EFFECT OF EPIDEMIC ON INDIAN MARKET

ABSTRACT

The outbreak of Covid- 19 pandemic is an unprecedented shock to the Indian economy. The pandemic has makes deep impact in the Indian economy and business. The magnitude of the economy impact will depend upon duration and severity of health crisis. In this paper we discuss the impact of corona virus on various sectors of the economy, Banking and Insurance sectors, Government and Public Sector, Financial market and other Financial Areas and Cost Capital. And the impact of media in the pandemic situation, the consumer behaviour and purchasing habit, the psychological health and wellbeing of employee’s.

The paper mainly focuses on the situation in the current Pandemic situation and the challenges faced by the Indian economy.

INTRODUCTION

The pandemic Covid 19 has affected the Indian economy very largely. The ministry of statics says that the India's growth in the fourth quarter of fiscal year 2020 has goes down to 3.1% due to the pandemic. A 2019 joint report from World Health Organization (WHO) and World Bank has estimated the impact of such pandemic at 2.2% to 4.8% of global GDP that prediction comes true during the pandemic.

The lockdown has started on March and every sector and institutions were closed. The major problem faced by the people is unemployment. During lockdown around 14crore people has lost their job and salary cut for many others. More than 45% of households across the nation have reported an income drop compared to previous year. The daily wages people and the farmers who grow perishable goods also faced uncertainty during the pandemic.

Major companies in India such as Larsen and Toubro, Bharat Forge, Ultra Tech Cement, Aditya Birla Group, Tata motors and BHEL are temporarily suspended or reduced their operations. Young start-up has fallen due to lack of funding. Fast Moving Consumers Goods companies in the country have significantly reduced operation and focusing essentials. All the sectors which affected the pandemic is manufacturing and service sectors, hospitality, tours and travels, health care, retail banks, hotels, real estate education, health, media and others. The economic stress has started and grows rapidly. The lockdown and social distancing results in the productivity loss on the one hand. They cause a sharp decline in demand for goods and services by consumers in market on the other this leads to collapse the economic activity.

The economic damage from the global COVID-19 novel coronavirus pandemic will be, there is widespread agreement among economists that it will have severe negative impacts on the global economy. Early estimates predicted that, should the virus become a global pandemic, most major economies will lose at least 2.4 present of the value of their Gross Domestic Product (GDP) over 2020, leading economists to already reduce their 2020 forecasts of global economic growth down from around 3.0 percentages to 2.4 percentages. To put this number in perspective, global GDP was estimated at around 86.6 trillion U.S. dollars in 2019 – meaning that just a 0.4 percentage drop in economic growth amounts to almost 3.5 trillion U.S. dollars in lost economic output. However, these predictions were made prior to COVID-19 becoming a global pandemic, and before the implementation of widespread restrictions on social contact to stop the spread of the virus. Since then, global stock markets have suffered dramatic falls due to the outbreak, and the Dow Jones reported its largest-ever single day fall of almost 3,000 points on March 16, 2020 – beating its previous record of 2,300 points that was set only four days earlier.

The economic damage caused by the COVID-19 pandemic is largely driven by a fall in demand, meaning that there are not consumers to purchase the goods and services available in the global economy. This dynamic can be clearly seen in heavily affected industries such as travel and tourism. To slow the spread of the virus, countries placed restrictions on travel, meaning that many people cannot purchase flights for holidays or business trips. This reduction in consumer demand causes airways to lose planned revenue, meaning they then need to cut their expenses by reducing the number of flights they operate. Without government assistance, eventually airlines will also need to reduce lay off staff to further cut costs. The same dynamic applies to other industries, for example with falling demand for oil and new cars as daily commutes, social events and holidays are no longer possible. As companies start cutting staff to make up for lost revenue, the worry is that this will create a downward economic spiral when these newly unemployed workers can no longer afford to purchase unaffected goods and services. To use retail as an example, an increase in unemployment will compound the reduction in sales that occurred from the closure of shop fronts, cascading the crisis over to the online retail segment. It is this dynamic that has economists contemplating whether the COVID-19 pandemic could lead to a global recession on the scale of the Great Depression.

