures due to the arrival of variants of the original virus making the management of the crisis ever more complicated. Consumption in industrial sectors, particularly construction, electronic equipment continues to rise.

Households continue to take advantage of the lockdown period to do the jobs they wanted to do. Indeed, it is an area where households can easily postpone their consumption because a person in need of renovating their house will have to do it no matter what. There is a domino effect, a lag, the sectors which had globally benefited from a rebound at the end of the year are experiencing a stable or negative trend at the start of the year, such as spending on clothing for example. and vice versa.

Online sales, whose impressive dynamism observed during 2020 is decreasing. However, this is not done to the benefit of physical sales as they are also declining. This is due to the advancement of the 6 p.m. curfew limiting households in their consumption. It turns habits upside down since especially those with children are used to spending after 6 p.m., once their child has recovered. We are therefore unhappy with many households who feel that they do not even have time to go shopping for food after their working day. It forces people to review their daily lives and manage their time differently.

F. A more general assessment

This year of the covid-19 crisis was, therefore, to say the least, eventful for households and their consumption. Indeed, the latter has constantly undergone that it is the confinements or the multiplication of restrictive measures. They were not totally in control of their spending since they had to consume according to the opening of businesses, the supply of producers not always up to demand. Households also had to review the way they consume and adapt to the distribution channels available for their purchases, namely online sales, and home delivery. We now see in more detail, what impact the Covid crisis has had on households' way of life.

III. A crisis endangers the way of life of households

1. A disrupted way of life

A. Households, often the first to be affected during crises

During the past decades, many crises have manifested themselves and have hampered and modified economic behavior but also the way of life of households. Indeed, the latter are in perpetual adaptation, living in a complex, unstable system where each event is synonymous with changes in habits for them. The Covid-19 crisis, although not over, has not escaped the rule and has greatly contributed to an upheaval in their lives. Beyond a change in their consumption, which is certainly extremely important, as seen beforehand, households have seen their rhythm of life disrupted. Lifestyle habits have been changed by force, whether through the health security measures to be followed in everyday life but also particularly regarding their employment.

B. A new way of living

Social relations have completely changed with the emergence of the Covid. First, there is a logical and important limitation in the number of social relationships between people due to confinements, curfews, and the possibilities of moving within a territory. In France, a year after the start of the crisis, it is still very difficult to travel abroad for holidays, or even to go to another country for professional reasons. Thus, people in everyday life limit their contact with others because of the fear of catching the virus but also with all the health security measures⁹. In fact, in France but also all over the world, households/populations have become accustomed to respecting social distancing measures, to respecting hygiene measures more strictly. This affected, as seen before, limiting their consumption and activity in certain sectors.

⁹Laura Di Domenico, Giulia Pullano, Chiara E. Sabbatini, Pierre-Yves Boëlle & Vittoria Colizza, See the paper « Impact of lockdown on COVID-19 epidemic in Île-de-France and possible exit strategies », from BMC Medicine, “Background”: <https://bmcmedicine.biomedcentral.com/articles/10.1186/s12916-020-01698-4>

Many students are put to work at home, therefore taking online courses due to the closure of schools. In France, throughout this first year of crisis, schools have been a major subject of discussion. Between the incomprehension of certain households on the management by the government and the creation of a source of contamination in schools, this subject remains thorny even now. Active adults have, for those still working at their usual place of work managed their child working at home and for those being teleworked, to maintain habits allowing a productive pace of work.

C. The use of masks, a politicized debate

From the start of the crisis, wearing a face mask became compulsory in all public places. This added to households an additional expense to their basket of goods although it is difficult to quantify since the consumption of these masks varies enormously from one household to another. Very quickly, the notion of free masks burst into debates¹⁰. Should we force people to wear masks when this represents a relatively large expense? In the political sphere of the left, the tendency was rather towards financing masks for everyone by the French state. Among right-wing politicians, the argument put forward was the additional economic loss for France that the taking of this measure would cause. Indeed, in a context of crisis where the debt is perpetually increasing, free masks for all would add a major additional cost.

