

## Summary Report

Global COVID-19 Network | Webinar Learning Series

# COVID-19, Mental Health, and the Economy:

## Making sense of a 'new normal'

### Moderator

- **Dr. Subhash Hira** | Professor of Global Health, University of Washington, Seattle; Sambodhi/ISRN New Delhi

### Speakers

- **Mr. Karan Bhasin** | Economist and Policy Researcher, Director, Global Young Action Network Foundation, India
- **Dr. Nimish N Purohit** | Assistant Clinical Professor of Psychiatry, McMaster University, Toronto, Canada

## Discussion Summary

The seventh and last session of the first chapter of the Webinar Learning Series hosted by the Global COVID-19 Network discussed the theme of mental health and the economic implications of COVID-19. Speakers from clinical psychiatry and policy research shared important perspectives on how the social and economic fabric is dramatically transforming world-over as a result of the pandemic, as well as what the current and future scenario have in store.

Mr. Karan Bhasin, policy and economic commentator from India, articulated that based on trends across countries that are various stages of lockdown, it seems that the economic slump will be very different from recessions in the past. There will be swift recovery of the economy, and the scenario will start inching towards business-as-normal within the next 6-8 months. Raising concerns regarding protectionism, he brought to light how imposing high tariffs could negatively impact some of the emerging economies. He also mentioned that India's stimulus package being much higher than the global average, as well as the rollout of economic reforms, is putting India on the path to speedy economic recovery.

Dr. Nimish N Purohit, Assistant Clinical Professor of Psychiatry at MacMaster University, Toronto, Canada, discussed the mental health effects of COVID-19. He identified healthcare workers, those already dealing with mental health pre-COVID, and people with disabilities as those who are at greatest mental health risk during this period. He spoke of the importance of destigmatizing groups such as elderly people and healthcare workers, as well as the importance of basic care such as eating and sleeping. As ways of dealing with anxiety, resentment, and trauma induced by lockdown, Dr. Purohit mentioned the role of routine, meditation, gratitude, and adaptability in helping individuals cope with the volatile period.

## Dr. Subhash Hira-Moderator

### Key takeaways

- These are figures provided by the IMF in April 2020 on real GDP of major countries and what has happened to the GDP in 2019 and 2020 to show the effect of COVID-19. [Slide 1]
- The real GDP of the United States will fall to 1/4th of what it was the last year.
- EU countries will collectively lose their GDP to 1/7th of what it was. This is a massive drop.
- Japan GDP will drop to 1/8th of what it was the last year.
- The Indian GDP will drop from 4.2 to 1.9, which is almost like one half.
- If we compare within this list, Indian GDP still survives with significantly lesser drops than countries such as South Africa or Brazil or even China to that extent.

**Corona Impact IMF World Economic Outlook**  
The COVID-19 pandemic will severely impact growth across all regions

(Real GDP, annual percentage change)	2019	2020	2021
<b>World</b>	2.9	-3.0	5.8
<b>Advanced Economies</b>	1.7	-6.1	4.5
United States	2.3	-5.9	4.7
Euro Area	1.2	-7.5	4.7
Japan	0.7	-5.2	3.0
<b>Emerging Market and Developing Economies (EMDEs)</b>	3.7	-1.0	6.6
China	6.1	1.2	9.2
<b>India</b>	4.2	1.9	7.4
Russia	1.3	-5.5	3.5
Brazil	1.1	-5.3	2.9
Saudi Arabia	0.3	-2.3	2.9
Pakistan	3.3	-1.5	2.0
Bangladesh	7.9	2.0	9.5
South Africa	0.2	-5.8	4.0

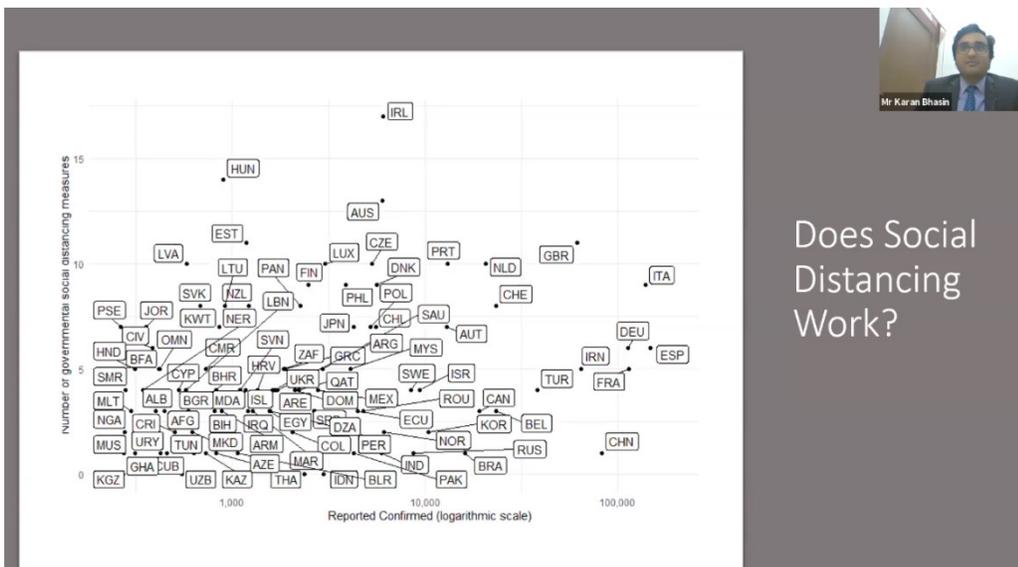
India's growth on fiscal basis (2020 denotes 2020-21)  
Source: IMF, World Economic Outlook, April 2020  
KBK Infographics

