

Economy Pandemic: A Crisis Management towards Post COVID-19. A Commentary Opinion

Mani Man Singh Rajbhandari

ORDT: Organization for Research Development and Training, Nepal
University of Johannesburg, South Africa
ordt@ordt.com.np; mrrajbhandari@uj.ac.za

Abstract: COVID-19 Corona Virus pandemic is not only destroying the lives of people but it is equally scattering the economic lives of people all around the world. The COVID 19 pandemic has led to a widespread economic shut down thus raising the issue of post effect of COVID-19 towards the global economy. It has become a global economic crisis and brought about an economic pandemic to humankind with unemployment, business closure, shut down or fast tract economic boosting plans. The purpose of this study is to shed theoretical perspectives towards crisis management to boost growth for organizational economy. Theories of economic and management were interconnected to analyse this study on scientific realities. However, an economic pandemic may not be hard to overcome if crisis management is applied strategically through business diversification but not by crisis avoidance and crisis ignorance. Crisis management is all about having a newer vision through business diversity by creating newer business lines and creating spaces for small and medium enterprises and cottage industries to operate. This further enhances employment and keeps the purchasing power equilibrium intact for stagnant demand and supply ratio. This crisis management can be maintained through diversity management and the best strategic option is the pruning diversity strategy. Crisis ignorance and crisis avoidance are situational but that crisis management is long term.

Keywords: Covid-19; coronavirus; pandemic; economy pandemic; equilibrium; employment; diversification; social responsible; demand and supply; elasticity; purchasing power; crisis avoidance; crisis ignorance; human kind; perceptions; pruning diversity strategy

Introduction

Everyone in the group doing the best for themselves (himself and others)
Adam Smith; John Nash

During this COVID-19 Coronavirus pandemic in 2020 (Bedford J et. al., 2020), the world has come to an economic halt. This means to bring the economic crisis around the globe. Most analysts claim that this COVID-19 Coronavirus pandemic will hit the global economy harder than the 2009 economic crisis. There is a reason and the reason being increased unemployment, more investment in research and development in medical and sciences

(which means investment drained towards developing medical equipments and medicines), investment drained towards diversification of products (general motors producing ventilators and few Chinese manufacturer shifting their paradigm towards product diversification such as producing mask and Personal Protection Equipments for medical personnel) so on and so forth. This may be the possible case for strong economies as in the USA, China and European countries.

Through a perceptive lens, if we view those weaker economy countries such as those in developing nations, how can their economy be sustained and come back from the disastrous trouble brought by the COVID-19 Coronavirus global pandemic? There are always ways to think positively, and this is possible by being SMART (Specific, Measurable, Attainable, Realistic and Timebound) (Ducker, 1955, Platt, 2002). Most importantly, being SMART in reality is being practical and intelligent. The key to overcome this post COVID-19 pandemic is to be intelligent by doing the right thing at the right time, which also means, doing the right job for oneself and for others with selflessness at the right time.

Commentary opinion

The world is ruled by emotions, sensibility, moral, values, belief to name a few. These have become the most valuable ornaments to humankind which have been learned by most human beings around the world. The strongest economy such as US and Europe could not sufficiently deliver the basic need such as toilet papers, sanitizer etc., at the time of desperate need for these items. Therefore, the elasticity of supply and the elasticity of demand were mismatched within a few days in the initial period of the pandemic taking hold. Although the supply curve was exorbitantly higher during the past, within a few days COVID-19 lead to the demand growing large enough to surpass the supply curve. This is a dire consequence of change in economic conditions that was brought about by the pandemic in 2020.