Despite the clear danger that the global economy is in, there are also reasons to be hopeful that this worst-case scenario can be avoided. Governments have learned from previous crises that the effects of a demand-driven recession can be countered with government spending. Consequently, many governments are increasing their provision of monetary welfare to citizens, and ensuring businesses have access to the funds needed to keep their staff employed throughout the pandemic. In addition, the specific nature of this crisis means that some sectors may benefit, such as e-commerce, food retail, and the healthcare industry - providing at least some economic growth to offset the damage. Finally, there is the fact that the crisis may have a clear end date when all restrictions on movement can be lifted (for example, when a vaccine is developed). Taken together, this means it is at least possible the global economy could experience a sharp rebound once the pandemic is over. There are still many variables that could affect such an economic recovery – for example, a reduced supply of goods and services to meet lower demand could create mid-term shortages and price increases – but there are some reasons to think that, with the right mix of appropriate government responses and luck, some of the more apocalyptic predictions may not come to pass.

IMPACT ON BANKING AND INSURANCE

COVID-19 is in the first place, a pandemic with potential serious implications for people‘s health. It is an unprecedented challenge for our modern societies and health systems. The consequences of the pandemic for our global economy and financial sector are unpredictable. Economists are convinced that we are heading for a significant economic downturn; however, responses from Governments and Supervisors have been prompt and different measures have already been taken to sustain the economy, the banking sector and, ultimately, the people. At Banking Industry or Insurance related services, there are specific topics that the banking sector should be considering and addressing while taking the necessary measures to cope with this “new normal”.

The Reserve Bank of India has taken certain measures to give some relief to the lending institutions in the areas of liquidity, regulation and supervision, and financial markets. The following are some of the business and accounting considerations for banks:

- **Credit risk assessment**

The RBI has given certain waivers to the borrowers which include moratorium to pay principal and interest with relaxation on their classification as a non-performing asset or a restructured asset. This has been implemented to help borrowers tide over temporary financial difficulties. However, banks will have to identify and monitor the borrowers who are facing temporary and long-term financial difficulties. Such borrowers will be provisioned accordingly. Due to the pandemic, it might become too cumbersome or difficult for banks to determine the extent and adequacy of collaterals available with them and the subsequent provisioning. There may be additional disclosures required in the financial statements and the computation of capital adequacy for COVID-19. Banks would therefore be required to maintain robust risk management functions and track their borrowers individually to determine and segregate the permanent impact from the temporary impact and make appropriate provisions.

- **Liquidity**

Given the situation of the lock down in the country, the defaults may have increased substantially as many companies would have lost revenue for a long time. An increase in defaults is likely to cause issues in liquidity and capital adequacy. However, the RBI has come up with certain measures to provide liquidity to all the lending institutions. These include:

- Auctions of targeted long-term repos operations of up to three years tenor of appropriate sizes at a floating rate linked to the policy repo rate to be deployed in investment grade corporate bonds, commercial papers and non-convertible debentures over and above the outstanding level of their investments in these bonds as on 27 March 2020 (50% from primary market issuance and 50% from secondary market including from mutual funds and non-banking finance companies).
- Reduction of Cash Reserve Ratio (CRR) of all banks by 100 basis points to 3% of the net demand and time liabilities with effect from the reporting fortnight beginning 28 March 2020. This dispensation is available for a period of one year ending on 26 March 2021 and will release liquidity symmetrically benefitting banks.

- The requirement of minimum daily CRR balance maintenance has been reduced from 90% to 80%, effective from the first day of the reporting fortnight beginning 28 March 2020. This one-time dispensation is available up to 26 June 2020.
- Under the Marginal Standing Facility (MSF), RBI has permitted banks to borrow overnight at their discretion by dipping up to 2% into the Statutory Liquidity Ratio. This limit has been increased to 3% with immediate effect. This measure will be applicable up to 30 June 2020.
- The central bank has widened the existing policy rate corridor from 50 bps to 65 bps. Under the new corridor, the reverse repo rate under the liquidity adjustment facility (LAF) would be 40 basis points (bps) lower than the policy repo rate. The MSF rate would continue to be 25 bps above the policy repo rate. Further, consequent upon the widening of the LAF corridor, the reverse repo rate under the LAF stands reduced by 90 basis points to 4.0%. The widening of the corridor between the reference rates is expected to ease short-term volatility and bring stability to money markets.
- Policy repo rate has also been reduced under the LAF from 5.15% to 4.40% (i.e., by 75 basis points) with immediate effect. Accordingly, the MSF rate and the bank rate to stand reduced from 5.40% to 4.65%.

Overview of key impacts on Banks: Digital Banking

The COVID-19 pandemic crisis will also be a test to banks running digital transformation programmes as digital interactions become the primary option for clients. The high demand of digital assets will be a challenge for banks; more mature banks may have advantage. Banks must keep offering services and products to stay alive; without branches this will be a big challenge. Fraudsters are becoming more sophisticated and are Taki ngadvantage of this situation (Cyber and AML are a real threat). The digital transformation plans are put to test and this situation may require banks to revisit their priorities and try to launch new products/services to remain viable. This situation will create a live test of the Customer Experience, customer digital requirements, Omni channel functionalities and capabilities, mobile app functionalities and internet banking. To take advantage of the situation, banks must be sensitive to this opportunity and create mechanisms to collect, analyse and identify all the improvement opportunities that result from increased use of digital banking.