[Slide 1]

## Mr. Karan Bhasin

### Key takeaways

- According to the World Bank, we are now going to see the worst economic recession after the World War II.
- In the midst of so much uncertainty, the best thing to do is put in place an analytical framework to make sense of what is happening. This pandemic has two dimensions – one is the public health and the other is the economic dimension.
- This is a scatter plot of the number of confirmed cases and the social distancing measures enforced across countries. What is clear is that the more the social distancing measures, the number of cases on an average has been lower. Which means, of course, that social distancing has worked. When you employ social distancing measures, it has an impact on contact services such as restaurants, hospitality etc. This pandemic will therefore have a disproportionate impact on certain sectors of the economy such as aviation. Relatively safer sectors would be agriculture. This trade off will have to be kept in mind. [Slide 2]



[Slide 2]

- When we look at China, we find a very swift recovery of economic activity. The numbers are corroborated by China PMI numbers and US initial claims data (which represents joblessness).
- The scale of disruption is important for emerging economies such as India, Brazil, Argentina etc. While more advanced economies have given record stimulus packages to absorb shocks in market, the same privilege cannot be afforded by emerging economies.
- Lockdown means that there is no economic activity happening, thus we cannot assess demand or supply. Every day of lockdown has a cost and negative growth associated with it. With nearly 60% of the economy not functioning, we cannot expect any sort of growth to happen. [Slide 3]

## Costs of Lockdown for India

Source: Virmani & Bhasin (2020)

Duration of Lockdown	Additional Loss of sectoral GDP (%)			
	=>	2 weeks	1 month	2 months
<b>Total GVA</b>		-2.2	-4.7	-9.4
<b>Essential Commodities</b>		0.0	0.0	0.0
<b>Contact Services</b>		-3.0	-6.5	-12.9
<b>Rest of Economy</b>		-3.8	-8.2	-16.3

[Slide 3]

- There is a cash flow problem that companies are facing throughout the world. Even countries that do not have a lockdown are facing it, such as African countries. This is primarily due to uncertainty and supply chains being disrupted. Supply chains do lead back to China, being the de facto manufacturing hub of the world. China's lockdown resulted in global supply chains breaking down. All of these factors have significantly imposed a cost on countries across the world.
- India's stimulus package has tax referrals, easy credit to MSME's and equity infusion in companies. This was done to ensure that companies had enough cash to sustain during this period. A lot of countries are trying to do this, which is a good measure. For a lot of countries, however, this is not possible as they have debt problems.
- **Once the pandemic effects start overflowing into the financial sector, it spreads almost with a contagion effect with bankruptcies in financial systems.**
- **While the Multilateral development banks such as World Bank and IMF have already started rolling out aid, private investments in these countries will be severely affected. For the next 6-8 months, we are looking at low level of capital flows. India may be able to avoid this to an extent since it integrated economic reforms as part of its stimulus package, which no other country has. This reform has given foreign investors some confidence. Vietnam, Cambodia, and Bangladesh, on the other hand, may face issues.**
- The key concern right now is of protectionism, which has resurfaced. Every country wants to protect its interest. However, if we do have to resort to protectionism where we do not isolate countries as such but raise their tariffs across the board. The lesser developed countries will be most affected by this because they do not have capital inflows like before and the opportunities for trade will contract. Globalization caused the largest point-to-point decrease in global poverty levels and regional disparity in terms of inequality. To do a reversal of this would probably deny the lesser developed countries with the opportunities that had been provided to the East Asian Tigers. The Global South has to address these concerns as a whole.
- **The concern that this is going to result in a major economic slump is only partly true. Of course, the global economy will contract this financial year, but we have to keep in mind that for two-three months the global economy and supply was shut. If we ignore these three months, we see a very sharp normalizing of activity which happens over the next 6-8 months. This indicates that the next financial year would be a more business-as-normal approach.**
- Recessions of the past have been deeper and taken much longer to normalize. The economic slump we see now, although deep and volatile, will be quite swift in normalizing. Within 6-8 months we will be out of it.