Regardless, households have learned to live with the mask in everyday life and to think about incorporating it into their consumption plans. The average monthly cost related to the consumption of masks for a person in France is estimated at ¹¹31.75 euros and can go up to 228 euros for an average family. The French president, meanwhile, opposed freeing masks, arguing that the French state is not "intended to pay for masks". However, some of the poorest households are entitled to get disposable masks free of charge.

¹⁰ See the article from Le Parisien: <https://www.leparisien.fr/politique/covid-19-le-prix-des-masques-nouvelle-ligne-du-clivage-droite-gauche-06-08-2020-8364441.php>

¹¹ See the article from Le Monde: https://www.lemonde.fr/les-decodeurs/article/2020/08/21/coronavirus-estimez-votre-budget-masques-avec-notre-calculatrice_6049580_4355770.html

2. Instability of employment for households

A. The first confinement, a disaster for household employment

With the introduction of the first lockdown in France, employment conditions, as well as the employability of employees, have been greatly affected. Indeed, the loss of activity is directly estimated at one-third. It is estimated that a third of the employees following the confinement work at their usual place of work and the other two-thirds are also distributed in telework or partial unemployment. Indeed, each employer is summoned, as far as possible, to put his employees into teleworking to limit physical contact between people as much as possible. Partial unemployment¹² is a device that allows some employees to benefit from part-time wages even though they are no longer active or limited in their activity. The employer receives an allowance equivalent to a partial amount of the employee's salary by the state, which he pays to the employee, the latter being placed in partial activity. This scheme is particularly beneficial to employers whose business activity has been restricted or completely stopped. This process is very expensive, and so allows at the expense of the French state, to limit the impact on the income of employees. One of the first estimates made evaluates that around 6.7 million employees benefit from short-time work or almost one-third of employees working in the private sector. Towards the end of confinement, the number of employees on short-time work is estimated at 10 million.

As could be expected, companies and their employees are particularly affected by confinement. Indeed, those employing at least ten employees have seen their activity decrease by at least half. The sector that has suffered the least during this crisis, namely the food industry, is, therefore, the one whose employers benefit the least from partial unemployment, with only 40% of employees placed on partial activity. Globally, partial unemployment is stronger

¹² See the study from the French government on “Short-time work” (2021): <https://www.economie.gouv.fr/covid19-soutien-entreprises/dispositif-de-chomage-partiel>

in companies that can only be satisfied with teleworking for their employees, especially in the manufacturing and service industries such as catering...

Employers are free to put their employees on short-time work and thus take advantage of short-time work whenever they wish as long as their company is experiencing a loss of activity. This has been a source of fear on the part of the French state, that some companies would defraud to benefit from higher amounts. Indeed, many controls¹³ have been put in place, with stricter measures to control the compensation of companies benefiting from partial unemployment. Indeed, as in every crisis, some people try to take advantage of the disorder, of the instability to seize opportunities. We must therefore do our best to limit the economic losses linked to fraud, estimated at 225 million euros in October.

This loss of activity has a significant impact on the income of employees and this despite the partial activity allowing to receive partial unemployment and other substantial economic aid for households. Employees, as well as, entrepreneurs suffer a loss of income of 22% before the crisis for the reasons mentioned above and this, despite the abundant social benefits paid by the French state. It should not be forgotten that the loss of income for employees is synonymous with a lower social and fiscal levy on companies and individuals. It is, therefore, a real vicious circle because on the one hand employees and therefore households need more financial aid but on the other hand, the French state receives less income than in normal times, to redistribute to households in need.

B. Employment, a stress factor for employees

This employment crisis is extremely stressful¹⁴ for employees because of the negative consequences related to the limitation of social relationships, the

¹³ See the study from the French government on “partial unemployment fraud” (2021): <https://www.economie.gouv.fr/fraudes-chomage-partiel-renforcement-dispositif-control>

¹⁴ Jacques R. Bughin, Michele Cincera, see the paper “*Fear of Going Back to Work and Work from Home*”, “Introduction”, SSRN (2020), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3782268

loss of their job, being contaminated... Thus, short-time work allows to reduce the stress for employees and thus to maintain a certain income for households. In general, and not only in France, we observe that young people fear most for their jobs, whereas older people fear most for their health, notably because of the higher mortality rate among older people. In particular, there is a correlation between this crisis and the hiring rate of companies, since, after the first month of quarantine, the pre-confinement average is estimated to have decreased to 22.6%.

