

# The Economic Cost of Shutting Down Workplaces Would be Lesser than the Price of a Potential Spread in a Densely-Populated Country Like India

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## **The economic cost of shutting down workplaces would be lesser than the price of a potential spread in a densely-populated country like India**

Given the Coronavirus outbreak, India is faced with the challenge of protecting its 1.3 billion people from the pandemic. Worryingly, the number of COVID-19 positive cases in the country has risen to 223, including 32 foreign nationals, as at least 50 fresh cases were reported on March 20, making it the largest single-day jump since the outbreak began weeks ago. At least four deaths have been linked to the virus. The country has limited resources and as the Western world calls it, "a patchy healthcare system." Though the country has experience in dealing with epidemics in the past, be it the H1N1 (swine flu) contagion, H5N1 (bird flu), Nipah or the Severe Acute Respiratory Syndrome (SARS), the fact remains that it is largely resource-constrained.

India chose the path of preventive care to handle the Coronavirus crisis and the country has fared well so far. We cancelled trains, sealed the borders, carried out extensive screening at all airports and ports around the country, stopped visas for foreign travel, quarantined the reported cases, screened the suspected cases, closed schools and colleges, stopped social gatherings, reduced the number of people at weddings, postponed cricket matches and examinations, closed malls, cinema halls, restaurants and crowded monuments. A message from the Government of India is heard by everyone who makes a phone call, giving sound information on hand hygiene and sanitising and other steps to be taken to combat the potential epidemic. The Government has cracked down on hoarding of hand sanitizers and modes of public transport are being cleaned and sanitized daily. Now, the Government has asked people to undergo a "janata (people) curfew" on March 22.

The informal information network on social media is also active to spread awareness regarding the dreaded pandemic and the number of jokes shared on the Coronavirus exhibit the resilience of the people of India in tough times.

The Indian Council of Medical Research (ICMR), has conducted a survey to understand the level of community transmission of the disease. The virus has been reported so far in individuals with a travel history to other parts of the world where people are affected. The ICMR has conducted random tests on people with flu-like symptoms to find out the local carriers of the virus, because the cases could have been under-reported like everywhere else in the world.

Public awareness, self-reporting and self-isolation would be the key to controlling the Coronavirus spread in the next two weeks. The economic cost of shutting down workplaces would be lesser than the cost of a potential spread, as it will be difficult to control the disease in a densely-populated country like India. Doctors worry about a shortage of gloves, masks, ventilators, medicines and test kits in the wake of a spread of an epidemic. Hospitals would be overwhelmed and the health system would be put to test in the reverse situation for the next three-four months. The man-hours lost due to disease would be much higher than the man-hours lost in preventing the disease. Covid-19 will pose a threat to production in India, as firms depending upon supplies from China will be curtailing operations. We have not heard of shutdown of production houses so far in India. A successful preventive care strategy will eliminate a supply shock in India, as production houses can clear inventories during this critical time. A temporary supply shock will be handled adequately by policymakers, by reassuring the public and the corporate houses by taking adequate steps to support demand and supply. Indian production chains are more resilient and the banking and corporate sector have had the experience of handling demonetisation. There should be more awareness about hygiene arrangements on the highways, be it food or restroom facilities. Police, banks, hospitals and food suppliers should be added to keep their premises sanitised, as they are essential services. The virus outbreak in India could end swiftly, by the self-discipline of the people and the resolve of the Government and policymakers. In that case the economic impact of Coronavirus will not be felt much by the economy, although the temporary shock of the breakdown of the global supply chain will affect India.

In the US, \$1 billion is given by the federal Government to States and hospitals for disaster preparedness. India spends \$63 per capita on health as per WHO estimates and public health expenditure is \$22 as per NHP estimates. The total healthcare expenditure in 2016 was about \$110 billion and there is roughly a total public health expenditure of about \$30 billion today. We do not have the economic resources to handle a crisis like the COVID-19 pandemic but a better economic sense of the people, institutions and policymakers by choosing the preventive way, will hold us in good stead. A developing country may provide an important lesson for public health, to the developed world, in that case.

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