

A Report
on
ONLINE LECTURE SERIES
“Economic Sustainability vis-a-vis COVID-19”

Date: July 3, 2020 (Friday)

Time: 07:00 PM – 08:00 PM

The Department of Commerce, St. Xavier’s College, Burdwan, organized an online lecture series on the topic *“Economic Sustainability vis-a-vis COVID-19”*. The keynote speaker for the webinar was Dr. Samrat Roy, Coordinator of Ph.D. program & HOD, the department of Economics, St. Xavier’s College (Autonomous), Kolkata. 115 participants attended the online lecture out of which 107 participants were students from our own department.

Sir discussed about the COVID-19 pandemic and the associated economic crisis which are posing huge challenges, raising many unknowns and imposing wrenching trade-offs. Both crises are global, but their impacts are deeply local. As news of the global spread of coronavirus disease (COVID-19) emerged, global financial markets reacted pessimistically and behaved in ways not seen since the 2008 financial crisis. To fully understand the potential future economic impact of the virus which leads to this disease, Sir drew a parallel comparison to the 1918 influenza pandemic, popularly known as the Spanish flu. The 1918 flu was the last truly global pandemic, its potency exacerbated in an era before the existence of international public health bodies such as the World Health Organization. About one-third of the world’s population caught this acute respiratory tract infection. The economic consequences of the pandemic included labour shortages and wage increases, but also the increased use of social security systems.

We must prepare for the economic and human consequences of the virus and act to minimize its impact. This pandemic is both a shock to demand and supply. Just as the disease is highly contagious, so too is the economic crisis it causes. The labour lost from implementing the recommended 14 days of self-isolation for suspected cases alone will have serious economic implications. Closing down entire regions or countries will no doubt causes a recession. The emergency lowering of interest rates in most of the countries must be the first of many policies aimed at mitigating the economic impact of COVID-19. New fiscal policy measures must now also come into play. Individuals in low-paid precarious employment deserve targeted attention. Governments must dramatically overhaul policies and invest in public health, economic stimulus, and social safety nets, to help countries recover faster from the COVID-19 pandemic.

As the novel coronavirus, COVID-19 rapidly spreads across the world, health services in many nations are increasingly overwhelmed, while the global economy is falling into an unprecedented recession. Sir discussed the case study of how South Korea's response to COVID-19 stands out because it flattened the epidemic curve quickly without closing businesses, issuing stay-at-home orders, or implementing many of the stricter measures adopted by other high-income countries. The country has shown early success across three phases of the epidemic preparedness and response framework: detection, containment, and treatment. From the outset, decision making in South Korea has been collaboration between the government and the scientific community.

South Korea's health system is centered on hospital-based care. Compared to other high-income countries, the number of hospital beds per capita is much higher, at 12.3 beds per 1,000 populations. This is over two times the average of Organization of Economic Cooperation and Development, or OECD, countries. Although some critics suggest that South Korea's health system is over-indexed on hospitals—often sources of secondary or tertiary care—to the detriment of primary care, this increased capacity enabled hospitals to respond quickly to COVID-19 without sacrificing care for non-COVID-19 patients. Additionally, health care use in South Korea leads all other OECD countries at 16.6 consultations annually per capita.

We have many lessons to learn from South Korea's experience with COVID-19, while also recognizing that the lessons may not be relevant to all countries. Culturally and legally, South Korea is more tolerant of personal data-sharing, and its success has been heavily dependent on its ability to rapidly scale up technological solutions. Countries with less technology and where citizens do not have smartphones or are not as willing to share their data may experience difficulties adapting such strategies.

Global economy could shrink by almost 1% in 2020 due to COVID-19 pandemic. The recovery from the COVID-19 crisis must lead to a different economy. With Covid-19 onslaught, the government has shown tremendous resolve to counter the fallout through socio-economic packages ranging from direct cash transfer to poor and farmers to free food to the needy.

The International Monetary Fund has cut India's growth forecast for 2020-21 to 1.9%, down from its earlier estimate of 5.8% in January this year. Informal sector workers and members of lower income groups have been hit particularly hard as their wages disappear. The International Labour Organization estimates that 400 million people in India are at risk of sinking deeper into poverty. The pandemic has reinforced the links between health, environment and the economy.

Coronavirus has weakened India's fight against poverty considerably as the pandemic has sent all socio-economic growth projections for a toss at a time when the country is expected to face the brunt of fast sinking global economy. To shore up the Indian economy, sir gave valuable insights and other systemic actions that are needed to shift towards a more sustainable and resilient economy such as investment in sustainable infrastructure, Building the resilience for the most vulnerable ,about 90% of India's workforce is informally employed, which includes gig

economy workers. This population is extremely vulnerable to economic shocks and needs greater access to formal credit and social safety nets such as insurance and pension schemes.



Using fiscal mechanisms for recovery and resilience, Fiscal mechanisms can help support recovery and resilience efforts, while promoting low-carbon development. The Indian government has announced an economic stimulus of INR 1.7 trillion (\$24 billion), and is exploring another bailout of INR 750 billion for Micro, Small and Medium Enterprises (MSME), among other steps. Though MSMEs need immediate financing to deal with their wage bills, the government can also infuse capital for them to undertake needed industrial energy efficiency upgrades.

Several sectors, like the aviation and auto industries, will need support in order to recover. This will require consideration of the fiscal situation, and it presents an opportunity to encourage greater sustainability by making this support conditional on cleaner technologies and fuel efficiency. Meanwhile, the government can increase taxes on luxury sectors with high environmental impacts. It can also use this opportunity to rationalize fertilizer subsidy and increase taxes on fossil fuels, with the savings and proceeds returning to target populations through cash transfers or social safety nets.



To sum up, COVID-19 is causing deaths and serious illness around the globe. No country is being spared; countries are facing significant real economy costs as a result of containing COVID-19 and its consequences. While various measures have been taken in different countries—some countries have imposed more and harsher restrictions than others—the common denominator is that all countries are confronting drastically reduced demand for goods and services. This in effect has resulted in deglobalization in terms of shortening global value chains. What's worse, what may be expected to be a temporary reduction in demand in industrialized countries could cause permanent damage to the manufacturing industry and productivity in developing countries, leading to a setback in recent advancements in the social dimension of industrial development, i.e., we may be seeing a significant poverty increase and worsening income inequality? To protect against regression in social development, this article argues that governments in developing countries need to do their utmost to support manufacturing industries throughout the crisis and prepare them for a speedy recovery. In the most optimistic scenario, one might envisage a change in the business model to one that is more inclusive and sustainable. However, it is unrealistic to expect governments to be able to weather the storm on their own and therefore, timely and coordinated international action is called for. UNIDO could emerge as the natural leader of such an international initiative.



Participants were actively involved in the discussion which can be clearly seen at the interactive session (Q&A). They were given the opportunity to clearly understand the concept and new aspects of the future possibilities.

The Online Lecture has also outlined the pathways being on economic sustainability side or on the other side how to deal with the current situation. The speech delivered by expert person sought to help participants understand the future economic structure post lockdown and the roles and responsibilities of financial institutions as well as small buyer-seller. It was a completely new learning experience for all the participants.



St. Xavier's College, Burdwan
THE DEPARTMENT OF COMMERCE
PRESENTS

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**Dr. Samrat Roy, Ph.D Coordinator & HOD, the Department of
Economics, St. Xavier's College (Autonomous), Kolkata.**

**Zoom Id Will be Shared on the
day of the Online Lecture.**

**Date : 3rd July, 2020.
Time : 7:00 PM to 8:00 PM.**