RESEARCH ARTICLE

Covid-19: Economic perspectives, public health measures and a "lego" brick approach to reopening

Luis Menezes [1*], Antonio Maia Goncalves[2,3], Ricardo Mexia[4], Mariana Gonçalves[5]

Menezes L, Maia Goncalves A, Mexia R, et al. Covid-19: Economic perspectives, public health measures and a " lego " brick approach to reopening. J Health Pol Manag.2021;4(1):13-19.

The dimension of SARS-Cov-2 impact in the world economy will depend on the behavior of the virus and we don't know enough about SARS-Cov2 to understand today, the full extent of its global impact. South Korea is analyzed as a model to replicate in the reopening that several countries are starting to undertake. The authors support electronic tracing as a solution to contain more strongly Covid-19, given all the necessary debates about privacy and individual rights, as well as generalized of masks and multiplex tests to contain virus surges. The article undertakes an analysis of reopening scenarios, linked to healthcare systems capacities, and virus intensity in each wave. The authors support open information exchange about the SARS-CoV2, in order to help develop quicker solutions to end thepandemic.

Key Words: *Economy; SARS-Cov-2; covid-19*

INTRODUCTION

The Covid-19 pandemic will clearly be one of the defining moments of this century and of many generations. The world was not ready for this. No one saw it coming. But, and Quoting Henry Kissinger's Wall Street Journal essay title, " The Corona Virus Pandemic will Forever Alter the World Order". It surely wills [1].

In the same article, the author states that "Nations cohere and flourish on the belief that their institutions can foresee calamity, arrest its impact and restore stability. When the Covid-19 pandemic is over, many countries institutions will be perceived as having failed. Whether this judgment is objectively fair is irrelevant. The reality is the world will never be the same. To argue now about the past only makes it harder to do what has to be done"

Most governments have acted, and have acted well with severe non-pharmacological interventions (NPI) in the beginning of the pandemic, from school closing, to travel limitations and in many cases with full lockdowns. These NPI are essential to flatten the curve from a healthcare perspective, but are equally critical to create a path to a quicker economic rebound after the crisis is over [2].

In that sense, there is no ethical dilemma regarding quick NPI for policy makers and politicians because NPI's – softer or harder, depending on the pandemic spread in each country or region - are the win-win solution to both save lives and pave the ground for a faster recovery path[3].

But what comes next? This article pretends to put the emphasis on what needs to be done.

First by understanding the economic consequences of the pandemic and the general government and global institutions response to it was.

Secondly, by trying to understand how South Korea stayed open, controlling the pandemic, as an example to reopening models across the world: how to control the pandemic without closing down. On this angle we also look at the public health response measures we should take, as well as the relevance of the multiplex testing capabilities to have in place as quickly as possible, but mainly to face the potential October / November Flu Season + Covid-19 combined peak.

And finally, by proposing a modular approach to the release of NPI by governments and policy makers, that must be tracked with strong testing, tracing and pandemic monitoring, in a dynamic "dance" where we remove " Lego Bricks " – NPI ' s – while measuring the virus behavior to these measures, and acting accordingly.

The objective is to find an approach that avoids full lockdowns in a second wave of the pandemic, by having the and the economy to have some certainty about not closing down massively once more – or knowing when that can happen - with the tremendous economic effects it brings [4].

HOW DEEP IS THE ECONOMIC VALLEY

Like discussed in the first article where we analyzed the pandemic economic situation, this crisis comes completely unannounced and traditional economic modeling needs to be adapted to the virus behavior, as well as government and global institutions responses to it.

The initial economic predictions came out, came with a very large landing zone. An example of this, for the Portuguese situation, is the 23rd of March, study by the NECEP of the Portuguese Catholic University pointing to a recession in 2020 in Portugal between 4% and 20%, depending on 3 different scenario levels.

Since then, continuous studies come out almost on a daily basis. From governments, to banks, to several global institutions, there are dozens of different views and reports out there. The table below shows a wide range of those analysis and variability of the outcomes from several banks for GDP growth (Figure 1).

[1]*UNILABS, Portugal*

[2]*Multipurpose Intensive Care Unit, Casa Saúde da Boavista 4250-201 Porto, Portugal*

[3]*Portugal Institute of Bioethics, Universidade Católica Portuguesa, 4169-005, Porto, Portugal*

[4]*Portuguese Association of Public Health Doctors, Porto, Portugal*

[5] *Faculty of Law, Universidade Católica, Porto, Portugal*

Correspondence: *Menezes L, UNILABS 4150-17 , Portugal, E-mail: Luis.Menezes@unilabs.com*

Received: *January 03, 2021;* ***Accepted:*** *January 17, 2021;* ***Published:*** *January 24, 2021*

Figure1) Bloomberg; BCG analysis.