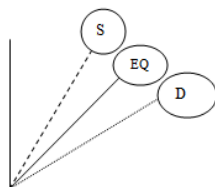


Figure 1 Past COVID-19 and Economic Pandemic

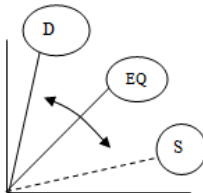


Figure 2 Current COVID-19 and Economic pandemic

As presented in these two figures, the situation varied from higher in demand for products to the lower in supplies from which we see that in figure 1 the supply was far greater than demand for the products. Strangely, the equilibrium of demand and supply curve was not affected, because the global consumption of these products remains still the same. Therefore, demand and supply equilibrium may change in the post pandemic situation if intelligence and knowledge is not applied towards the given context.

Through this explanation, we can draw few assumptions which could be that most manufacturers may divert their business to establishing new factories contributing to more necessity items and or they may concentrate towards their line of productions. The assumption also indicates that the purchasing power has not slowed down; rather, the Purchasing Power (PP) of the globe is still in the equilibrium stage. However, the post pandemic economy can create a new situation to this PP. Moreover, it may be wrong to estimate at this time to assume that the unemployment rate will increase after the post pandemic. It can rather be the opposite while new industries focusing on the diversified business may crop up to support the global need.

During this pandemic, the lessons learned by humankind are the behavioural changes. This means, being informed about almost everything from products to healthy living, earlier as a form of skepticism - this gap has been changed by modification of behavioral changes of mindfulness by becoming more aware of the reality truth rather than being skeptic.

The most important lesson learned by developing and underdeveloped countries during this pandemic is *Crisis Ignorance (CI)* and *Crisis Avoidance (CA)*. *Crisis Management (CM)* through CI and CA is not the proper way to managing crisis. It is rather the form of skepticism, which means towards managing crisis by stocking unnecessarily - more than requirement for maintaining reserves and saving. This kind of behavioral of CI and CA generates to bring more crisis to the economy growth, therefore, optimum utilisation of resources must be initiated to fulfil the adequacy level of needs.

Most people from developing countries have become human machines (Scientific Management, F. W Taylor, 1911) travelling from one place to another even other countries in search of new jobs. Although, this pandemic generated fewer troubling cases to job migration, with their sole purpose was to return back to their home expecting to fulfill their basic necessity and not getting stranded in foreign locations helplessly.

However, these human machines will travel again to foreign location once this pandemic is settled and society is back to normal. This situation arises from panic pandemic scenarios and will last only until the current phase ends. This is not the situation that economic pandemic should worry about. To support this view, China has already resumed almost most of its business (national and international) and airways internally to boost and over come this economy pandemic, while the rest of the world is still in lock down and planning to extend it further.

While educational sectors are concern, it is one of the major factors in contributing to economic growth for countries globally that contributed towards employability - supporting SME's, accommodation supporting housing business, travels and tour to name a few. The pandemic has completely changed the behavioural of educational setting by operating online services. Moreover, educational sectors could be the key players to enhance the post pandemic in later part of economic cycles. However, online services at present may not be the long term solutions as this is not true online teaching but more of a contingency pedagogy. This is because, most students travel abroad for education will decrease due to online or distant education services if prolonged or kept permanent. The travel rate will decrease, the students accommodation facilities will be slugged, teachers' appointment will decrease, students' enrollment will decrease moreover, quality of education will decrease so on and so forth. As education has no boundaries and knowledge can travel without boundaries, education settings must not be concentrated only on online services; it must be allowed to travel across the planet.

Online teaching may not be sustainable, or to be more precise, should not be sustainable. Education is a type of service that cannot be completely atomised or replaced by technology. There are many things missing while delivering online lectures such as eye contact (which is very important in communication), bonding between teachers and students, lack of supervision. In addition to that, people in under developed countries are still facing the problem of inadequate information technology penetration and its cost and quality. Possible impact on the revenue of educational institution: as students may not receive the complete features of teaching process, there is possibility that students and parents will demand cost reduction in attending education. Moreover, although minor would it look, the physical participation at colleges/universities campus generates part-time employment to support the Small and Medium Enterprises (SME's) and retail outlets, through the online, these small scale economic generated contributions are not met through implementing prolong online courses.

