

CURRENT PANDEMIC IN THE VIEW OF HEALTH ECONOMICS AND BEHAVIORAL ECONOMICS (PANDEMIA ACTUALĂ ÎN VIZIUNEA ECONOMIEI SĂNĂTĂȚII ȘI A ECONOMIEI COMPORTAMENTALE)

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Rezumat: Anul 2020 se confruntă cu cea mai dezastruoasă pandemie a secolului XXI - COVID-19. Inițial confundată cu o simplă răceală, treptat aceasta a evoluat, ajungând să se răspândească la nivel mondial. Majoritatea țărilor au fost nevoite să minimizeze activitatea economică. Sistemul de învățământ își realizează programul prin intermediul platformelor online, iar majoritatea producătorilor activează prin intermediul mediilor de socializare. Populația este nevoită să se izoleze la domiciliu, acest fapt afectând considerabil condițiile și aptitudinile fiecărui individ. În urma izolării la domiciliu, populația a început să resimtă efectele carantinei pe plan fizic, dar și psihologic, comportamental. Aceste efecte urmează a fi abordate inclusiv prin prisma economiei comportamentale. Totodată, cadrele medicale luptă asiduu împotriva acestei boli, încercând să aplice și abordări ale economiei sănătății, precum "Intermittent lockdown". Mijloacele mass-media au devenit o sursă persistentă de informare pentru populație, însă nu întotdeauna sigură. Organizațiile mondiale sunt în continua cercetare pentru ameliorarea situației și evitarea unui dezastru economic mondial.

Cuvinte cheie: situație epidemiologică, economie comportamentală, economia sănătății, carantină, recesiune, pandemie.

JEL CLASSIFICATION: I12, I20

INTRODUCTION

Starting with November 2019, the first cases of Coronavirus disease were confirmed. The outbreak started in Wuhan, Hubei province, China. Due to the rapid growth of the diseases and lack of effective treatment, the World Health Organization (WHO) declared the outbreak to be a Public Health Emergency of International concern on 30 January 2020 and recognized it as a pandemic on 11 March 2020. Up to March 11, about 118.000 cases of illness were confirmed, and in the next 3 weeks, the number increased tentatively 10 times, reaching about 1.100.000 cases confirmed on April 9, 2020[7]. The increase of the cases of infection determined the countries to apply certain restrictions, such as: limiting the trips to cities or other countries, as well as visiting relatives and elderly people, the educational system, initially was stopped, to be made online later. Most workers work from home, all restaurants, shopping centers and rest areas have been closed, and the only sectors that operate are the medical and food sectors (hospitals, grocery stores, pharmacies, etc). Due to the reduced travel and closures of heavy industry, there has been a decrease in air pollution and carbon emissions, which has had a beneficial effect on the environment.

In this research we seek to look beyond the definition of epidemiological situation and its general effects, focusing on the analysis of the current pandemic from the point of view of health economics and behavioural economics.

BASE CONTENT

Since the countries of the world went into quarantine, caused by the epidemiological situation, the behaviour and attitude of the population is constantly changing, and the need to be and feel healthy is one of the first needs of the individual. In this context we will analyse first health economics so that further, we could understand the changes in the behaviour of individuals. Thus, we find that the approaches of these two sciences complement each other also when using them to understand the impact of the current pandemic.

Health economics is important in determining how to improve health outcomes and lifestyle patterns through interactions between individuals, healthcare providers and clinical settings [8].

Increasing capacity and adapting healthcare for the needs of COVID-19 patients is described by the World Health Organisation (WHO) as a fundamental outbreak response measure [9]. The European Centre for Disease Prevention and Control (ECDC) and the European regional office of the WHO have issued guidelines for hospitals and primary healthcare services for allocating resources at multiple levels, including laboratory services of COVID-19 testing, cancelling elective procedures whenever possible, separating and isolating COVID-19 positive patients, and increasing intensive care capabilities by training personnel and increasing the number of available ventilators and beds [7]. Washing hands frequently, covering nose and mouth with the elbow or a handkerchief when sneezing or coughing, and keeping a prudent distance from other people in public places are some of the main recommendations made by agencies like the U.S. Centers for Disease Control and Prevention (CDC).

Besides the established activity of medical centers, universities and scientific centers are looking for methods and plans to reduce the spread of the virus and at the same time mitigate an eminent recession. Prof. Uri Alon and his graduate students Omer Karin and Yael Korem-Kohanim, together with senior engineer Boaz Dudovich of Applied Materials, from Weizmann Institute of Science, suggest, based on an epidemiological model they developed, a policy that effectively suppresses the coronavirus and at the same time, allows sustainable, albeit reduced, economic activity. The model that the scientists developed is based on intermittent lockdown: five days of lockdown and two days of work every week. Thus, this method can provide a good trade-off between minimising health impact and maximising economic activity. It can keep the infection load low while allowing a sustainable, albeit reduced, economy. It can eradicate the virus without reaching herd immunity, thus preventing a large number of deaths [1]. This method, Intermittent lockdown may be the only viable option for countries that can't deploy sufficient testing in time. Such countries are included in the developing and least developed group of countries, because of low medical and financial resources, lack of specialized medical staff and favourable treatment conditions. It allows millions to work two days a week, sustaining key economic sectors. People will hold a 40% position instead of being completely unemployed – an economic and psychological game-changer [1].

Another important topic, which has a major role in this current pandemic is about behavioural economics, which also investigates people's response to the actions provided by health economics.

