

Impact of Covid- 19 on Indian economy- A study .

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Introduction-

The initial outbreak of the Coronavirus pandemic in China coincided with the Chunyun, a major travel season associated with the Chinese New Year holiday. A number of events involving large crowds were cancelled by national and regional governments, including annual New Year festivals, with private companies also independently closing their shops and tourist attractions such as Hong Kong Disneyland and Shanghai Disneyland. Hong Kong raised its infectious disease response level to the highest and declared an emergency, closing schools until March and cancelling its new year celebrations.

The Coronavirus (Covid- 19) pandemic has disrupted all economic activities in Indian economy. The Covid- 19 has probably given the biggest blow to the world economy after the great depression 1930s. Around 60% of the world population is either under full or partial lockdown without having medical solution to the coronavirus and economic activity across countries has either stalled or significantly decelerated taking away millions of livelihoods. As result of the pandemic, the global economy is projected to contract sharply by -4.9% in 2020, much worse than during the 2008-2009 financial crisis. The economic impact of the covid-19 pandemic in India has been largely disruptive. India's growth in the fourth quarter of the fiscal year 2020 went down to 3.1% according to the Ministry of Statistics. The chief Economic Adviser to the Government of India said that this fall is mainly due to the coronavirus pandemic effect on the Indian economy. The Covid 19 crisis affected world wide economy activity, resulting in a 7% drop in global commercial commerce in 2020. While GVCs have persisted, several demand and supply mismatches caused by the pandemic have resurfaced throughout the recovery period in 2021 and 2022 and have been spread internationally through trade.

Methodology-

The present study is based on the secondary data to make an impact assessment of COVID-19 pandemic on Indian Economy. The data sources are reports of National Account Statistics, a publication of ministry of statistics and programme implementation, Handbook of statistics on Indian economy and monthly news magazine, ministry of commerce, Govt of India and annual reports (various issues), Ministry of Micro small and medium Enterprises.

Economic impact-

India is already running short on its GST revenue collection ,and the coronavirus scare could make matter worse. With less than 200 active Covid -19 cases in a 1.33 billion population ,the Govt. of india is not in a rush to make any drastic changes in policy and offer tax relief . They have however announced an extension in filings of GST for FY 2018-19 until June 30, 2020. India has also reschedule the introduction of mandatory e-invoicing until October 1, 2020.The world bank and rating agencies had initially revised Indian growth for FY 2021 with the lowest figures India has seen in three decades since indias economic liberalization in the 1990s. However after the announcement of the economic package in mid May ,Indias GDP estimates were downgraded even more to negative figures ,signaling a deep recession . On 26th May CRISIL announced that this will perhaps be india's worst recession since independence . State bank of india research estimates a contraction of over 40% in GDP in Q1. The contraction will not be uniform, rather it will differ according to various parameters such as state and sector .Employee safety is the need of the hour . Still with no experience of dealing with a virus that has the potential to spread rapidly ,most companies are brushing off their hands by asking employee to stay home. Some organizations ,however , are implementing measures like temperature screening ,disinfection of office premises ,setting up Covid 19 response teams, ,distribution of Covid19 precautionary packages.

Once the world fast growing economy, the growth rate in 2019 year stood at 4.7%. This was the lowest level growth in six years. Unemployment in India was at a 45 year high in 2019 and industrial output in the countries eight core sectors fell by 5.2% at the end of last year. This was the worst situation in the last 14 years. In short words ,the economic condition of India was already in bad shape. Both wealth and income inequality has been on the rise in India. Estimates suggest that in 2020,the top 1% of the population held 42.5% of the total weath ,while the bottom 50% had only 2.5% of the total wealth. Post pandemic, the number of poor in india is projected to have more than doubled and the number of people in the middle class to have fallen by a third. Micro data from the largest private survey in india, CMIEs shows that per capita consumption spending dropped by more than GDP, and did not return to pre-lockdown levels during periods of reduced social distancing. Average per capita consumption spending continued to be over 20% lower after the first lockdown , and are remained 15% lower year on year by the end of 2020.

Impact of Public Health-

To avoid another livelihood crisis,India turned to local lockdown during the second wave of the pandemic . Before the second wave , indias public health performance ,while not the best ,was ahead of several reference group countries . But the second wave has made Indias position significantly worse . The total confirmed cases per million now are comparable to those in the rest the world and rate of vaccination in lower in india.

While death rates seem lower in india ,there is massive underreporting .After accounting for the underreporting within official statistics , Indias total confirmed cases and death might exceed that of the rest of the world by a large margin.

In coronavirus scenario ,the total confirmed cases per million are about 13 times larger than in the rest of the world, and the total confirmed deaths per million are about 85% of that in the rest of the world . In worst-case scenario, India is far behind the rest of the world.

