How Health and Economics can merge for Innovative Welfare of Bottom of the Pyramid: An Economics Perspective of Poverty eradication during COVID-19?

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These unhappy times call for the building of plans that rest upon the forgotten, the unorganized but the indispensable units of economic power . . . that build from the bottom up and not from the top down that put their faith once more in the forgotten man at the bottom of the economic pyramid.

U.S. President Franklin D. Roosevelt.

Abstract: The paper is more focused on solution measures and idea generation rather than mere cries over viruses and healthcare. The paper establishes the facts and tries to uphold ethics and issues concerning labor movements and mobility in times of crisis, death of traditional economics, COVID attack on economy and sustainable entrepreneurship, ethics of public policy makers, lies, data and global journey over CSR in times of innovative healthcare and rush to produce medicine. When news media and global pandemic solutions focus on deaths and medicine the paper addresses hidden treasures of development economics, behavioral economics with a touch of ethics and CSR. Issue of NGO, company responsibility amidst growing tensions is also studied effectively. The paper tries to generate new idea for integration of ethics, poverty, and innovation and foster a dynamic chart for going ahead amidst rising COVID cases and disruption. No one can deny the fact of poverty lining being neglected midst global cries over COVID deaths. Have we forgotten poor children and women? The paper tries to bring in a confluence of thoughts from the perspective of healthcare services as well as economic analysis to provide innovative solutions to healthcare payers and budget implementation. It is infact
imperative to note that behavioral aspects change over demographies and borders. A planned borderless world regarding health economics is not sustainable and proper research is required regarding the same.

Keywords: Health Economics, Demography, Behavioral Economics, Poverty, Bottom of the Pyramid, COVID-19.

Introduction: Where the world sleeps on the streets, where the world wakes up with hunger and thought of loosing hope for sustainable living; ethical concerns play a pivotal role in today’s global pandemic pandemonium. Global academicians and public policymakers are fighting hand in hand to uphold the various models of developmental economics whereas traditional theories collapse like Berlin Wall before a mammoth population index in countries like India. Concerns raise high over shift of various economic parameters amidst development of innovation indexes and parameters driving new products as well as product lifecycle; scientists and economists fail to understand that we are not dealing with mere economics but economics of health and wellbeing. The most sad part of the day in times of crisis is the psychological distress and negative impacts on business creation and entrepreneurship in times of COVID. What will happen to the 1000s of people living below poverty line? What actions can estimate their loss of jobs and labor conditions? What about migration labor and reverse migration? What about the poor children living in slums? Ethical concerns and corporate social responsibility runs high amidst corporate funding and new product development. The paper tries to dwell over loss of jobs, ethical concerns, suicide, post job psychological measures, development index and other human rights violation amidst global fight against COVID, innovation and changing domains of health measures and product enhancements; life beyond N-95 masks and testing devices. One of the most important studies regarding crisis during COVID is infact social entrepreneurship and women in poverty. How entrepreneurship changes over the sea of changes during COVID? For this it is important to study the behavioral aspects of economics as well as psychological inputs regarding forced entrepreneurship. The effectuation theory of Saraswathy also holds promises as well as push theory of entrepreneurship which can foster innovation. The main concern is why innovation in times of COVID addresses only health Diaspora nad healthcare products like masks and vaccines. Why cannot we think beyond health? Why not uplifting poverty and knowledge management. Why cannot research lay foundation for migration labors, daily wage employers, and sales personnel and sustain entrepreneurship goals and innovation. What courage underlines the living psychology of labors and poor children? Are we still abusing children and taking them out of their daily playing rights? It’s better to focus on solution and remedy from research which can aid development amidst viruses and cries! Why cry over mere ailment and solution?

