

Economic Risks and Mitigations of the Coronavirus

The Economic Risks of the Coronavirus and its Mitigative Policies

by

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Introduction

The Pandemic that has ensued from Corona Virus infections has indeed taken the world by a storm. Never has such a close down of business and normal lives occurred due to such illnesses. Children cannot go to school, adults cannot go to work and banks and businesses cannot provide the essential services that it is supposed to. Today, almost half the population of the world maybe at risk of dying from starvation and hunger due to not being able to go to work.

Indeed, the close down of work means that persons who depend on the day to day earnings for their livings, are at a stage where they would die of hunger from not being able to buy food and medicines due to not having any earnings. This is a frequent occurring in the developing as well as developed economies where persons have to go to work to make a living. When persons go to work, they use resources, make payments and procure essentials for their life and their work. Indeed, today this cycle of the working economy has stopped, causing a risk to life as much from hunger as it is from the risk of the Coronavirus itself.

At this stage, governments all over the world have to ensure that its citizens have the ability to return to work and keep working at their specific jobs. Policy makers have to ensure that any fear of job loss that may have taken grip of their economy in any intangible or tangible manner, is mitigated and resolved such that its citizens can go to work without having the fear of loosing their jobs and returning to a state of risk on death from hunger and no food from no earnings. Indeed, it is this confidence in one's working economy, that is taken away by the Coronavirus. Yet, this confidence, although intangible and often not measured, is an essential element for the success of any economy, poor or rich. As the poor economies want to get richer, it would certainly not be based on the loosing foot of job losses and worker stagnation. Also, a richer economy would not want to loose its economic efficiency by having a sparse ability to produce its goods and services that eventually leads to not being able to produce as efficiently. Yet, the Coronavirus knows no differentiations, and it can take lives in any such economies and indeed has infused a sense of equal fear amongst all economies. Hence, the ensuing 'Air-Risk' of the Coronavirus is almost a constant factor for consideration by all.

Losses

The Coronavirus has caused losses in several economic aspects. Some such economic losses can be stated to be:

1. Loss of Jobs
2. Loss of Financial Ability
3. Loss of Social Interactions and Developments
4. Loss in Health
5. Loss in Education and Research
6. Loss in Food Habits

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7. Loss of Factory Outputs
8. Loss in Population Growth
9. Loss in Travel and Tourism
10. Loss in Agricultural and Resources Outputs

These above mentioned losses are a global occurrence and indeed the world may have shrunk recently due to such causes. Hence, the Coronavirus Pandemic raises questions in Policy Development that would address such losses, and actually be able to reverse such occurring phenomenons.

Indeed, to reverse such occurings of losses, nations may have to adopt certain levels of policy that is previously unprecedented, and which may actually meet and mitigate the learnings from the Coronavirus. If the Coronavirus has an ability to take lives and reduce mankind to hunger and starvation, then measures of equal abilities would have to be adopted to ensure protection from any further occurances.

Hence, to meet such obligations, each of the above Losses would have to be considered as an area for monitoring, development and protection with an improved oversight. Whilst such exercises may have been undertaken previously, the Coronavirus has caused a reason to develop policies with deeper insights and improved abilities, especially in the Digital Economy. With the ensuing of the Digital Economy, most nations would find themselves somewhat carried away by its influences, not having as much oversight and abilities as it may have had in the past and under a Classical Economy model. So, goods and services that were previously bought and sold between countries would have had to meet certain regulative requirements of an affected or importing nation, that protected the above Losses. However the Digital Economy has enhanced the ability for electronic trade, where most such previous oversights in real goods and services may have been overlooked or cannot be monitored as efficiently under the existing methods and systems developed from a Classical Economy.

Indeed, this has had an impact and causation for the Coronavirus, where goods that are organic in nature and goods that may have a biological carrier ability for bacteria and viruses, would easily be procured from the internet, and when passing through any existing controls, may have bypassed due to being a good of electronic origin. At times, electronic origin of goods, may have bypassed the usual standard of checks and balances as for an usual imported good, as electronic goods maybe produced and sold in the same country or economy, thereby not being fully or wholly processed as an imported item. Here, new policy needs to be developed that balances and applies the existing economic checks for imported goods and applies them to goods and services that maybe procured electronically or through the internet. Customs, duties and quarantine checks have to be equally applied for such goods, as is prescribed and regulated for the Classical Economy. This would indeed, be largely beneficial to meet and mitigate such above mentioned Losses. When a nation has previously provided a discount on electronically imported goods, and that such goods have some source of origin for the Coronavirus, it becomes an urgent requirement to apply such measures and standards to such electronically traded goods and services.