Evolutionary biologists refer to the theory of punctuated equilibrium ,I which evolutionary changes are not cumulative and gradual ,but rather transpire in specific moments . Thomas Kuhn conceptualizes these changes as paradigm shifts (Kuhn1962). These breaks are opportunities to embark on radically new and bold project. One might conceptualize this moments redefine what is acceptable or radical , shifting what policy makers call the overtone window. These periods creates opportunities to carry out endeavors previously thought impossible but now are feasible or necessary. When in the midst of this change ,which lessons from the past can we still grab on to and what previous understanding must we discard.

Mental and Physical Health-

As per report ,30% of youngsters or parents who are under quarantine or isolation ,suffer from acute stress disorder ,depression, and other problems . Reduced mobility ,inappropriate accommodation facilities or having to measure in cramped quarters ,lack of social life , no physical school, stress and violence reception and therefore the inability to continue with outdoor activities has led to increased cases of isolation and aggressive behavior among children as well as in adolescents. The pandemic has negatively impacted diet ,sleep routines, and physical activity among children ,heightening the danger of obesity . This is more so within the intake of sugary food, sodas, and processed food increased.

Inequality of education-

In India, as per the UNICEF , the lockdown has impacted around 247 million children enrolled in primary and education ,aside from the 28 million children who were undergoing pre-primary education at Anganwadis. This, the report states ,is additionally to the quite six million children who were out of faculty pre-pandemic. While many faculties ,in India and worldwide ,have tried to continue educational programmes online and through other e-platform and TV channels, many students who don't have access to any digital media lose out. Impact of COVID 19 on every segment of primary ,secondary, university, technical , and medical education is very vast whose effects might be seen in future .

Primary education is suffering most as children of poor parents are not getting education and rich parents children's are getting overwork through online education.

On secondary education which is based on board exams because of closure of schools and college study pattern now changing to online classes and self study will be changing the pattern of quality of education and result.

The professional education is very important as professional skills are based on practical training because of the closure of college and institute , incomplete or improper training will lead to various negative impact in medical ,engineering ,nuclear ,biological areas,etc.,while training and working . In the same way university education will lag behind by online and inappropriate teacher student communication .

Human Resources-

Greater emphasis will be on automation, mechanization ,and of f-site fabrication. Alternate strategies to reduce overdependence on labour, technology will play a crucial role in tiding over manpower and demand mismatch, providing better on site facilities to migrant in future, splitting work teams.

Aviation and Tourism-

The contribution of the Aviation sector and tourism to our GDP stands at about 2.4% and 9.2% respectively. The tourism sector served approximately 43 million people in FY 18-19. Aviation and Tourism were the first industries that were hit significantly by the pandemic. The common consensus seems to be that COVID will hit these industries harder than 9/11 and the financial crisis of 2008. These two industries have been dealing with severe cash flow issues since the start of the pandemic and are starting at a potential 38 million lay-offs ,which translates to 70 % of the total workforce . The impact is going to fall on both , White and blue collar jobs. According to IATO estimates, these industries may incur losses of about 85 billion Rupees due to travel restrictions . The pandemic has also brought about a wave of innovation in the fields of contactless boarding and travel technologies.

Oil and Gas-

The Indian Oil and Gas industry is quite significant in the global context- it is the third largest energy consumer only behind USA and China and contributes to 5.2% of the global oil demand. The complete lockdown across the country slowed down the demand of transport fuels as auto & industrial manufacturing declined and goods and passengers movement fell.Though the crude prices dipped in this period ,the government increased the excise and special excise duty to make up for the revenue loss, additionally ,road cess was raised too. As a policy recommendation ,the government may think of passing on the benefits of decreased crude prices to end consumers at retail outlets to stimulate demand.

CONCLUSION –

In view of the scale of disruption caused by the pandemic ,it is evident that the current downturn is fundamentally different from recessions. The sudden shrinkage in demand and increased unemployment is going to alert the business landscape . Adopting new principle like shift towards localization ,cash conversation , supply chain resilience and innovation will help business in treading a new path in this uncertain environment. As the pandemic surged and spiked, Government ,healthcare professionals ,scientists ,epidemiologists ,and the common man put in their best effort to contain and live with it. The pandemic is redefining the lives of billions of people across the globe . Human across the globe have perhaps never felt so vulnerable ,as they wait for the pandemic to subside . Each family will have a story to tell their future generations, of a dreadful illness, unexpected deaths, the lockdown that redefined life for billions, brining hardships while redefining family and “life” values. Worldwide development of vaccine by various agencies is still to be evaluated but these agencies might be working on to take financial advantage from this epidemic as majority are taking about probable number of doses required but not about efficacy and other essential parameters of vaccine as per the various media reporting.

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