C. Employment upon release from containment

The exit of the confinement is gradually made from May 11th, it is logically accompanied by a resumption of the activity. However, between unclear health security measures and uncertainty in the evolution of the epidemic, the pace of recovery for companies is uncertain. Indeed, at the end of May, there are still about a quarter of employees who are still waiting to resume their professional activity. Now that we have a more global view of this first year of the crisis, we know that many of these employees will not return to work any time soon, especially in market services such as restaurants. Employees in these sectors have been waiting all year for a resumption of activity, due to misleading statements from the government making them think that the situation would return to normal, sooner than the epidemic allowed.

Nevertheless, measures have been taken to limit the loss of earnings for companies and employees in the most affected sectors. A solidarity fund has been set up to allow the hotel, restaurant, and cultural sectors, which are among the most affected, to benefit from this measure. The positive point is that previously, it was necessary to suffer a loss of economic activity of ¹⁵50% to benefit from the solidarity fund. Post-confinement, regardless of the turnover for these sectors, they can benefit in a way all the time proportional to their loss. It is put forward by the government and in particular the Minister of Economy Bruno Le Maire who wants to make the professionals of these sectors understand

¹⁵ See the article from Le Figaro: <https://www.lefigaro.fr/conjoncture/restaurants-cafes-culture-l-acces-au-fonds-de-solidarite-va-etre-modifie-en-juin-20210503>

that they will be financially supported as long as the sanitary restrictions will limit their activity. There is a willingness not to abandon the most fragile sectors to their fate. Many businesses have suffered cruelly during the containment and generally during this crisis. Indeed, it is enough to go out in the streets in France to, unfortunately, notice that many of these businesses are closed and that the managers are in immense distress.

In the months following the end of the confinement, particularly in July and August, there was a recovery in economic activity, correlated with a gradual return to work for employees. In August, there was a 4.3%¹⁶ drop in the number of unemployed persons registered, which can be explained by the return of job seekers who were able to take advantage of a recovery in activity, albeit still partial. However, these figures should be put into perspective, as the number of unemployed remains alarmingly high, with almost 4 million people registered, 400,000 more than at the beginning of the crisis in February. Once again, despite the easing of health restrictions allowing the reopening of commercial services, employees in this sector are still the most affected by the restrictive measures linked to the social distancing still in force.

D. A deep divergence between consumers

We have rightly noted that, on average, households saved during this confinement, this period of covid crisis, and then wanted to consume more intensely again. First, these remarks must be qualified because they are developments observed in a very general manner and over a relatively short period. Admittedly, many households make major purchases during this summer period until the start of the school year (September-October), but this is far from being the case for all. Employees in the private sector have consistently said they want to save overall even after the end of the first lockdown. This is explained by a fear of re-containment and a potential loss of significant income, they would indeed be put at greater risk than the sectors of the public service where job security is very strong in France as well as the assurance of income paid by the

¹⁶ See the article from France Bleu: <https://www.francebleu.fr/infos/economie-social/forte-baisse-du-chomage-en-aout-qui-reste-cependant-a-un-niveau-eleve-1601029198>

state. More modest households, quite logically, did not make significant expenses after the confinement because they were the ones who suffered the most due to their precarious employment. In addition, in principle, it is the most precarious households who save the least because they are the ones with the lowest incomes. Surprisingly, the self-employed and business owners are not inclined to save. We can think that there is a fear of inflation with growth in constant recovery since the end of the confinement and therefore a loss of their savings. Another surprise, retired households are also in favor of constant savings. This is more easily explained because the retirement system in France is based on the solidarity contribution of active households in proportion to their income. In the event of a crisis, as is the case with Covid-19, contributions are de facto reduced.