- **Impact on insurers**

Insurers are getting impacted in terms of their assets and liability reflected in the balance sheet. This, as a result, threatens their business continuity as well as future growth. The pandemic is an acid test for financial institutions and more so insurers as a stress that they have tested and scrutinized in their financial risk analysis, operational risk analysis and business continuity planning. As an impact, insurers can expect to be flooded with general inquiries and claims across multiple different lines, whether that be for health, life or non-life cover. The following are the specific areas that are likely to be affected in the Indian Insurance Sector:

- **Mortality claims**

Life and health insurers while evaluating the impact of COVID-19 on their claims may consider alternative scenarios that would have led to the spread of the pandemic. This may vary from short-term outbreaks (viz., one to two months) to medium-term epidemic (viz., up to six months) and longer-term pandemic (viz., effects lasting for around 12 months). Health insurers also need to factor in the capacity of the Indian healthcare system and the effectiveness of actions taken by the government.

- **Loss of profit clause**

Quite a few companies may eye claims under the loss of profit clause in their insurance contracts. This typically covers losses due to factory shutdowns when unforeseen circumstances such as fire or accidents occur. Many companies had taken insurance policies to cover loss arising due to certain unforeseen circumstances, but it is uncertain whether they will be covered for Coronavirus under such policies.

- **Financial and cash flow impact**

All insurers including reinsurers in India will need to evaluate the pandemic's impact on their financial statement and cash flows. This includes:

  - <u>On the asset side</u>, how will ratings and expected loss in the debt portfolio be affected? What is the likely range of monetary policy responses from RBI and how will these affect short-term yields? Will evolving market conditions (e.g., possible contraction of bond issuance and trading volumes) make it feasible to execute an effective reinvestment strategy? How will duration-matching/asset and liability management (ALM) objectives be met amidst market uncertainty?

- On the liability side, what will be the impact of the stretched healthcare system on mortality, which includes deaths due to COVID-19 and otherwise? How will the health, economic and social impacts of the pandemic affect lapse rates?

Broadly, all insurers need to analyse financial and operational risks and their impact on the cost of capital under different economic scenarios, viz., deflationary conditions, economic downturn or stagflation. Accordingly, these insurers need to define the triggers for remedial management actions under each of these scenarios.

IMPACT OF THE PANDEMIC ON GOVERNMENT

The covid-19 epidemic is the first and foremost human disaster in 2020. More than 200 countries and territories have confirmed effective medical cases, caused by coronavirus declared a pandemic by the WHO. Recent growth rate case globally has accelerated to more than 12 lakhs covid-19 confirmed cases and more than 66,000 deaths till April 1, 2020. As we have already acknowledged that India is a developing economy, it is stated as an economy passing through demand depression and high unemployment, with 21-day lockdown announced by Prime Minister Narendra Modi on March 23, 2020, it would slowdown the supply-side, accelerating the slowdown further and jeopardising the economic wellbeing of millions. The outbreak of highly contagious COVID-19 pandemic came as a surprise event with unprecedented uncertainty with respect to how deadly disease really is and whether and when we will get a vaccine. In response, governments across the world scrambled with emergency actions, such as lockdowns, travel restrictions, testing and quarantining, and economic packages. The main purpose of these actions was to ensure social distancing among people to contain the spread of the disease on the one hand, while to minimize the adverse economic impact on the other hand. However, these actions generated additional uncertainty regarding their effectiveness and impact. For instance, lockdowns, though could be effective in reducing new infections, increased the economic distancing as well thereby hurting the jobs and incomes of tens of millions of people.