Behavioural economics studies the effects of psychological, cognitive, emotional, cultural and social factors on the economic decisions of individuals and institutions and how those decisions vary from those implied by classical theory. With the purpose to understand better the psychology of the population during this period a study was conducted by Princeton University in March, which underscores that behavioural economics interventions such as installing low-cost household soap dispensers, embedding toys in children's soap or launching emotional hygiene-promotion campaigns have proved extremely effective to stimulate hand washing [5]. With the beginning of quarantine, people moved in mass to all the food stores, procuring in exaggerated quantities food of first necessity, including toilet paper. This fact denotes the fear induced by the subconscious of the individual, determined by the daily published media news and articles. On the other hand, the pharmacies remained without disinfectants, masks and gloves. The conclusion was reached that to protect us we need isolation.

Furthermore, teenagers are much affected by the fact that under online education system, everything becomes a daily challenge. Young people are subjected daily to take lessons through different programs, which cause much confusion and psychological fatigue. Most of the countries that are confronted with this problem, try to create and adapt the education program to a single online teaching page. A concrete example is the program created by The Davinson Institute of Science Education at the Weizmann Institute, called "Stuck at Home?" This website allow to students to continue their studies and also to analyze different scientific topics. Also in creating this online program is important to think about flexibility, opportunities and stability [3].

With school moving online and social distancing in full effect, most of the students are relying on their phones and computers —specifically, Instagram, Facebook, and other kinds of social media—

to kill time and reignite a sense of community that they lost in the COVID-19 pandemic. With over 3 billion regular social media users prior to the pandemic and significant increases in daily screen time since it began, social media is fertile ground for targeting people with reliable information. The Center for Disease Control and Prevention (CDC), World Health Organization (WHO), medical journals and health care organizations have been updating Web sites and providing guidance across numerous platforms, but these sites aren't as easy to access. There have been partnerships with social media teams, as example are: Facebook, that now has a COVID-19 information center tab, Google Scholar is featuring articles about COVID-19, and Twitter is providing reliable sources for people who make coronavirus-related searches. Another challenge with this pandemic is the rapid spread of misinformation. Unlike prior pandemics, WHO has recognized the major role of media in COVID-19: "The 2019-nCoV outbreak and response has been accompanied by a massive 'infodemic'—an over-abundance of information—some accurate and some not—that makes it hard for people to find trustworthy sources and reliable guidance when they need it." [3]. WHO is trying hard to find all the media sources that spread misinformation about the current situation, but that effort is not enough to stop the spread of inappropriate information or myths such as: "this virus is here to help us" posts from yoga instructors who need to keep their studios afloat [3].

If a solution has been found for the young people, for the elder population, the struggle for survival continues. Older adults and people who have severe underlying medical conditions like heart or lung disease or diabetes seem to be at higher risk for developing more serious complications from COVID-19 illness [2]. The actions taken by the UK seem drastic at first sight, but on the other hand they are encouraging for the elder population. It's been reported that over-70s – could be ordered to stay at home for a year to 18 months, or until a vaccine is found for Covid-19. As a moral and psychological support, the WHO Regional Director for Europe guides the population to intervene in case of need [4]. "Supporting and protecting older people living alone in the community is everyone's business," said Dr Hans Henri P. Kluge, addressing journalists at a virtual press briefing. "I remind to governments and authorities that all communities must be supported to deliver interventions to ensure older people have what they need. All older people should be treated with respect and dignity during these times. Remember, we leave no one behind." [4].

Hence, the situation may be analysed in terms of affected age groups, but also through the prism of vulnerability and social inequality. Some recent data broken down by race, shows that in the USA, in Chicago, as of early April 2020, 72% of people who died of coronavirus were dark-skinned, despite that they represent only one-third of the city's population. In Georgia, as of 17 April, white people accounted for 40% of Covid-19 cases where race was reported, although they represent 58% of the state [6]. In many majority-white countries like the USA (as well as some minority-white countries like South Africa), people from other ethnic and racial groups have less access to economic resources – whether that means high-earning jobs or a full pantry. Economic vulnerability often translates to poorer health outcomes. Take food insecurity, defined as a household not having the resources to ensure consistent access to enough food. Of course, this doesn't just mean certain groups are more vulnerable to Covid-19. It also means they're more vulnerable to its economic consequences. In South Africa, for example, Prof. Imraan Valodia, development economist at the Wits University from Johannesburg has forecasted that the lockdown will lead to a 45% loss of income for the poorest 10% of households, with especially harmful effects on informal workers without a safety net. As a result, he is calling for an end to the lockdown - one alternative could be a curfew to restrict movement and limit the spread of the disease [6]. There are healthcare disparities as well. In the USA, for example, Native Americans, Hispanic Americans and African Americans are less likely than whites and Asian Americans to have health insurance. Racial biases also play a role. US surveys have found that medical staff are more uncertain and less communicative with non-white patients than with whites [6]. Another determinant of vulnerability and inequality during a pandemic is cultural difference. In order to protect ourselves and prevent infection of others or ourselves, wearing medical masks in public is welcome. However, in some cases there are small misunderstandings. An example is reported in the USA, where black people feel uncomfortable

wearing masks in public: racial bias and profiling means they're more likely to be seen as a criminal or dangerous, rather than as simply protecting their own health [6].

CONCLUSION

In conclusion, the effects of the current pandemic will drastically affect the economy of every country, particularly the economies of the least developed states. In social terms, the pandemic is felt by all age groups, including teenagers and elderly people, albeit in different ways. Being vulnerable during the pandemic situation is one of the biggest issues, particularly felt by certain social groups. This social discrepancy is manifested in the lack of income sources and first necessities goods, as well as in terms of the access to the medical services. The behaviour of the population is anticipated to change, by focusing on healthcare and hygiene conditions. We can also expect that medical centres will be constantly preparing to deal with such pandemics, while scientific researchers will be looking to develop new vaccines to prevent epidemiological situations.

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