However, several nations maybe reluctant to apply such stricter measures due to the economic discount that it may obtain from such oversighted trade activity. If goods and services sold electronically, has even the slightest chance of aiding the foreign trade figures of a country, certainly such an oversight

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would be allowed, especially due to the financial advantages that it may produce mutually. When the electronic trade platform is an open and equally accessible economic platform, all nations may potentially claim all trade that is happening in this platform. As the lines are indeed blurred for who is selling to whom, and who is buying what, it does provide a scope for a rogue nation to claim selling stars to martians. However, this reduces the internal ability of nations as they bypass some of the inherent economic capability that it may have developed as a learning from its own economy. Whilst initially electronic trade afforded these certain discounts, mainly by pessimists and opportunists alike, today, this overgrown child certainly would need some trimmings as it has important elements of causing dangerous health risks.

Simple ignorance, in this case, is clearly in opposition to established bureaucracies in each individual nations, as if a nation cannot protect the health of its Citizens, then what good could it be.

Mitigation Pathways

Clearly the most relevant mitigation pathway for such Losses, are in appropriate evaluation of the engagement that is undertaken under each of the stated categories. However, this is not about closing markets to each other, but rather about being respectful of each others markets, capabilities and health risks. Making a population sick by any chance should be avoided and such mandates should be respected by all, including the rich and poor economies.

When goods or services are being traded between nations, it should be equally checked by the importer and the exporter, that it does not project any risk to the health of the combined population. Indeed, from mutual respect comes successful trade of any measures, and to have a check on the population health that is imposed by each party, should be a considerable measure to approve such trade. However, the chance to procure goods and services at a cheaper price, even if it is sick or developed in a sweat-shop, is seemed to be more applicable than the application of any moderation, even if that had impacted the greater health of mankind. The important difference here is, that the worker in a projected sweat-shop has never used, and never will use certain products and services that is being produced and is completely for the export market, therefore the sense of safety and health precautions during production cannot be fairly expected from the particular worker or its facilities. However, such dangerously produced goods and services are sold and bought in the greater world markets, that may easily translate such economic differences into a real and tangible health Pandemic.

Indeed, whilst the Coronavirus had originated in China, and that the epicenter of such Pandemic is from goods that are procured from China, whilst China is to blame for such Pandemics, an equal opposition to such a blame maybe voiced by Chinese policy makers as to each nation not having their own checks to bring the goods and services produced in China into their own territories. Whilst in a factory in China, there maybe workers who are sick and infected with the Coronavirus, them manufacturing the certain clothes, organic or even inorganic products that are then procured worldwide at an extremely cheap price, would certainly make one question the higher economic checks and balances that maybe thus displaced. If goods and services are being produced by sick workers, that are then available at a very cheap price worldwide, would then the world stop and consider the illnesses of such workers and

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the state of their real economy?

So, there comes forth an element of the sweat-shop economy that many may have discussed and considered upon their good intentions. If a country gains monies from working under a certain condition that is prevalent in their economy, would buying into such degraded condition by the world, be an acceptable transaction in all terms. Not when the Coronavirus has taken effect, as whilst cheap goods and services maybe procured from such degrading or even a Modern Slavery condition from developing or under-developed economies, the discount thus obtained, may actually have a transaction in the health matters of the transferred population. So, would the infections thus obtained from a cheaper producing economy, not be a financial worth to the buying nations?

Hence, the Coronavirus Pandemic has raised questions to put in adequate checks upon the producing nations to adhere to certain required standards of production that would not qualify upon the Modern Slavery Acts in the respective procuring countries. It may often be observed that Factories producing cheap products are engaged in activities and terms, that would easily qualify as Modern Slavery in the contemporary and developed world. It is certainly not the intention of any developed or developing nation, to engage in production practices that are qualified by such Acts in their undertakings. If anything at all, Sweat-Shop production facilities have increased in the last decade, as cheaper goods and services are being produced by certain developing or under-developed economies. However, the onus and greater responsibility of the procuring nation, is seldom only with the producer, and should also be overlooked by all procuring nations.