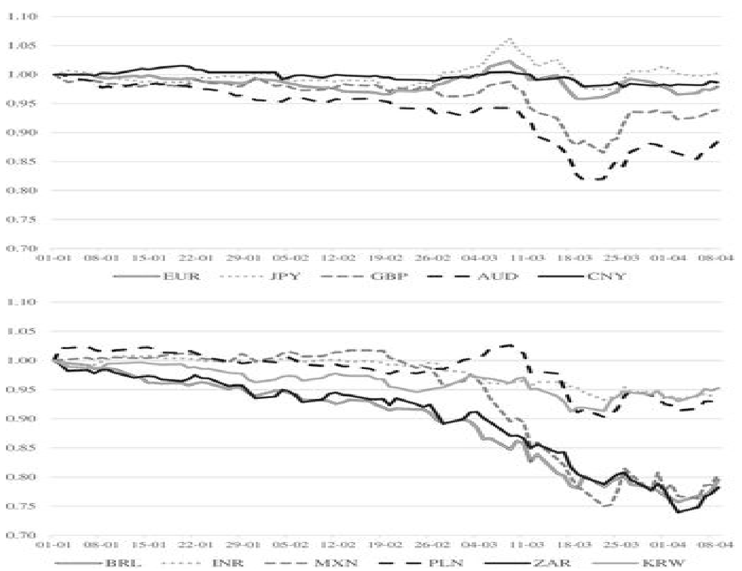
With an increasing number of coronavirus cases, the government has locked down transport services, closed all public and private offices, factories and restricted mobilization. Based on recent studies, some economists have said that there is a job loss of 40 million people (MRD report) in the country, mostly in the unorganized sectors. In this scenario, they are predicting that India would go into recession affecting the unorganized sector and semi-skilled jobholders losing their employment. The labour sector are worst impacted as they are not provided jobs due to lockdown, most of the labour sectors are associated with the construction companies and daily wage earners. Travel restrictions and quarantines affecting hundreds of millions of people have left Indian factories short of labour and parts, just-in-time supply chains and triggering sales warnings across technology, automotive, consumer goods, pharmaceutical and other industries. The quarterly GDP growth has consistently fallen since Q4 of FY18. If there is a deviation in Q4 of FY19, it is because the National Statistical Office (NSO) revised its data on February 28, 2020, drastically cutting down growth rates in the first three-quarters of FY19 (from 8% to 7.1% for Quater1; from 7% to 6.2% in Quarter 2 and 6.6% to 5.6% in Quarter 3. With reference to the recent happenings and data, the unorganised sector to suffer a great downfall in the coming days as the job generation is going down in an alarming rate with the prolonged lockdown and weak GDP.

IMPACT OF PANDEMIC ON PUBLIC SECTOR

The coronavirus (COVID-19) is driving major changes in the public sector and drastically affecting public finances. The outbreak of the COVID-19 pandemic has affected over 180 countries, infected more than 6.5 million people and killed more than 383,000 (as of 3 June 2020). In addition to the health implications and loss of life, the pandemic has strained health care systems, disrupted the education system, wreaked havoc on businesses and economies, led to job losses and disrupted social life with lockdowns, curfews and other stringent measures aimed at containing the virus being implemented globally. All this has happened in the context of implementing the 2030 Agenda for Sustainable Development, where the Public Service and Public Servants are critical. From frontline healthcare workers and public health officials to teachers, sanitation workers, social welfare officers and more, the humble public servant has been thrust into the spotlight, helping elevate awareness and understanding of the critical role public servants play in everyday life, and in particular during times of severe crises, such as the COVID-19 pandemic. In the on-going COVID-19 pandemic however, public servants are working under life-threatening circumstances. In all COVID-19 pandemic affected countries they are both expected to deliver services despite the pandemic while at the same time suffering its impact, either by being directly infected or having family members who are. Moreover, the pandemic hit the world at a time when, according to World Health Organization (WHO), the world needs six million more nurses and midwives to achieve global health targets within the SDGs. These critical workers are confronting a dangerous highly infectious virus but they in insufficient numbers.

IMPACT ON FINANCIAL MARKETS

In financial markets the pandemic triggered a flight to liquidity or a ‘dash for cash’ with sales of risky assets for cash and purchases of less risky assets. In currency markets this took the form of a flight to US$. Figure.1 shows all 11 selected currencies lost value in relation to the US$ since the start of the year. CNY almost maintained its value, but it is the only of the selected currencies that does not have a floating exchange rate. Among the floating currencies, JPY and EUR lost least value, and AU$ most, with GBP in between. On 20 March, GBP traded at US$1.15, its lowest value since 1985. The price of AU$ is likely to have been adversely impacted by declining prices of commodities, a major source of Australia’s export revenues.



Among emerging market currencies KRW, PLN and INR followed closely the depreciation of strong currencies such as the GBP. BRL, MXN and ZAR lost a third of value. The former group includes relatively advanced economies of South Korea, which managed to contain the spread of the virus early on, and Poland, which introduced quite strict containment measures as well. These two countries, as well as India, do not rely on commodity exports, in stark contrast to Brazil and South Africa. In addition, Brazil's President has gained a reputation for denying the severity of the crisis.