While the globe has come to one understanding about getting help and helping other in need, we all have learnt to preserve our valuable ornaments that is within us. The theoretical philosophy behind Adam Smith and John Nash doing the best for everyone could be what humankind needs to act upon to meet the stagnant economy equilibrium.

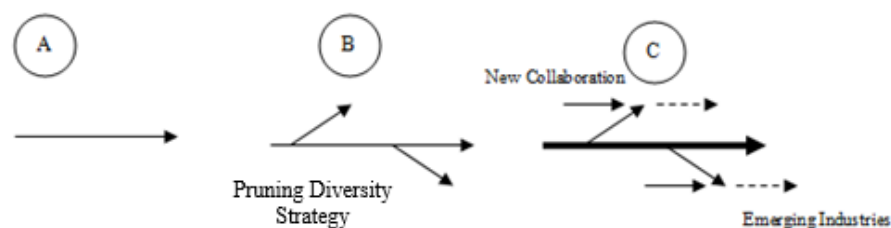


Figure 3 Economic Pruning Diversity Strategy (PDS) towards Crisis Management

The above figure indicates that established and capable organizations will have to diversify their business units strategically and find the strategic options to meet the post pandemic economic crisis. By doing so, it will not only boost the countries economic cycle through Gross Domestic Products (GDP) but also will support to decrease the unemployment ration to the extent that Purchasing Power (PP) remains at an equilibrium state. According to the economic theory and economic cycle, the diversified businesses will create a new avenue and operational space for Small and Medium Enterprises (SME's) and cottage industries to exist and operates for substitution and even to produce through new innovation, this will further create new opportunity for employment and can generate measures for growth in economic cycle. This benefit to par the employment equilibrium, which is supported by the theories of entrepreneurship towards creative imitations and innovations, through bonding business units therefore, creating a newer economic culture amongst and between the strategic units.

Moreover, *Pruning Diversity Strategy* (PDS) (Figure 3 B) can likely be feasible, which helps promote the growth stage of the organizational economy life cycle while implying during the maturity stages. *Pruning Diversity Strategy* (PDS) is the retrenchment of excessive outflows but investing for expansion towards stability to achieve high yield and to support expansion of diversity growth.

Discussions

Organization does not fail by itself; it's the people who fail the organization

Organization does not fail by itself but it is an act of people within the organization who instigate the organization to collapse. This could be either intentional or unintentional organizational behaviour demonstrated due to intellectual crisis of managerial or leadership skills. Taking this philosophical principle into consideration, the economic pandemic can be overcome by employing knowledgeable and intelligent people who are proactive but not active alone.

Management and economic philosophical principles paradigms cannot be detached and are so much stronger than absolute science, while absolute science cannot bring the dead back to life, management and perfect economics can bring back the sick and dead organization/economy back to operation and thriving. Management is a systematic process of doing things through people while economic is planned activities. Consequently, systematic process and planned activities can strengthen the strength of an organization through proper allocation of resources mainly the people who works with their Skills, Ability, Knowledge, Competencies and Intelligences (SAKCI) (Rajbhandari 2019). While management and economics are concerned, it is closely-knitted which intellectually and perfectly blended through favoured good policies/good governance/planning can produce rapid economic growth that will contribute to the fallen economic cycle caused due to this COVID -19 pandemic.

Intellectuality and knowledgeable planned management towards developing economy can overcome the economic pandemic through diversity mindset in business and organization,

thus, spontaneously generating employment rate through creating opportunity for SME's which need to be supported by the strong economy organization. This can be applicable to varieties of organization, such as manufacturing, educational, trading, service industries, agriculture, tourism, sports/athletics so on and so forth.