E. The second containment, a relapse of activity

It should be noted that before the implementation of the second lockdown on 29 October, during September¹⁷ 1.1 million employees were placed on partial activity. This means that a significant number of employees are not working full time, but at least this means that many of them have returned to work, even if only partially. As soon as the confinement is established, there is an exponential increase in the number of employees placed on partial activity, from 3,000 per week to 15,000, and a total of 5.3 million employees are concerned. Some sectors that had resumed their activity such as catering, the hotel industry is again restricted by the confinement. The solution for companies in sectors restricted by the lockdown is to ask their employees to stay at home, apply for ¹⁸short-time working, and the resulting compensation to pay their employees. Nevertheless, compared to September, partial activity is very restrictive because, as one can imagine, employees being confined to their homes, can only work productively with great difficulty, except maybe for those who are teleworking.

¹⁷ See the economic analysis of Dares (linked to French government): <https://dares.travail-emploi.gouv.fr/publications/situation-sur-le-marche-du-travail-au-27-octobre>

¹⁸ Employers putting their employees on partial activity can take advantage of the partial unemployment compensation, payed by the state

To return more in detail, we notice that after the installation of this new confinement, the more the company is big, the more the demand of setting in the partial activity of these employees is important¹⁹, 21 % in April against 28 % in November. We also note that the region where the demand of partial activity of the employees for the companies is the most important is the “Île-de-France”, which can be explained by a significant number of businesses bound to the market services such as the restoration, the hotel business...

Numerous other measures have been established to protect the jobs and incomes of employees, such as the Employment Protection Plan. Indeed, many economic layoffs are to be deplored for employees during this crisis in sectors such as catering or the automotive industry. Indeed, the limits of displacement during the crisis of the covid have strongly dropped the activity of this sector. This strongly affects employees and therefore households who, as seen many times before, suffer losses of income even though their savings increase strongly during this crisis which allows compensating a little bit. Do not forget that during the whole year of the crisis, there are non-constant phases of recoveries and decreases in consumption.²⁰

F. Where is employment one year later?

At the beginning of this year 2021, it is estimated that ²¹2.1 million employees have been put on short-time work, which is a little more than 3 million less than during the end of year lock-up. This is simply due to a recovery forced by the end of the lockdown. Nevertheless, this is still an alarming figure, partly explained by restrictive measures such as the curfew. The employees must therefore return to work for many of them, despite the fear of the epidemic and the appearance of all variants of the virus. The big loser is always the restaurant

¹⁹ See the economic analysis of Dares (linked to French government): <https://dares.travail-emploi.gouv.fr/publications/situation-sur-le-marche-du-travail-au-27-octobre>

²⁰ Refer to the sub-section D, “A positive evolution” of the 2nd section from the part I)

²¹ See the economic analysis of Dares (linked to French government): https://dares.travail-emploi.gouv.fr/sites/default/files/fbccef71a88e73aca4d04464a78d7ab1/Dares_TdB-marche-travail_crise-sanitaire_04022021.pdf

sector. Indeed, 672,000 employees are affected by partial unemployment. The "Île-de-France" and large companies remain respectively, a region and a type of company large claimants of compensation by short-time work.

There is a strong dynamism on the side of the job seekers on the period January-February, these last ones are strongly activated to find a job or for some, to find one which would be convenient for them. Indeed, many employees have part-time, precarious jobs, making it difficult for households to maintain a fixed and substantial income. Nevertheless, there is still a strong desire to save marked by the fear of yet another confinement. Many regions were partially reconfigured at the end of February. Households overall will be satisfied during the evolution of the following months since a resumption of activity will be observed. In particular, the vaccination campaign, which will accelerate during the year 2021, will allow households to maintain their employment in reasonable conditions. The health security measures, the teleworking, being always in force to hinder many of these workers.

This is always to be put into perspective because there is still a lack of confidence in a return to full employment. In particular, the recruitment of young workers, who have great difficulty in finding work. This is valid even for students with a bachelor's degree. At the beginning of 2021, only ²²75% of them find a job after their studies compared to 88% in normal times. It is enough to discuss with young future workers to see that many fear their arrival on the labor market, in a highly unstable period.

