

CHAPTER I

INTRODUCTION

A. Background of the Study

In December 2019, the world was shocked by the emergence of a virus whose cause was unknown. This virus outbreak was first discovered in the city of Wuhan, China. The world still thinks that the plague is an ordinary virus that attacks the respiratory tract. However, at the beginning of the year this virus began to spread and China began to implement a lockdown policy for its country, only then did other countries realize that this virus was a fairly serious outbreak (Rothan, 2020).

The United States, this virus was first discovered in January 2020, where a 35-year-old man experienced symptoms of fever, cough, and nausea after returning from Wuhan. In the following month the Covid-19 outbreak began to spread in United States, and the Seattle area became the initial center of the outbreak in United States. According to the CDC, in the time span between January 21 and February 23, 2020 there were 14 cases of coronavirus in the U.S. those recorded by the public health agency stated that all of them had recently visited China (Holshue, 2020).

At the beginning of the outbreak of Covid-19 before the United States confirmed its first case in its country, the WHO had warned President Donald Trump and the governor of New York to be wary of the virus because it was likely to spread quickly and have a large impact. President Donald Trump ignored the warning and considered the outbreak

to be an internal Chinese problem and the country's responsibility. That's why since the beginning of the pandemic, President Donald Trump has paid less attention to this virus. Even as the virus hit New York and governor Cuomo tried to warn Trump, he ignored it. Stubbornness, anti-criticism, and neglect of the dangers of early warning and criticism from others, not being anticipatory and responsive, and taking the problem lightly, have made Trump negligent and low in his responsibility to the US public. (Nainggolan, 2020).

Since Covid-19 entered the United States, the situation has worsened due to a very sharp spike in cases every day. The negligence caused by Trump has impact many sectors. The state of health of the United States collapsed and the economy plummeted. The health condition in the United States is very worrying, every day the victims of the Covid-19 virus are falling and increasing. Hospitals are no longer able to accommodate patients resulting in many being neglected and not being treated properly.

The economy during the pandemic also experienced a drastic decline because the business sector was hampered. All activities are strictly restricted both domestically and abroad. As all these actions inevitably lead to the delay of various forms of economic activity (especially services), national administrations simultaneously face the challenge of saving their respective economies to avoid a crisis. This

causes the economic cycle in the United States to be severely hampered (Kurt, 2021).

One of the immediate effects of the Covid-19 pandemic has been a sharp decline in aggregate spending and a sharp increase in savings. The personal savings rate peaked at 34 percent in April, the highest level in recorded history. As is the case around the world, spending in the United States has fallen after the Covid-19 related shutdowns. Spending on many types of goods and services fell immediately during the pandemic. Throughout July, savings rates were also boosted by stimulus payments to households, including unemployment insurance benefits and other federal transfers to households. As a result of those payments, even as millions of workers lost their jobs, disposable personal income from March to July exceeded pre-pandemic levels (Kasprzak, 2022).

Covid-19 is particularly detrimental to small businesses, which represent the vast majority of businesses in the United States and employ nearly half of all private sector workers (Bartik, Bertrand, Cullen, et al. 2020). Some sectors where employees are unable to work remotely and where businesses are not considered essential to opening fared particularly badly (Papanikolau and Schmidt 2020). In particular, some of these sectors, after partially recovering, began to experience another decline in earnings starting in August. Then the labor market crash caused by this pandemic was the fastest and most severe in recent US history (Bauer, Broady, Edelberg, & O'Donnell, 2020).

Many companies are reacting to the COVID-19 pandemic by reducing their operations. According to analysis from Homebase, a company that provides scheduling and time clock software to service sector clients, it shows that, starting at the end of March, the reduction in total hours worked was mainly driven by layoffs and company closures. That is, the observed reduction in working hours is not driven by cuts in working hours among workers, but by reductions in work and temporary leave. As a result, the economic crisis during the pandemic cannot be avoided. Before the economic crisis hit again, Trump made rules that prevented a continuing crisis from happening and made the United States economy stable. (Zamarripa, 2020).