As for timing, the currency market was calm until early March, long after the WHO declared a global health emergency on 30 January. The major flight to US$ started on 12 March, the day after President Trump announced unprecedented restrictions on travel from most European countries. This wave of US$ appreciation lasted until 23–24 March. Then the US$ fell and stabilised around the end of month.

Stock markets started to decline on 20 February, with a parallel fall in all major markets (Figure.2). Over the following 4 weeks, stock markets lost between a third and 40 per cent of value, with the pace of decline faster than in 1929 (Goldman Sachs 2020). On 9 March, market losses were so large that they triggered a market‑wide circuit breaker on the NYSE, for the first time since 1997. The markets started to rise again around 23 of March, in line with the end of a flight to US$. This highlights the interconnectedness of financial markets and marks the end of a wave of panic sales of risky assets, and a flight to liquidity, which may not be the last one, of course.

EFFECT OF EPIDEMIC ON FINANCING AND COSTS OF CAPITAL

An issue that will likely be considered by researchers is how COVID-19 will potentially permanently change firm financing. COVID-19 highlights the possibility, or indeed the likelihood, of contagious disease events that will have tremendous negative impacts on global domestic demand. This is a game changer from financial markets neglecting to price the potentiality of horrific tail-risk events that would not be survivable anyway. COVID-19 and others like it are globally damaging to the world economy to a rarely precedent extent. But they are survivable. We should expect now that there will be a long-term impact on firm financing and firm costs of capital.

Firms located in more disaster-prone areas adapt to be less levered. Consistent with a trade-off view of capital structure .They attribute this finding to firms being impacted in disastrous areas with respect to operating disruption, increased costs of capital, and tightened financial flexibility. While firms are often seen as persistent in their capital structure policy, they often respond to macroeconomic shocks.

COVID-19 clearly suggests a previous under-pricing of equity risk. Will this lead to firms adopting less leverage? Will there be a very long-term shifting in costs of equity? A 200basis point increase in the country risk premium for China and Hong Kong following SARS. While the impact of country-risk premiums on costs of equity will vary with firm exposures to various markets, certainly, an increase of two present points in a country risk premium (likely much higher for COVID-19) would lead to a significant increase in the cost of equity capital, with a concomitant underfunding of global pensions. But the findings of increased country risk for China and Hong Kong are based on China and Hong Kong being particular risk areas for SARS. With a genuine pandemic like COVID-19 however the exposure is global rather than in select countries.

The impact of the COVID-19-crisis on the cost of capital is not explicitly addressed within the FAUB's professional advice. The committee only refers to the long-term orientation of the cost of capital and, thus, the crisis' negligible importance for the cost of capital. We can demonstrate, however, that current capital market data shows serious irregularities. It is most of all the base interest rate, the implicit market return/the implicit market risk premium, the systematic risk (as measured by the beta factor) and the cost of debt that reflect these market irregularities. Under these circumstances, appraisers need to question critically whether and how to consider those comprehensive changes in their business valuations properly. In this context, two major effects have to be distinguished. On the one hand, the COVID-19-crisis directly influences a company's income situation whilst on the other hand; the crisis also leads to changes in the capital market parameters.

Since any impacts on the future income situation and the leverage ratio need to be evaluated on a firm-specific basis, no general conclusions can be drawn from it. The situation is different for the capital market parameters, however. Irregularities can be found in the base interest rate as well as in the implicit market rate and the returns from corporate bonds. While the base interest rate and the implicit market return have already reached their previous level again, the credit spreads are still higher compared to the prior period.

The analysis of the current capital market parameters doesn't indicate mandatory adjustments of the implicit market return and the market risk premium for valuation dates after the stock crash on 24 February. For calculating the cost of debt and consequently the WACC as well as the market value of debt, the higher credit spreads resulting from the crisis have to be taken into account in business valuations, however. It should be kept a critical eye on the capital market parameters, as further adjustments due to the COVID-19-crisis could become necessary.

IMPACT ON CONSUMER BEHAVIOUR AND PURCHASING HABIT

For centuries, the phenomenon of fashion behavior has been the subject of study of social analysts, cultural historians, moral critics, academic theorists and business entrepreneurs. Particularly process whereby new apparel and apparel concepts, style statements and tastes continually changing across the population had been the subject of popular demand for centuries. Therefore, it is imperative to understand how people interpret apparel and how different demographic characteristics make different judgments during their pre-purchase decision, which in turn is critical to apparel manufacturers and their advertising agencies. This insight into consumer perception is crucial for the value-fashion industry and Indian players like Fbb, Reliance Trends, Pantaloons, and Westside. These value-fashion brands are now competing globally to become global leaders in apparel industry with the help of innovative branding technique and retail marketing strategies to attract more customers. Brand behavior help customers to sort out the non-attractive similar items and gives them a reason to buy the product. Brand behavior is essentially the sum of all experiences related to the product, after sales-service, exchange-policy which the companies render to their customers for delivering the product.