- **One of the factors that makes us optimistic is the way that governments have responded. Advanced economies are giving record stimulus. Among emerging economies, India has given one of the largest stimulus packages. The global average is around 3%, while India's is 6%. We can see a lot of coordination among policy makers across countries, whether the central bank or the ministers. They will limit the extent of the economic damage.**
- The key takeaway is that central banks have been more proactive in terms of preventing a crisis than they were in 2008. This has stopped the crisis from overflowing into the financial sector like it could have. Bankruptcies have to be prevented in South-East Asia as much as possible to ensure that companies can survive.

## **Dr. Nimish N Purohit**

### **Key takeaways**

- Most people are quite resilient and will not succumb to psychopathology. I believe that some will find new strengths; some of my patients have spoken about re-valuing their lives of running around and would like to quieten the pace of things.
- In terms of lockdown, in many countries the onset was very sudden. There was denial at an institutional level of the severity of the virus in many countries. There was complete shock denial when lockdowns were announced, coupled with anger. Despair and fear crept in when the realization emerged that the virus was a serious concern.
- **People are seeing the late effects of lockdown now. There is a sort of lockdown fatigue that is happening. People are breaking rules and regulations of social distancing, and we can see instances of psychotic or manic behavior. People are becoming violent, with increased chances of substance abuse.**
- **The unfortunate part about lockdown is that there is a disruption of social fabric. There is inability of people to attend important, significant events in their life like birthday parties, marriages, funerals. Groups of the population are being stigmatized – elderly people, Asian people etc.**
- Lockdown lifting is not a medical necessity; it is an economic necessity. Unfortunately, the financial virus that has been circulating under the drama of the pandemic, may affect generation to come. We are likely to see more suicides.
- **Who are the people who will be most at risk in terms of developing mental health related problems? Healthcare workers are the main group. Healthcare workers are very good at giving advice to the rest of the population, but not so good at following their own advice. Healthcare providers are not good patients. There is a lot of stigma associated with healthcare workers seeking mental help.**
- People with pre-existing mental health problems and people with disabilities will be more at risk.
- We know that as we climb the economic ladder, people's health actually improves. Even current data has shown that rate of death is more than double for people who are poor. We now realize that the virus is a great equalizer. We will all be affected.
- What can we do? Some simple measures will help. Establish and maintain a routine. I tell my patients to make a schedule, wherein they even decide what breakfast to cook and what lunch to have, what social media to spend time on etc. We also advise people to maintain active lifestyle. [Slide 4]

## What To Do ? Simple Measures

- Establish and Maintain Routine
- Take Care of Basic Needs- sleep, food, hydration
- Maintain Active Lifestyle
- “Booz” won’t Help
- Use Online Resources- Yoga- Taichi, Indoor Workout etc
- Meditation- “does not have to be complicated- adapt to different groups”  
4-7-8 Breathing  
5 Finger Relaxation Techniques

[Slide 4]

- It is important to realize that alcohol is not going to help. Neither nicotine, nor alcohol. They can provide temporary relief from anxiety but in the long-term will create more trouble.
- According to research by York University, meditation leads to increase in the hippocampal area of the brain, which is the seat of positive emotions, can be shown on an FMRI scan.
- **Gratitude per se, not just thank you for the sake of saying, but trying to truly feel thankful, has been known to be a psychological immunity booster. This has shown up in a lot of research.**
- Educational training of psychological issues must be given to healthcare workers.
- Mental health research has shown that providing accurate information that people could trust was one of the main things that helped people.
- Nurses and healthcare workers are showing signs of burning out. It is important that we provide help to these groups of population to prevent any future psychological damages.
- It is important to normalize certain reactions. To let them know that it is okay to feel angry and anxious, within reason. We may not all be in the same boat, but we are facing the same storm. Continuing to provide accurate information about community resources is important.
- Basic care such as sleep and nourishment and showing gratitude must be reinforced.
- We have found that by using a particular strain of cannabis not only helps people to deal with current situation, but also helps them accept it. This has prevented use of many other different medications.
- **Adaptability may be our best friend. Not just in COVID situation, but even post-COVID. Adaptable people experiment. They are open to seeing opportunities where others see failure. And they are willing to ask for help. Adaptable people do not complain. People will need these qualities as we move ahead.**