While diversification is important in all sectors – in education - it will enable the educational sectors to enhance their quality of education even further by disseminating knowledge through research and development, teaching and learning through developing newer ways of teaching and by becoming Skillful, Able, Knowledgeable, Competent and intelligent (SAKCI) to make the newer educational settings both lower and higher to sustain on ourselves and to sustain others (Rajbhandari 2019). During these discussions, it would also be very practical to understand the market scenario through the lenses of consumer behaviour. We are all marketers of ourselves and we are also the consumers. What we market is bought by others and what other sell are bought by us.

On the other hand, manufacturing and trading organizations can implement the unutilized and underutilized resources rather than keeping it as a reserve alone which can boost diversity and create opportunities, through opening avenues, collaborations, partnering, diversifying production units. This therefore initiates rapid resolution of unemployment thus maintaining the purchasing power equilibrium, consequently, avoiding economic depression or recessions. Furthermore, it will instigate the resuscitation of the economic life cycle, eventually supporting to overcome the economic pandemic by the people to the people and the public economy.

Moreover, crisis management is not about stocking of goods at one particular time, this economic pandemic can be called as crisis avoidance or crisis ignorance. Crisis management is all about modification and diversification of products, thoughts, values, belief, cultures, perceptions, personality and so no and so forth to bring about economic innovation. This could be possible through creative imitation or creative innovation, however, desirable creative destruction but not through imperfect competitions.

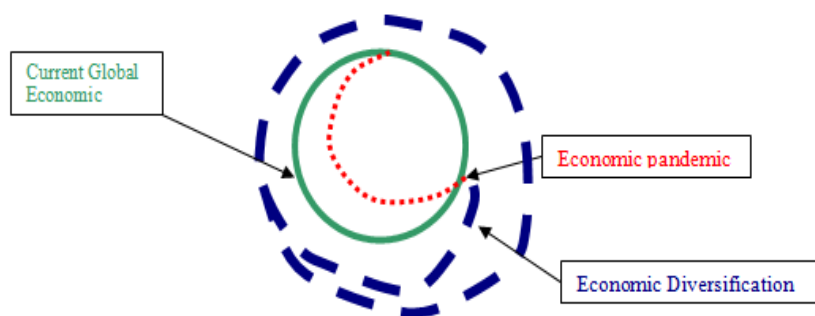


Figure 4 A conceptual commentaries on economic pandemic

In the figure 4, while diversification is concerned, it is not to be assumed that the current line of production needs to be overhauled but rather strong economic producers need to find the

ways for diversification through innovative and substitute products. This will therefore expand the economic life cycle, while, the contraction will shrink the economic life span.

Theoretically, during the decline stage of the organizational economy life cycle, consequently an addition of unutilized and under-utilized resources mobilization could have boost organizational life cycle towards the growth stage. However, the economic pandemic due to the cause and effects of COVID-19 have strangled many organization to downfall stages over the period of time - leading it towards below the par of declining stage (Figure 5).

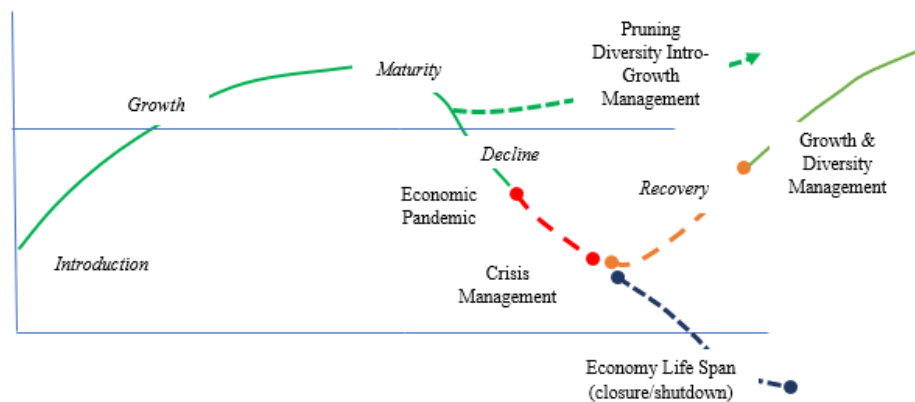


Figure 5 Crisis Management towards Post COVID-19 organizational economy - life cycle and life span

Crisis management during the post COVID-19, major drastic initiative movement is required to regenerate the economy to boost the organizational economy life cycle to eliminate the economy life span of the existing organizations. This can be possible with diversification of and within the production units through applying planned and intelligent strategic options by the organization (Figure 5).

