SPECIAL EDITORIAL

Economics, Ethics and Mental Health in the Times of Corona

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‘Sober up! Covid-19 respects no national borders, no social bonds, no political systems, and no cultural values. It hits us just as hard. It levels the world. Facing the pandemic, it is not what happened that matters, it is how we respond…’ says a widely circulated video clip on social media. Undoubtedly, the world is experiencing three intersecting crises because of the Covid-19 triggered pandemic. These three crises are being generated by the economic consequences of the epidemic, our social and public ethics and, lastly, mental health issues. The interplay of these intersecting crises and how we respond to them is going to critically influence our collective well-being.

Economics: Theoretical Dilemmas and Social Adversity

Across nations, the economic impact of Covid-19 has been extremely adverse. Mortality rates have differed, coping strategies have ranged from herd immunity (Sweden), moderate lock down (Pakistan, Bangladesh), stay at home (United States) to severe lock down (India, Italy, France, UK), but the economic impact has not been much different. A recent IMF report noted that GDP across nations has contracted by 15-25 per cent.¹ In other words, the economic impact has been severe irrespective of geographical regions and the nature of the ruling political regime. It is
attributable to a historically unique and simultaneous contraction of both economic demand and supply.

Although the Covid-19 stimulated economic crisis has led to a sharp decline in demand yet the current crisis is different from other recessions, or for that matter the Great Depression that inspired Keynes’s famous thesis proposing greater fiscal expenditure and recalibration of monetary policies to mitigate recessionary distress. Keynes had argued that such an intervention can translate into greater demand and thereby can trigger the resumption of supply. However, in the current scenario, consumer expenditure has spiralled down in all economies not just due to the loss of jobs and massive return migration in countries like India, but also due to individuals who continue to have secure income but lack the opportunity to spend. In this context, fiscal expenditure can cushion the income shock of the first two categories but cannot address the third. It will thus not have the desired multiplier effect in terms of employment creation and market expansion. This combination of loss of jobs/income and inability to spend has translated into a massive demand deficit.

The uniqueness of the current crisis is that it has also impacted supply. The institutional strategy to address Covid-19 demands lock down, social distancing between individuals, work from home, regulated opening and movement of business/markets, unavailability of labour force, and so on, has led to serious supply-side constraints. Cumulatively, these measures translate into lessening labour participation in market, reduced working hours and consequent decreased production, reduced mobility by public and private transport, contraction of physical market-based exchanges, and so on. Economists argue that these effects severely increase the marginal cost (increase in cost of producing one additional unit) and therefore produce the contraction of supply.

The combination of demand and supply crisis can be provocatively summed up by arguing that the Covid-19 triggered economic crisis is not a typical market failure. In fact, the market ceases to exist at worst or operates at a fraction of its original capacity at best. How does this impact the everyday life-world of individuals?

The magnitude of Covid-19’s spread has brought to the surface, the simmering economic stress that all market societies are sitting on. Three to four decades of market inspired development has produced enormous economic growth, abundant prosperity, but also immense inequality. Only those individuals and social groups with marketable assets or capabilities have benefited while the majority have been adversely included or are at
margins of the market. This economic stress is reflected in our immediate response to the Covid-19 self-quarantine, complete lock down measures and subsequent partial re-opening. Individuals with stronger entitlements in the market have responded to lock down by bulk buying of groceries and items of recurring use, including hobby items (paint brushes, canvas, bakery ingredients, wines and whiskey, and so on) and withdrawing to their comfortable homes. This voluntary or compulsory withdrawal, as the case maybe, slows down or brings the informal economy to a grinding halt. For the individuals employed in the lower echelons of economy, going out and looking for work each day is a necessity in order to reproduce their labour and ensure subsistence survival of their respective families. They reside in slums and shanty dwellings in close proximity and are mostly rural migrants. With no income and the looming threat of the pandemic, most of them have considered it prudent to return to their native homes. There are distressing pictures and videos of thousands standing on railway stations and bus terminals in Indian cities of Pune, Mumbai, Delhi, and so on, jostling for space on the station platforms and in the trains/buses to get back home.

The reality is stark and upsetting. Individuals with strong market entitlements can withdraw and self-quarantine with essentials and indulge in forwarding social media messages on the criticality of self-quarantine, while those with weak market entitlements cannot even practice basic social distancing to secure their health and life. Prior to the pandemic a semblance of market stability was maintained by the unstated social equilibrium between individuals with strong and weak entitlements. The latter’s hope of economic mobility sustained the precarious social equilibrium. However, if the adversely included slip into non-inclusion, this social equilibrium will be severely challenged.