3. The perception of the crisis management

A. An initial assessment of the government's management of the crisis

This first year of the Covid-19 sanitary crisis would have been a source of economic crisis, of decrease in household consumption, and many other problems. It would also have been the source of many debates on the

²² See the article from France Info: https://www.francetvinfo.fr/replay-radio/c-est-mon-boulot/covid-19-et-emploi-meme-les-plus-diplomes-ont-du-mal-a-trouver-du-travail_4252695.html

management of the crisis at all levels by the decision-makers. Indeed, as in every crisis, decisions are taken to respond to the problems and different solutions are brought by the decision-makers. This can lead to a positive or negative reception by those observing with a concerned eye, notably in our study, the households. We remember the mask controversy when the first security measures were put in place, which gave rise to contested reactions from the French government. In lack of masks for its population, the government had first decried the real contribution of the masks, before going back on their position. The French households had notably criticized the incompetence of the government by its non-capacity to provide for the needs of its population putting forward the danger that it represented for them. As a result of this controversy, politicians have lost a lot of credibility in the eyes of households. Overall, ²³66% of French people felt that President Emmanuel Macron had not been up to the task of dealing with this crisis. On the other hand, 68% of French people believe that companies have managed this crisis well overall and continue to do so.

B. The crisis, a vector of rapprochement for the population

This major, unprecedented event did not bring only positive results in the relations between: the different groups, the population...

More than half, 51% of French people believe that their fellow citizens have acted selfishly. Indeed, we could observe unreasonable behaviors if not dangerous from many people, whether through real "scenes of battle" in stores or non-compliance with health standards. Numerous conspiracy theories have also emerged, such as the creation of the virus to enrich the richest people, to set up an authoritarian regime on the part of the government, or many others related to the vaccine, for example. Some scenes, observable behaviors have thus brought out the worst of the human being when he is turned upside down in his way of life and has highlighted the cynical attitude of some groups, individuals...

²³ See the article from Le Figaro: <https://www.lefigaro.fr/politique/un-an-de-covid-19-les-francais-critiquent-la-gestion-de-l-executif-20210311>

Nevertheless, these are not regrettable behaviors that will be observed only in France but everywhere in the world. Moreover, this crisis and its hazards such as confinements for example have also brought out the best in some people. We cannot forget the mutual aid towards the most deprived households, the students by certain businesses or the individuals between them. We have never had so much the impression that the population was globally welded to face this crisis. We could notice that many people made the food expenses for the oldest people to avoid that they take the risk to be contaminated and that these last ones become a group isolated from the rest of the population. The households also made the efforts to the exit of the confinements, especially with the help of the realized savings, to go to consume in the businesses in need of making a profit as the restaurants.

C. Households put to the test during this crisis

It is a whole way of life, a way of acting, of thinking that has been disrupted by this crisis for households. ²⁴"French people have been affected in their flesh" is the very accurate expression used by Figaro to express the feeling of the French people about the impact that this crisis has had on them. Indeed, beyond the economic situation, whether it is related to the lack of social relationships, to an extremely complicated family life context for households, or a lack of leisure consumption, this crisis would have plummeted the morale of 57% of the French. Indeed, because of telecommuting, which forces working people to work from home, often with children to support, we have heard testimonies from people who can no longer bear this oppressive family context. On the one hand, there is an uneasiness felt by households linked to living in a community with the same people all the time, but also an uneasiness for people living alone without the possibility of having social relations. On the other hand, the crisis has worsened the professional context of 42% of French people, whether it is related to the stability of their job or to teleworking. Indeed, in a period where the job offer

²⁴ See the article from Le Figaro: <https://www.lefigaro.fr/politique/un-an-de-covid-19-les-francais-critiquent-la-gestion-de-l-executif-20210311>

has been very low with many layoffs, stress has been important for the French working population but also for the families who were financially impacted. In addition, teleworking is for many workers a very complicated context to work productively and feel fulfilled in his work.