The IMF World Economic Outlook of April brings, in our view, the most in-depth analysis so far [5].

On page vii and 2 of that report, the IMF states clearly that "up-front containment measures are essential to slow the spread of the virus and allow health care systems to cope and to help pave the way for an earlier and more robust resumption of economic activity". This goes in line the analysis made by the FRB to the 1918-19 pandemic and to the conclusions of the author's previous paper.

The IMF also dwells into the supply and demand shock that this pandemic creates in its many layers. Infections reduce labour supply; workplace closures disrupt the supply chains; layoffs, decreased incomes, fear of being infected, alongside with generalized uncertainty, makes individuals spend less, creating less demand, increasing layoffs, decreasing more income, in a never-ending spiral of business disruption, closures and rise in unemployment. A clear example of this is what happened in the United States [6] with a rise in Jobless claims of 22 million people in 4 weeks, an unparalleled increase (Table1).

TABLE 1
Worst U.S. Job Losses on Record (Four Week Period).

Year	Description	Peak Jobless claims (4-wk total)	% of U.S. Population
1975	Stagflation	2.24 million	1.00%
1980	Fed tightening (Volcker)	2.52 million	1.10%
1982	Double-dip recession	2.70 million	1.20%
1991	Early 1990s recession	2.00 million	0.80%
2001	Dotcom Bust	1.96 million	0.70%
2009	Great Recession	2.64 million	0.90%
2020	The Great Lockdown	22.03 million	6.70%

The IMF reports also in page 4 the plethora of factors that interact together to create any economic forecast such as "the pathway of the pandemic, the progress in finding a vaccine and therapies, the intensity and efficacy of the containment efforts, confidence effects and volatile commodity prices". On this point regarding commodity prices, the report came out before the extraordinary events that happened with Oil, namely WTI Oil prices, going negative for the first time due to lack of demand, excess production and lack of storage [7]. The IMF report was made with an average spot price per barrel of 35.20$ (average of Brent, Dubai Fateh and WTI).

This factor in the commodity prices, namely on oil, may be an early sign of higher demand decrease than projected or simply an issue related with physical closing of several futures contracts. (Figure 2). Whatever this may be, it ' s another moving target with a strong influence in the final outcome of any model. The IMF projections show the following picture [8]

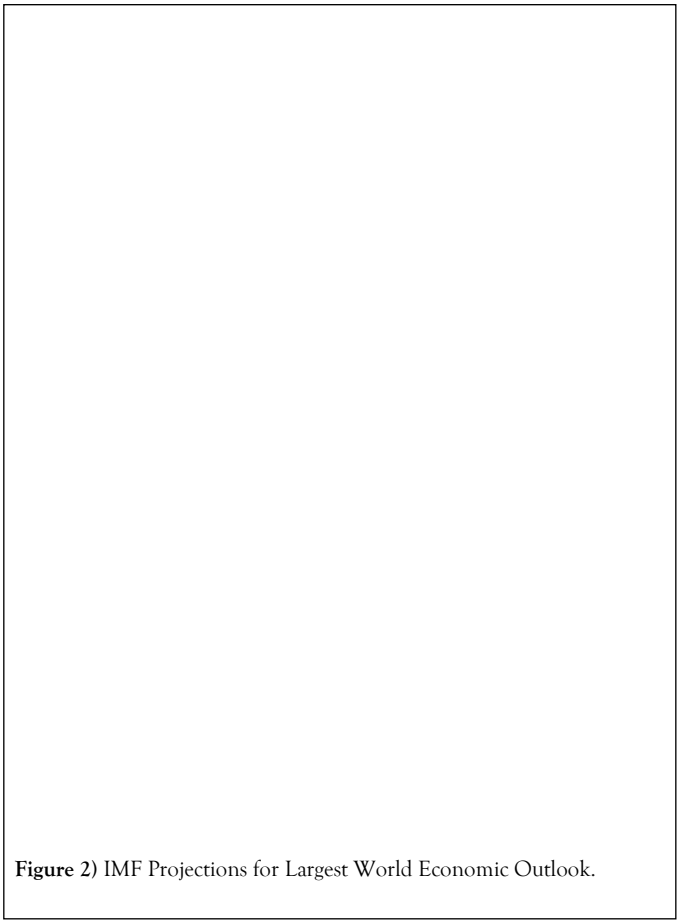

Figure 2) IMF Projections for Largest World Economic Outlook.

The IMF standpoint comes with a series of assumptions that are will be must be taken into consideration: "targeted fiscal, monetary and financial