The researcher interested in discussing President Donald Trump's policies during the Covid-19 pandemic in the United States. Because, at that time his decision reaped a lot of controversy and was considered unable to handle the pandemic properly, besides that his policies had an impact on various aspects including the economic sector. Furthermore, for researcher of Trump's policy controversy, it made a little impression on me because Trump was considered unsuccessful in dealing with the pandemic, but at the end of his term of office managed to overcome the economic crisis.

B. Scope of the study

In this study, the researcher focuses on the influences of the policies taken by President Donald Trump during the pandemic and how to overcome the economic crisis that occurred during the pandemic at the end of his tenure.

C. Problem Formulation

Based on the scope of the research above, the researcher formulates the problem of this research as follows:

1. How was the condition of the Covid-19 pandemic in the United States in 2020?
2. How were Trump's policies during the pandemic restore United States economy?

D. Objectives of The Study

The Researcher states mentions some objectives of the study are as below:

1. Describe the condition of the Covid-19 pandemic in the United States.
2. To analyze the policies that Trump took to save the United States from the crisis.

E. Review of Related Studies

This research is related to research conducted by John B Tylor with the title *The impact of the coronavirus on economic policy and the economy*. This study examines the response to economic policy and the economic impact of the Coronavirus. Starting with responses and changes in the private sector. It then considers the ways in which various government economic policy actions

may influence these developments. It considers regulatory policy, fiscal policy, monetary policy, and international policy. The focus is not on the “demand side” stimulus package alone, but on policy changes that encourage more expansion of certain parts of the “supply side” economy. The emphasis is on encouraging and stimulating private sector action and innovation so that the economy recovers from the downturn as quickly as possible, and for stronger economic and income growth in the new normal. (Taylor, 2021).

Second paper on *Understanding Coronanomics: The economic implications of the coronavirus (COVID-19) pandemic* written by Suborna Barua. Covid-19 is harming the economy, uncertainty is causing a loss of public confidence around the world. The microeconomic impact becomes even worse if consumers lose their trust. The globalization of the Covid-19 pandemic and its economic impact will wreak havoc on all economies of the world, throwing many people into recession and possible economic depression. This paper discusses possible macroeconomic shocks from the pandemic, covering economic activities or fields including demand, supply, supply chain, trade, investment, price levels, exchange rates, financial stability and risk, economic growth, and international cooperation. (Barua, 2020).

The third paper is an article entitled *Impact of COVID-19 on the Economic Output of the US Outbreak's Epicenter* written by Orkideh Gharehgozli, Peyman Nayebvali, Amir Gharehgozli, Zamanian. Coronavirus Disease 2019 (Covid-19) started in December 2019 in Wuhan, China. Within months, it had become a pandemic with devastating consequences for the

global economy. This paper examines the impact of the Covid-19 outbreak on the economic output of New York, the epicenter of the outbreak in the US. Economic activity during the pandemic showed a significant decline as seen from New York's Gross Domestic Product (GDP) working with the Unemployment Insurance Claims series representing the labor factor, as well as Metropolitan Transportation Researcherity (MTA) passenger data showing economic activity. (Gharehgozli, 2020).

The researcher found that each type of point of the third review of the studies above among them is focusing on the impact of Covid-19 in the economic sector. The third of them focus on discussing how the United States economy was greatly affected and almost experienced an economic crisis. Then for the differences of the three, in the first paper the focus is on the policies taken by the government to encourage economic innovation so that the United States economy will bounce back. In the second paper, the researcher focuses on the economic impact that causes public trust to decline. The third paper focuses on the decline in domestic product in the United States which has an impact on increasing unemployment. In this case the researcher have a difference of the related studies about how President Donald Trump's decision to deal with Covid-19 in the economic sector which had a crash in the United States.

F. Theoretical Approach

To obtain significant results in this thesis, the researcher used an interdisciplinary approach using conservative and modern capitalism theories, because this theory will explain the impacts of President Donald Trump's policies on the United States during the Covid-19 pandemic.