Methodology: The BOP theory focuses on the higher crust of people living below poverty line and has been a subject of social inclusion for a long time (The Fortune at the Bottom of the Pyramid, 2004) . For this C.K. Prahalad and Stuart L. Hart, proposes corrective actions on poverty alleviation by completely denouncing the traditional path of poverty seen as curse and reflecting on employing them for creative growth and innovation (Capitalism at the Crossroads,
Local business models were also analyzed and reflected where poor people were suggested
to be integrated into the creative development process. One drastic application based study is the
integration of poverty with industry which has been laid down by academicians in Cornell
University's Center for Sustainable Global Enterprise where few companies have applied in their
daily innovative process. SC Johnson Company and the Solae Company (a subsidiary of
DuPont) have applied Bottom of the Pyramid protocols to uphold innovation process.

A sharp increment in global poverty has been noticed by the World bank, mid- Saharan region
being the hardest hit (https://blogs.worldbank.org/opendata/impact-covid-19-coronavirus-global-
poverty-why-sub-saharan-africa-might-be-region-hardest). Lack of payment to employees has
lead to massive interstate labor migration in the Republic of India and even deaths have been
reported in the process of such event. G7 economies have been very hard hit. A six week total of
30 million unemployment report from the USA (20 million from private sector) has been put
forward, a sharp increase of unemployment rate by 7.8% has been reported by official statistics
of Canada and proportion of jobless has risen to 5.8% in Germany
(https://www.weforum.org/agenda/2020/05/coronavirus-unemployment-jobs-work-impact-g7-
pandemic/).

According the Kumar and Peterson, WOM generates new customers both in terms of profit and
expected gain. Decision EZification (George Silverman) as he pointed out this strong principality
behind marketing strategy to push through selling objectives despite skepticism.

The term pandemic is coined from Greek word “ Pan” meaning all and “Demos” meaning all
(WHO Declaration 2020).Disease control experts try to define pandemic as an epidemic which
has drastically affected and spread across continents and countries evolving in rapid
psychological changes and death. Alternative definition tries to evolve as an epidemic spread
across many continents affecting a large section of people (The U.S. Centers for Disease Control
and Prevention).Health economic principles are further applied in understanding migration
policy, development policy, obesity, climate change as well as pandemics (Johns Hopkins
Bloomberg School of Public Health ).Health economics is a branch of economic sciences which
tries to measure efficiency, effective behavior as well as values in the consumption and utility of
healthcare and healthcare resources (The Measurement of Health and Health Status, 2017).

Interview has been further defined as an effective way to bring out information or beliefs from
another person (Maccoby 1954).Earlier days interviewing in social sciences has been seen as an
effective remedy for psychological testing.The first such attempt was seen in the form of social
testing (Charles Booth).The necessity behind interview process in academic pursuits and
research activity (Contagious: Why Things Catch On, Jonah Berger) can be further categorized
as : Triggers, currency valuation, emotional changes and storytelling.

Case Study:

DCM Shriram Limited, an agricultural inflicted company which works at grassroots levels in
monitoring health issues in migrant workers in India.

Shadowfax is another live case study where the company in India is providing medical insurance
to its workers who have been affected with Covid. Such are burning examples of inclusive
business operations.
Linking conflict and economic development (Paul Collier) is a long drawn analysis which can be applied to the study of COVID on ethics and poverty alleviation. The pandemic is causing a heavy painful effect on tourism as well as aviation industry (https://hospitalityinsights.ehl.edu/). Such linkage can be further analyzed as equal. Conflicts can be of various measures and types. Detection as well as control measures are indeed important factors in resolution of conflicts resulting in transmission of infectious diseases (Conflict and Emerging Infectious Diseases, https://www.ncbi.nlm.nih.gov/). Such measures often include various parameters of lack of surveillance, poor humanitarian networking capabilities in resource inadequate places where disease control is a big setback.

There is also highly chances of introduction of new infectious syndromes by migrant workers who return from highly affected zones (Conflict and Emerging Infectious Diseases, Michelle Gayer).