It has been acknowledged that customers make their purchasing decisions by comparing alternative offers in the market or brand loyalty. Those elements are a part of different consumer buying behaviour decision making styles. Knowing those styles, retailers can profile their consumers, communicate relevant messages and customize in-store experience for individual consumers according to their preferred decision making style. Deciding factors of purchase are shaped by functional experiences (i.e. fashion, durability, quality, price, colour, ease of care) as well as promotional tools experiences (i.e. newspaper, radio, social media, holiday vouchers, discounts, offers, birthday vouchers) the customer associates with the product and company.

The COVID-19 pandemic has fundamentally changed the world as we know it. People are living differently, buying differently and in many ways, thinking differently. Supply chains have been tested. Retailers are closing doors. Consumers across the globe are looking at products and brands through a new lens.

The virus is reshaping the consumer goods industry in real time, rapidly accelerating long-term underlying trends in the space of mere weeks. Our research indicates that new habits formed now will endure beyond this crisis, permanently changing what we value, how and where we shop, and how we live and work.

Even as this crisis continues to evolve, by exploring the changes that are happening now, we can consider what consumer goods businesses should do today to prepare for what’s next.

Consumers are deeply concerned about the impact of COVID-19, both from a health and economic perspective. People are responding in a variety of ways and have differing attitudes, behaviours and purchasing habits. People across the globe are afraid as they strive to adapt to a new normal. Fear is running high as individuals contemplate what this crisis means for them, but more significantly, what it means for their families and friends, and society at large.

Consumers are responding to the crisis in a variety of ways. Some feel anxious and worried, fuelling panic-buying of staples and hygiene products. At the other extreme, some consumers remain indifferent to the pandemic and are continuing their business as usual, despite recommendations from government and health professionals. CPG companies will need to understand how their own consumers are reacting, and develop customized and personalized marketing strategies for each. The days of one-size-fits-all marketing are over.

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PANDEMIC IMPACT ON MEDIA

The COVID-19 pandemic has affected the usage of social media by the world's general population, celebrities, world leaders, and professionals. Social networking services have been used to spread information, and to find humour and distraction from the pandemic via Internet memes. In addition to being a global threat, COVID-19 is referred to as an info emic. The direct accesses for the content through platforms leave users susceptible to rumours and questionable information.

Social media has seen a sharp increase in use during the pandemic, largely due to social distancing measures encouraged by many governments. Since many people are asked to remain home, they have turned to social media to maintain their relationships and to access entertainment to pass the time. Moreover, social distancing has forced lifestyle changes for many people, which can put a strain on mental health. Therefore, many online counselling services that use social media have surfaced and begun to rise in popularity, connecting mental health workers with those who need them.

Social media has been used by news outlets, organisations, and the general public to spread both valid information and misinformation about the pandemic. The CDC, WHO, medical journals, and health care organisations have been updating and spreading information across numerous platforms with partnerships with Facebook, Google Scholar, TikTok, and Twitter. Others such as an attending emergency medicine physician in the New York hospital system have been using their social media accounts to report first-hand accounts of working to combat COVID-19. It was reported on 8 April, that COVID-19 conversations around disease states have increased 1,000% around healthcare professionals and 2,500% among consumers based on a social listening study from 1 January to 19 March. Pilot research examined whether U.S. trust in science changed between December 2019 and March 2020 after hypothesizing that the amount of public discussion and research would improve it, but the study reported a null finding.

Doctors are also joining groups on social media to spread information about treating the disease with one group on Facebook, the PMG COVID-19 Subgroup on Facebook reporting some 30,000 members worldwide by the end of March. Another group, Physician Moms Group, which was started five years prior to the pandemic had so many people wanting to join the 70,000 strong group that Facebook click-to-join code broke and 10,000 additional doctors waited for it to be fixed. The groups have allowed medical professionals to collaborate with one another, gather information and help direct supplies to hospitals that need them.

Medical professionals have also used social media in an effort to educate the general population about the impact of working in PPE for upwards of twelve-hour shifts, utilizing a trend that showcased their faces after their shifts and their masks are removed. Many of the individuals who participated had bruises, indents, redness and even band aids covering blisters formed by the masks sitting tight on their faces for hours.