D. Learnings for the future

This crisis and its management by all the stakeholders at least, allow us to think that it has enabled us to reinforce certain certainties and to question other principles and methods that govern our system, our way of functioning. We have seen that it is extremely vital that households, the population, to cope well with such crises, must have confidence in the decision-makers and in the people and institutions that have an important impact on their way of life. This crisis has also highlighted a strong capacity for adaptation on the part of households, in the management of their consumption and their lifestyle. We are entitled to think that in case of future crises of the same scale, they will be much better prepared to face them, whether it is about their economic behavior or in their everyday life.

This crisis would also have at least had the beneficial effect of questioning the way our current system and institutions operate. Indeed, we can hope that future governments will be better prepared in the long term to face such crises. There is therefore a whole way of functioning, of setting up responses that need to be reviewed, particularly in terms of the management of health security measures. The leaders of many sectors throughout the crisis did not understand the government's strategy to contain the epidemic, with the successive implementation of containment as well as the reopening of some industries and not others. Many communication mistakes were made and we can hope that in the near or distant future, the political leaders will know not to make them again.

However, not everything is to blame in the management of the crisis by the government but also in the French system in general. Indeed, how many countries can boast of having a social policy that protects their citizens as much as possible? The compensation linked to short-time working, the job protection plans, or the assistance to the poorest households implemented by the government, have considerably reduced the negative impact of the crisis on

households and companies in particular. Moreover, French households recognize the efforts made during the crisis with the economic aid measures taken by the government. As the crisis has evolved, it has been noted that leaders have increasingly taken popular opinion into account in their short-term decisions. Nevertheless, as mentioned earlier, a certain distrust of the population towards its leaders began to set in at the beginning of the crisis, and we can understand the distrust now maintained by the French towards their government.

III. Conclusion

Is there a word that resonates more than "Covid" about this past year? This virus has contaminated our bodies as much as our minds, to the point where we are only thinking and acting through the prism of this epidemic. There is a real before and after to this crisis as if its beginning launched a new calendar, a new era. Indeed, we compare the numbers of fatal cases of other diseases to Covid-19, the economic activity before and after Covid...

This virus has disrupted first and foremost the economic system as we knew it. The French economic growth has reached lows never equaled since the Second World War, synonymous with a total fall in household consumption. Indeed, some sectors have seen their activity totally decline, if not disappear. Household consumption in certain sectors has fallen, if not disappeared, either by incapacity to consume dictated by restrictive measures or simply by economic choices. Indeed, this unprecedented context would have had the merit of pushing households to rationalize their consumption, and other economic behaviors to simply cope financially with the crisis. The latter has highlighted even more certain disparities between individuals, who are not all equal when faced with the loss of income. Some have adopted extreme behaviors, such as saving at a record high rate.

The economic uncertainty has not only shaken households but also companies, which have suffered enormously, even signing their death warrant for some. The French state has also been brutalized by this crisis since the various measures taken to help economic agents have had the effect of increasing the public deficit even further.

Our way of life has been considerably challenged, teleworking has become the norm, cinemas and museums have been a distant memory for almost two years, and many other things that drastically changed. The uncertainty for households did not only concern their consumption but also their employment, with the issues we observed, resulting in drastic losses of income, fatal for the most modest. Between confinement and health security measures, the French had to face the hazards that surrounded and continue to surround their jobs. Despite crisis management that has been and continues to be questionable, to say the least, real solidarity has emerged from this event, and not only from individuals among themselves. The substantial aid provided by the state has sometimes compensated for the lack of those who needed it the most. This crisis will leave highly negative consequences at all levels, even though it is not over, the wounds for everyone are not close to being healed.