The Make in India initiative of the government under Modi is a strategic mission at heralding on age old tradition of India’s self reliance and self sustainability missions. Many corporate globally have praised the goal and have shown interest in investments and joint collaboration with Indian industries. This has served two goals rapidly. Such an initiative is poised to further progress India’s economic aspirations amidst global shift in economic indicators and productivity alignment post pandemic when many corporate are thinking in terms of long term stability and ethical business practices. The production zones of the world long has focused on China but the pandemic has made India’s Make in India more acceptable by infusing belief and availability of government foreign strategy and diplomacy effectively.

India is also part of the Millennium Development Goals of the United Nations and India is not alone in its goal whereby “Make in India” promises employability and poverty alleviation amidst COVID-19.

India’s innovation is fast and can be a business school case study has been proved by rapid innovation of government productivity regarding healthcare targeting COVID. India who was earlier not coping with testing devices and masks began innovative production facilities which changed the business innovation models and now India is producing surplus N-95 masks and rapid testing devices, even in position to export them. This is indeed the successful measures and research facility provided by Government measures and interest in pulling India out of the pandemic. Even the World Health Organisation praised India’s disciplined approach to countering COVID and its strategic goals in eradication of COVID effects.

1) Indian Government’s investments of INR 1.7 trillion as part of relief package will further strengthen the mission of the government’s swift action against poverty alleviation. India being a hugely populated nation with a substantial amount being under the poverty line have seen in recent times scientific institutions acting rapidly for deployment of specialized COVID centers and sleaze control measures in and around slum dwelling zones as well as containment zones. Reports from Indian Institute of Human settlements have shown great number of such centres planned and deployed according to WHO measures which can rapidly detect and provide a fast solution to affected regions.
Governments social face has seen the provision of 5 million rupee insurance cover for frontline workers like healthcare personnel.

2) Pradhan Mantri Garib Kalyan Anna will facilitate diet control measures and minimum food supply to affected zones. Such measures have indeed been a plus to rapid poverty alleviation measures amidst COVID. PDS has been roped in to create measures for distribution of pulses and rices in approximate amount.

3) The government’s mission also includes Women upliftment and care by providing LPG free for the 3 months who are below the poverty line. Such funding will definitely aid the progress of health indicators in macro economic phases.

It is important to point out that primary research work was carried out through extensive fieldworks despite pandemic restrictions. The interview process started with grassroots analysis of entrepreneurs, SME and MSME in Russian Federation. The main criteria was to imbibe knowledge from respondents regarding behavioral aspects and Push and Pull theory to sustain fragling situation and crisis management. Particular interest was tourism and its affiliated zones which survived despite aggressive restriction measures in pandemic situation. Fund sustainability amidst circular economic principles were properly analyzed and reported. There was also a surprise element attached to qualitative study where respondents were awry about financial inclusion and government best practices.

The Bottom of the pyramid theory holds bit of ground here. The selective measures and theoretical actions can aid the development and involvement of poverty affected areas in fastening the innovative process in times of COVID. One solution is the employment of BOP people in innovative production circle without neglecting them and creating a sustainable chart for integrating them in innovation.

Extensive research work has been carried out at field level by interviewing and producing questionnaires to start up business owners in Russia. It is to be noted that business sectors has experienced gradual decline in profits but has courage ahead in times of pandemic. The paper particularly tries to focus on medium level enterprises and poor section of the society as it is envisioned and felt the need for studying the behavior and characteristic of that part of the society. It is particularly interesting to study the effects of pandemic on Bottom of the pyramid structure and reverse migration of labors. How government policies change regarding sustainable measures for bottom of pyramid section and how it is necessary to integrate them within the sphere of fund generation and new entrepreneurship structures.

1) Interview of a local business woman from a Russian village: An Ethical Review Process: The Why domain?

The interview was conducted in Russian Federation with the strong belief of gaining an insight into institutional practices at the medium level strata based on direct visuals and oratory behavior of an entrepreneur who is not based on huge debt and angel funding. The reality and future
research considerations was taken into account while conducting the research as it might be a tool and indicator for public policy makers to decide and create effective decision making.