PSYCHOLOGICAL HEALTH & WELL-BEING OF EMPLOYEES

Covid-19 is undoubtedly impacting our individual and collective mental health. Each one of us is going through stressful times right now and learning to cope in different situations:

- **Current psychological health and well-being**: Burnout, anxiety, depression, sleepiness, physical health, personal/family life, finances, loneliness, covid proximity and symptoms
- **Workplace experience:** safety equipment and procedures, supervisor support, co-worker support, organizational commitment, work-family and family-work conflict
- **Wellness resources:** Employee Assistance Programs (EAP), counselling programs, COVID wellness website, financial programs, peer support program, respite space.

Right now, employees are currently experiencing more fear and anxiety than usual. The uncertainty about the state of their health, jobs and the future are causing employees to feel heightened levels of stress. This means it’s the perfect opportunity for leaders to demonstrate their commit employees’ to mental health and overall well-being. Here are five ways that employers can support their employees during a pandemic:

1) Utilize technology to offer mental health resources

Technology is a great enabler. Employees are turning to collaboration tools and video conferences to discuss work and maintain relationships with co-workers while working from home, which can have a positive effect on employee well-being. 20% of working-age adults report having a mental illness, yet many are unsure if their company offers comprehensive mental health resources. With employees working remotely, now is the time to use technology to provide a variety of mental health programs, such as licensed counsellors on call, meditation platforms and virtual education for employees to learn coping mechanisms and stress management.

2) Use this opportunity to reduce the stigma

Often the fear of stigma prevents some employees from getting the help they need. It's not necessarily an easy topic to discuss, but starting the conversation can lessen the stigma while providing education. Use your employee wellness program to educate and provide resources for self-help and self-care. Bringing in a virtual therapist to discuss ways of recognizing symptoms, improving mental health, and seeking outside help can also be helpful.

3) Double-down on communication

Communicating clearly with your workforce about the mental health and well-being resources available to them and showing empathy in a time of crisis can go a long way – not just for the overall well-being of employees but for the company's health long-term. Managers and HR should also communicate consistently about mental health resources offered and covered in employees' benefits plans, such as counsellors they can call, meditation and stress management services and access to employee assistance programs.

The challenges employees are currently facing won't be instantly resolved when the crisis eventually ends, which is why it's important to continue communicating about mental well-being even after things return to the "new normal."

4) Prioritize well-being in your benefits plan

Companies should prioritize their employees' entire well-being, including physical, mental and financial health, all year round – not just during a crisis. Companies should have these resources built into their benefits plan to show they care about their workforce beyond this period in time. Increased levels of stress lead to more doctor visit, which means increased healthcare costs to the employer. By making the overall well-being of your workforce a top priority, company leaders can ensure they emerge as a healthier and more united organization after experiencing a major crisis. Educating employees on the mental well-being resources available to them doesn't just apply in times of crisis or during open enrolment. Proactively preparing your workforce for future mental health-related issues can prevent employees from feeling fear of the unknown because they are equipped with information that can help them navigate on stressors like insurance costs, where to go for doctor visits and which mental health counsellors are in their network.

5) Show empathy and leadership

Employees are feeling a sense of uncertainty and heightened stress right now – about their health, job and financial security. Leaders who show they care about individual employees and provide mental health guidance right now can help boost spirits. Managers should take extra steps during this time to check in with their team on a daily basis about things other than work. Host video calls to keep up employee morale and promote a larger conversation about overall well-being. Remind employees to take mental and physical breaks, exercise and participate in other non-work-related activities to reduce anxiety and improve productivity.

During this time of uncertainty and stress, the need to prioritize individual health and well-being is stronger now than ever, and companies can help by having a caring and empathetic work culture. We must keep mental health as a key focus throughout this pandemic. Leaders who show compassion and put employees' well-being first during this time will see their workforce continue to be healthy and productive.

BUSINESS PERFORMANCE AND PRACTICES FOR SUSTAINABILITY

Going green dramatically benefits businesses – it should be central to their coronavirus recovery strategy

The onset of the pandemic and the ensuing lockdown has imperilled businesses worldwide. It will be tempting for firms to put any commitment to the environment in the back seat as they attempt to recover, especially as some governments reduce requirements and undermine environmental protection. This is short-sighted: businesses do not have to sacrifice their environmental goals for protecting their growth. Greening initiatives like offering green products or services, introducing green processes internally, hiring employees to promote sustainable practices, or going beyond compliance requirements, can actually help firms. Using data on 9,236 small and medium businesses in 35 countries across Europe and the US, our research suggests that on average, businesses benefit from going green, although the type of greening that gives the most significant benefit may differ between firms.