The political approach is sharpened by using conservative theory to analyze the impacts of Trump's policies on the United States during the Covid-19 pandemic. Conservative theory is used because it contains absolute values that cannot be eliminated.

According to Edmun Burke (Burke, 1968) Conservatism has symptoms such as the ideal society is a well-organized society. In order to create a society ideally, it takes a government that has strong power and appropriate power regulations so as to ensure the realization of equal treatment of every individual. The ruler must be responsible for the community, especially in helping parties who are weak. Social security programs for low income earners will help create the welfare of a country.

Meanwhile, for the economic approach, researcher used the theory of modern capitalism to analyze the impact of the Covid-19 pandemic on American society. This approach was used to analyze how the government can guarantee that every individual has the same rights and is responsible for society in creating the welfare of a country.

In modern economic theory we cannot rule out the role of Adam Smith as the father of economics. Adam Smith in his book *The Wealth on*

Nation mentions about the invisible hand, where it is defined as a personal interest that has a major impact on free markets. This can be interpreted as a self-interest that can create positive results for the economy.

In his book *Modern Capitalism of the 1970s and 1980s*, John Cornwall argued that while the technological gap between rich and poor countries could create the potential to catch up to technology through imitation, this potential required extra effort, particularly in investment and other enabling factors. According to John Cornwall (Cornwall, 1990) modern capitalism is technological progress, both from learning by doing on an economic scale, where the main focus is on what shapes manufacturing growth which is considered the main source of growth.

G. Method of the Research

In this study, the researcher uses qualitative methods to analyze the impact of the policies taken by President Donald Trump at the beginning of the pandemic and the economic policies taken to prevent the economic crisis during the pandemic. Qualitative research begins with assumptions, world views, possible use of theoretical lense and study of research problems that investigate the meaning of individuals or groups considering human social problems (Creswell, 2014). Through the above approach, data sources such as data collection, main data, supporting data, and data analysis were created so that the researcher explained as follows:

1. The Sources Data

a. Main data

In this study, researcher used data sources from the Washington Post Youtube channel entitled "An inside look at Trump's failed coronavirus response | America's Pandemic" which discusses Trump's statements regarding the condition of the United States and the economy during the pandemic as the main data source.

b. The supporting Data

Then researcher need supporting data as data that will be used to support the main data. Researcher use official news about the issue of Covid-19 pandemic as additional data taken from various sources such as articles, journals, books, internet, and other supporting data sources related to the object being studied. All of these sources are taken as supporting data to analyze Trump's economic policies in the pandemic era.

2 Method of Collecting Data

The instruments used in data collection are observation, documentation and use of literature study. Observations are made by watching videos which are the main source of research. This observation is used to pay attention to every word Trump used in his speech when announcing the initial policies taken during the pandemic and regarding the restrictions on activities during the pandemic which triggered economic paralysis in the United States which resulted in the economic crisis. This study also uses a literature study to find data that is relevant to what is needed in the research. Documentation in this

thesis is done by highlighting the transcript line which is the answer to the problem formulation.

3. Method of Analyzing Data

In the data analysis process, researcher use the observation method to analyze the impact of Trump's policies during the Covid-19 pandemic in the United States. Then the author also uses the literature study method with secondary data such as journals, articles, and other relevant sources as supporting arguments in research. The researcher watched the film several times by taking some keywords in the scripts. Then those keywords were analyzed by Theory of Conservative and Theory of Modern Capitalism supported by the American Studies approach.

H. Presentation

The presentation of this research is very important to help readers understand the contents of the paper. This research paper will consist of four parts. The first part will contain the background for selecting the research to be taken, then the scope of the research, research objectives, review of related research, theoretical framework and research methods. Then the second chapter will contain the theoretical framework that will be used to analyze the problems that will be discussed in chapter III. The third chapter contains a discussion that will contain an analysis of the condition of the United States during the pandemic and the government's response to the pandemic. And the final chapter will contain conclusions and suggestions.