By randomly interviewing the woman on her measures to courage ahead her business pursuits it was noted that the signaling part of economics has endured her to sustain business operations by word of mouth and direct selling. Her approach has not changed though, as she is a new startuper and has no debt arising from investments. She tries to foster business by social media marketing and Word of Mouth selling. WOM strategy followed by her includes organic discussion where she tries to impart both cultural and heritage through her brand. The urgency of the situation has not been reported but the need for financial gain and behavioral perspective has been felt while interviewing her. The interviewee tries to go ahead with brand extension despite behavioral changes post pandemic. Utilization of reserve fund management and cross sectional utility of investments is being noted. The behavioral factor in the push factor of the interviewee as idea generator was not noted as peripheral diversion in business operations and activities for change in quality of life was felt more.

2) Interview of a Hotel operations Manager in St Petersburg Russia:

The Why Domain?

The obvious necessity to analyze the business operations goes void if we could not analyze tourism in a tourism afflicted region like St Petersburg. Such analysis bore true meaning as such a place like St Petersburg can be a indicator for future research applications for tourism economics which can be well understood only if the interviewee is directly employed in the trade.

Most important determinant expressed was behavioral change and push factor driven by fear in psychological perspective to sustain the business operations despite rising fear of recession and job cuts. The interviewee was skeptical about policy changes and loss of clients as borders closed and strategically closing operations for effective tourism incomes. The supply curve saw a steady low as demand for tourism products decreased steadily. The entrepreneurs found alternative ways for buying and peripheral investments rose as successful buying operations increased despite the pandemic. The pandemic according the the regional economic drivers was a way of self realization and discovery of talents in business operations. One thing despite positivity was a reduction in tariff rates and service charges in tourism products. Few business operations like restaurants saw either complete shut down or they decided on innovative transformation of going digital. From the point of heuristics and innovation, the choice of such action was push factor which can definitely be the only option but the rationality behind such action is questionable and disputable.

Another drastic analysis is the effect of cultural and traditional on buying behavior of individuals in respective countries. While someone in entry level business holding may decide to prolong credit in market, the same economic entity in Russia may fall prey to depression and decide to sell out individual property. For that an extensive historical context has to be studied to conclude on the buying and selling modalities of individuals rather than mere economic calculations or aggregate productivity functions of individuals.
Studies analyzed by verbal interaction with Russian businessmen are found to be more aggressive and restless rather than Indians who have a better Emotional quotient applied to everyday businesses.

Deduction: Covid has definitely given momentum in business operations by being triggers as well as fostering innovation particularly in healthcare reforms. As World Bank reports suggests satisfactory reserve in food grain supplies, concerns over disease control and containment for BPL category suggest further innovation and integration of bottom of the pyramid in sustainable long term goals. Healthcare analysis of reports and databases in Russian health structures point out towards effective need for vaccine generation and alternative testing platforms and a need for structured health informatics. The ethical measures and theories further sustain the objective of maintain quality of life not only among the well deserved but also among poor people and daily wage earners. The need for engaging bottom of the pyramid in entrepreneurship in COVID times is an innovative medium to harness novel economy which is going through turmoil.

Conclusion:

It is infact a assumption based on psychological as well as behavioral aspects that the pandemic will bear heavy cost on government spending and future of money and monetary policies. The rational principles hold void in face of crisis management despite WTO guarantee of easy flow of food supply and power to withstand pandemic led hunger. The paper gives ample scope for future researchers to explore health economic principles and philosophical aspects of doing trade as mere quantitative aspects will fail to resolve poverty. As companies run to innovate in production of vaccine, it is time for academicians and researchers alike to understand human brain and working in dealing with crisis. St Petersburg Russia is famous for tourism and saw inbound traffic flow despite crisis. This also leads to wide spread belief that behavior depends on culture and traditions and cannot be summarized as one law. For place marketers and tourism economists it is necessary to further develop heuristics and philosophical aspects. The post pandemic psychology and resilience regarding workflow is also an interesting topic to debate.

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