However, these strategic options were also applied prior to economic pandemic (COVID-19) but it was based on the marketing strategies, while during those time, strategies applied were mainly focused on the products and marketing. However, post COVID-19 agitated the organizational goals, in this situation a better strategic options will be to apply *Pruning Diversity Strategy* (PDS), which can be of *Broad Differentiation Strategy* (BDS) nature focusing on people and the society, thus remaining consistent by offering social benefits, environmental safety i.e. *Environmental Threat and Opportunity Profile* (ETOP) - but profit-making strategies should be considered a least priority at least for time being until the organizational economy life cycle reaches the maturity stages again.

Few if not many organizations have still not reached its declining stage during this COVID-19 pandemic, these organization have the upper hand of opportunities towards diversification of production units, thus, supports to contribute for organizational economy life cycle (Figure 5). Therefore, applying the economic pandemic diversification theoretical paradigm can

generate spontaneous employment furthering to contribute towards economy life cycle, thus strengthening the Purchasing Power (PP) additionally. Taking this view into consideration, it can be assumed that unemployment and purchasing power is the least major problem as compared to the necessity of the growth of the economy during the initial recovery stage of economy pandemic.

Economic elasticity of demand and supply are depended upon the expansion and contraction of purchasing and selling if we look from the perspectives of marketing lenses. While purchasing and selling are concern, it is affected by the PP equilibrium, during this stage, the PP equilibrium has not changed drastically thus, the market trend can be enhanced by little or no effort. However, down the line it may change if the economic life cycle changes to economic life span by shrinking the economy rather than expanding with growth and development.

Therefore, this pandemic COVID-19 and economic pandemic has certainly taught us the entire lesson towards behavioral modification towards crisis management but not towards applying the crisis avoidance and crisis ignorance. This crisis ignorance and crisis avoidance are situational but that crisis management is long term and thus generates solutions to overcome the given threats towards turning it as an opportunity. However, it is always advisable to remain ethical and become socially responsible, this is very essential to establish an ongoing economic cycle and overcoming the economic pandemic by corroborating towards doing the best for everyone.

Although this study is a commentary opinion for economic growth and could be applied globally from the policy makers to on the ground level organization, it still requires an intensive study to forecast and predict the global economic situation while making an effort towards enhancing human capital, their welfare, wellness and wellbeing. Therefore further study is encouraged to shed lights on economic forecast and its growth to enhance economic crisis management.

References

- Bedford J., Enria D., Giesecke J., Heyman D. L., et al. (2020). *COVID-19: towards controlling of a pandemic*. Lancet. 2020; (published online March 17.)
[https://doi.org/10.1016/S0140-6736\(20\)30673-5](https://doi.org/10.1016/S0140-6736(20)30673-5)
- Drucker, P. F. (1955). *The Practice of Management*. London: Butterworth-Heinemann.
- Platt, G. (2002). SMART objectives: What they mean and how to set them. *Training Journal, ProQuest Business Collection*, 23-26
- Rajbhandari, M. M. S. (2019). Interdisciplinary Sequences: A Conceptual Commentary. *Journal of interdisciplinary Sciences*, 3(1), 1-8.
- Taylor, F. W. (1911). *Scientific Management*. New York: Harper and Row.

Paper Received March 31, 2019; Accepted April 19, 2019; Published May 2, 2020