Here are four main ways that greening can benefit businesses.

1. Innovative market niches

By offering new green products or services, a business is more likely to cater to an emerging trend or niche market, which can make it more competitive. Frugal Pac, a UK-based company that makes paper-based packaging for liquids that cut carbon footprints, received a £2 million investment during the pandemic – a time when most other companies we're struggling for finance. Already seeing widespread success for their recycled paper coffee cup, Frugal Pac's innovative paper wine bottle, also made from 94% recycled paper, has led to new opportunities and partnerships. Companies focused on sustainability can rapidly expand by catering to new niche markets internationally. Consider Delights, a company that offers innovative lighting solutions for people who do not have access to electricity. The company has transformed the lives of more than 100 million people across 70 countries through its green product offerings while raising US$197 million (£150 million) in investment.

Earlier this year, the Danish energy supplier rested, formerly known as Danish Oil and Natural Gas, was named the most sustainable company in the world. This success followed from its transformation to a green energy supplier – which went hand in hand with accelerated profits. By catering to new niche markets using green products and services, these businesses have emerged as future leaders in their sectors. Of course, not all companies are suited to finding such niches. But sustainability can be promoted in other ways like green working practices and processes, for example.

2. Employee motivation

Job seekers are increasingly attracted to companies that care for the environment. The employees of firms that promote sustainability are more likely to believe that their employer will care for them, and are more satisfied with their jobs.

Such companies create a higher sense of personal and organisational purpose that makes work meaningful. A recent poll shows that millennia's and Gen Z's are more concerned about the environment than any previous generation. This means they prioritise employers who put sustainability at the forefront. By some estimates, companies that follow green practices have a 16% boost in employee productivity. Although establishing a direct causal link can be difficult, some of the greenest companies, such as Cisco, Tarmac or Stinted, are also considered the greatest companies by employees.

3. More engagement

Greening initiatives signal to external stakeholders, such as investors and customers, that a business is committed to doing well. This can lead to increased investment, customers and stakeholder loyalty. This is pertinent in the aftermath of COVID-19 as there is heightened awareness about the need to protect the environment.

For example, highly sustainable companies benefit from superior stock market performance in the long run, according to research looking at American companies in the period 1993-2009. Investors are increasingly questioning firms on their commitment to sustainability, and expecting meaningful steps from them for integrating consideration of such issues into their investing criteria. This is reflected by the tenfold increase in global sustainability investment to US$30.7 trillion by April 2019 since 2004.

More recently, Polysolar, a company that makes glazed windows that generate electricity, has secured more than double the investment it sought on crowd funding platform Crowd cube. And large companies such as Unilever have benefited from increased stakeholder engagement and loyalty by adopting greening practices and products, addressing a dark history of environmental exploitation.

4. Increased efficiency

Greening processes can result in efficiency gains by reducing energy costs, allowing businesses to secure green tax credits, improving operational efficiency, and embedding circular economy principles internally. Such gains directly translate into commercial benefits. As many as 75% of UK businesses that invested in green technologies subsequently enjoyed commercial benefits, even if financial concerns pose barriers to making these green investments in the first place. For large companies such as Proctor & Gamble, these gains can run into billions of pounds. Conversely, in cases where businesses harm the environment, they have to be prepared to incur significant costs. A prominent example is the famous case of Volkswagen, which has even adversely impacted the performance of other German car manufacturers like BMW and Mercedes Benz. For all these reasons, time is ripe for business to go green.

CONCLUSION

The spiralling and pervasive COVID-19 pandemic has distorted the world’s thriving economy in unpredictable and ambiguous terms. But it significantly indicated that the current downturn seems primarily different from recessions of the past which had jolted the country’s economic order. Whereas the nations, conglomerates, corporations and multinationals continue to understand the magnitude of the pandemic, it is undoubtedly the need of the hour to prepare for a future that is sustainable, structurally more viable for living and working.

While the unprecedented situation has caused a great damage to the economy, especially during periods of lockdown, the nation will have to work its way through it, by introduction of fiscal measures. As the national government envisions, protection of both lives and livelihood is required. The economic activity must begin gradually after screening of the labour force. Strict preventive measures should be implemented by the industry in order to safeguard the health of the workers. While policy and reforms should be doled out by the government adequately to salvage the economy, the industry, civil societies and communities have an equal role in maintaining the equilibrium. The norms of social distancing, avoiding or cancelling gatherings, and use of masks and sanitizers should be the way of life till we are able to eradicate the virus. During this time, the economy is juxtaposed with social behaviour of humankind, so the responsibility of bringing back economic action is not of government alone.