The French have therefore had to make sacrifices and endure to get through this traumatic crisis for many of them. As the figures show, it has not been easy for everyone, but overall the French have been courageous. Their way of dealing with this crisis, which is practically unprecedented, has not only brought out the bad. Some epidemiologists believe that this crisis is not over and that it is far from unlikely that other similar episodes will occur in the future. One can think that households, companies, and all those involved in the functioning of the country will be better prepared to fight future crises and the current one. Indeed, concepts such as solidarity, altruism, rationalism have sometimes shone through noble actions. It is now necessary to hope that all the people concerned will not forget them in the near or more distant future. The purpose of this file has been to highlight the main issues related to the Covid-19 crisis, especially on French households.

III. Bibliography

INSEE, Economic conjuncture points for 2020 and February 2021, « The consequences of the Covid-19 health crisis”

Article from Les echos: <https://www.lesechos.fr/industrie-services/conso-distribution/coronavirus-la-fortune-de-jeff-bezos-gonfle-durant-la-pandemie-1195348>

Economic analysis of Dares (linked to French government): https://dares.travail-emploi.gouv.fr/sites/default/files/fbccef71a88e73aca4d04464a78d7ab1/Dares_TdB-marche-travail_crise-sanitaire_04022021.pdf

Article from Lafinancepourtous:

<https://www.lafinancepourtous.com/2020/10/14/covid-19-les-effets-de-la-crise-sur-la-consommation-et-lepargne-des-menages/#:~:text=L'%C3%A9tude%20montre%20que%20la,suivant%20la%20fin%20du%20confinement.>

Article from Le Parisien: <https://www.leparisien.fr/info-paris-ile-de-france-oise/carte-du-deconfinement-l-ile-de-france-passe-au-vert-14-06-2020-8335428.php>

Laura Di Domenico, Giulia Pullano, Chiara E. Sabbatini, Pierre-Yves Boëlle & Vittoria Colizza, See the paper « *Impact of lockdown on COVID-19 epidemic in Île-de-France and possible exit strategies* », from BMC Medicine, “Background”:

<https://bmcmmedicine.biomedcentral.com/articles/10.1186/s12916-020-01698-4>

Article from Le Monde:

https://www.lemonde.fr/economie/article/2020/06/25/pouvoir-d-achat-quels-seront-les-effets-du-covid-sur-l-inflation_6044114_3234.html

Article from France Info: <https://www.franceculture.fr/emissions/le-reportage-de-la-redaction/un-apres-le-premier-confinement-comment-le-streaming-sest-impose-dans-nos-vies>

Study from the French government on “Short-time work” (2021):
<https://www.economie.gouv.fr/covid19-soutien-entreprises/dispositif-de-chomage-partiel>

Article from Le Parisien: <https://www.leparisien.fr/politique/covid-19-le-prix-des-masques-nouvelle-ligne-du-clivage-droite-gauche-06-08-2020-8364441.php>

Article from Le Monde: https://www.lemonde.fr/les-decodeurs/article/2020/08/21/coronavirus-estimez-votre-budget-masques-avec-notre-calculatrice_6049580_4355770.html

Jacques R. Bughin, Michele Cincera, see the paper “*Fear of Going Back to Work and Work from Home*”, “Introduction”, SSRN (2020),
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3782268

Article from Le Figaro: <https://www.lefigaro.fr/conjoncture/restaurants-cafes-culture-l-acces-au-fonds-de-solidarite-va-etre-modifie-en-juin-20210503>

Article from France Bleu: <https://www.francebleu.fr/infos/economie-social/forte-baisse-du-chomage-en-aout-qui-reste-ependant-a-un-niveau-eleve-1601029198>

Economic analysis of Dares (linked to French government): <https://dares.travail-emploi.gouv.fr/publications/situation-sur-le-marche-du-travail-au-27-octobre>

Article from France Info: https://www.francetvinfo.fr/replay-radio/c-est-mon-boulot/covid-19-et-emploi-meme-les-plus-diplomes-ont-du-mal-a-trouver-du-travail_4252695.html

Study from the French government on “partial unemployment fraud” (2021):
<https://www.economie.gouv.fr/fraudes-chomage-partiel-renforcement-dispositif-contrôle>

Article from Le Figaro: <https://www.lefigaro.fr/politique/un-an-de-covid-19-les-francais-critiquent-la-gestion-de-l-executif-20210311>