Resolution

The real economic implication of the Coronavirus, can thereby be largely allocated to the engagement of substandard working environment as per the standards of the developed world, in procuring cheaper goods and services for their respective economies. The inconsideration of the working conditions of the producing workers, and if they are indeed employed in certain conditions that qualify as per Modern Slavery Acts, would certainly be a cause for sick workers participating and producing goods and services that eventually not only affect the health of the procuring economy, but also extends to the health of the certain populations.

Hence, in light of the Coronavirus, Nations have the responsibility to check that the factories or production facilities that are being used to produce goods and services into their respective economies are in compliance and health standards as is applicable in their respective nations. Otherwise, its population falling sick, would be an almost certain assumption, based on which such transactions would occur. No one, would want a worker who is bleeding from an injury, to then produce any product that is being sold to their market and for their consumption. Yet, without adequate checks, this is a reality and regular occurrence from the thus Sweat-Shop production facilities that produce the majority amount of such cheap goods and services.

Certain organizations who would carry out the checks for standards would have to be licensed in the certain jurisdictions to declare the fitness of the goods and services being traded respectively. It should

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be unlawful for such Organizations to provide any false declaration of fitness for the produced goods and services.

Certain checks that have to be approved by the Licensing Authority are :

1. Pass in Modern Slavery Acts
2. Health Precautions during Production
3. Safety Standards during Production
4. Worker Health during Production

The Licensing Authority could be a Panel of Organizations that are appointed jointly by the producing country, the World Health Organization and other recognized transnational organizations and it may also include members from countries who are the most importers of the producer's goods and services.

It has indeed, been an oversight of the world, that sick and degraded workers may have been employed to produce such goods and services that are brought to a heavily discounted price to the rest of the world, mainly the most developed nations. However, it was envisaged that the thus developing nations would improve the standard for production, once facilitated with the funds and finances that would be available when accepted to provide such goods and services. Alas, the continuance of the previous standards, and the increased employment on the large scale has today, caused a Pandemic that no one had expected. Hence, it does fall upon those who had been buying from such degrading conditions, to comply, assess and re-evaluate their respective purchases, even if appealed to a heavily discounted price. Such producing developing nations may have found an infinite wealth policy through productions in a Sweat-Shop model, that may indeed be impossible to forgo under existing conditions, and hence cannot be expected to be amended by the rest of the procuring world. If producing in a degraded condition has been bringing in more buyers and increasing sale, there is a dis-incentive to change any economic policy, and hence the developing economy may by now, have become a victim of its own false self-assurances.

Individual Commitments

For the Coronavirus threat to be fully and appropriately mitigated, it does fall upon individual citizens as well to ensure their own safety. Individuals should develop a personal resolution to not buy or procure goods and services that they may suspect are produced under such conditions that would fail any of the above mentioned Checks. Whilst authorities may apply all possible precautions and measures, the individual buyers, and retail outlet managers should ensure such precautions and notify authorities when they confronted by such goods or services.

Such an individual commitment is not only an obligation towards the respective nation's economy, but is also a requirement by compulsion that has to be undertaken due to the Pandemic that has been caused by the Coronavirus and its various origins. If certain such producing economies of cheap goods and services, are themselves not able to meet and improve the certain working and producing facilities by themselves, it has become a condition for the citizens of the rest of the world to assist by refusal, upon

such pandemics that maybe encroaching upon the world as a whole.

Consumer Data Right

The Australian Government should make available such data that would enable the Australian Consumer to make an informed decision about their purchases, regarding the above mentioned criterion. Currently, consumers in the Australian market have limited or no understanding and visibility of where a particular good or service is being produced and how and under what conditions such goods and services are being produced, only often having the price as an indicator for purchase.

By having a rating system for compliance to the criterion, and indeed, having a pass and fail mechanism based on the criterion for goods and services that are made available in Australia, Australian consumers can indeed be protected from certain risks of the Coronavirus and any future Epidemics that maybe otherwise incurred.