With economies in almost a lock down mode, it will hurt everybody including the individuals with strong entitlements. How will economies respond to the crisis? Strong arguments have been made to give tax concessions and budgetary support to growth enhancing and employment generating units. There is an equally convincing case to support individuals with weak entitlements, destitutes, and so on, with income transfer, food-grain distribution and similar measures. Similarly, the nationalisation of the health service sector or regulation of private health providers to increase accessibility has also been urged. These measures have been implemented in varying degrees across countries including India. The manner in which these apparently opposing demands are balanced both in terms of ideas as
well as implementation and how they eventually play out is the biggest economic policy predicament of our times.

Public Ethics: Is there a ‘Right’ Thing to Do?

Another related crisis is about the positions that institutions as well as individuals take on social and public ethics. Ethics in general and public ethics in particular tries to differentiate between right and wrong. Put simply, it should tell us what is the right thing to do for a public institution? In other words, it directs our institutional and human behaviour to pursue ‘good’ or ‘right’. How the ‘good’ and ‘right’ is interpreted in the collective consciousness of the nation on one hand and public health administrators on the other, may shape our future moral fabric.

There is already evidence that consequentialist ethics are coming to the fore. If any action can produce better consequences and benefit the majority, it is considered morally superior. Giorgio Agamben, the famous Italian philosopher, has described the current response by the state and its agencies in terms of his critically acclaimed theoretical frame ‘state of exception’3. He argues that Covid-19 has allowed the ‘state of exception as the normal paradigm of government’. Numerous legislative decrees and administrative orders in countries across the world have placed restrictions on liberty and mobility, invoked mandatory reporting for contact tracing and instituted numerous other measures that suspend different forms of daily life, and so on. Arguably, the justification is consequentialist. The predicted outcomes matter. The ends justify the means. For instance, in Italy and UK, the stressed public health system reportedly had to decide to not treat senior citizens over a certain age requiring medical attention. The aged can be dispensed with while young life needs to be preserved for the future of the country. Similarly, several countries ordered people who travelled between different countries/ cities to be quarantined at designated centres. Likewise, in India, airline staff bringing stranded Indians from abroad were ostracised by vigilante resident welfare organisations in many places, in order to save the members of their residential society from the curse of the virus.

Against these utilitarian sentiments, there are numerous reports from across the globe of citizens, public health workers, law and order enforcement agencies, other public administrators working tirelessly and, at times, even risking their own health. For many of them, their social and public ethics is determined by the deontological ethical position — choices and actions are based on norms and principles and not on the benefits/consequence they may generate for majority.
Is it right to divest people of their liberty? Is it okay to prescribe the norms of personal behaviour? Is it fine to close borders and restrict mobility? Is it prudent to protect physical life or prioritise the economy? These are difficult predicaments for public ethics to answer in the current times. The opposing tendencies of consequentialism and deontological ethics and how they interact and impact the socio-public consciousness will determine the social solidarity that binds nations, communities and families together.

‘Return’ of Individual and Mental Health

The spread of coronavirus has again brought into focus the serious impact of the epidemic on mental health. Suddenly, individuals appear to be on their own. It is a unique moment in history where individual responsibility to take care of self (self-quarantine) is also a social responsibility to safeguard the collective future. However, it has also meant a retreat from the everyday social network in favour of brutal individualism. There is no collective laughter, friendly banter at the workplace. The loss of job and varied kind of economic insecurity is often a cause of severe mental stress. Friends cannot come to your rescue in times of need. The option of reaching out to families in a personal or medical crisis does not exist. During the tragic instance of death, the mental trauma is aggravated by the myriad and now changed roles of the state and the society. Death of a loved one is a moment of suffering. Mourning, grieving, acceptance, and closure are deeply personal and need the support of friends/family. Across religions, death rituals encapsulate collective mourning by friends and family members. Given the public health concerns around Covid-19, the death of an individual is no more a private affair with the state exerting complete control on decision of burial/cremation last rites, and so on. The inability to follow the usual closure process post death through the practices of preferred type of cremation/ burial, conducting last rites, seeking solace by grieving with their loved ones has left many individuals mentally traumatised.

These are the biggest existential fears and anxieties of an uncertain future where societies are dreading a prolonged period of uncertainty. These mental health issues are likely to affect certain social groups even more acutely more than others. Reports suggest that the elderly with a history of chronic illness are experiencing depression and alienation from the social world.
Conclusion

The three crises discussed above often do not unfold in isolation but interact to reinforce and strengthen each other. Unusual times bring to the fore revolutionary solutions. These three crises can be addressed through a collective response of state, market and civil society. Covid-19 begs us to weave a new social contract to bridge the gap between individuals with strong and weak entitlements supported by the socio-public ethics of social solidarity, equity and justice. Social solidarity can be one of the possible instruments for addressing alienation and mental health concerns. The new social contract will require an extraordinary level of coordination and resources from the state and market leaders as well as huge levels of trust and cooperation from the civil society.

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