

A STUDY OF COVID PANDEMIC AND INDIAN ECONOMY CHALLENGES

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ABSTRACT

The covid-19 pandemic situation has adverse reflective effect on Indian business and sectors of economy. Nearby, the effect of the pandemic could rapid jam in local interest. This will bring about downfall of buying power because of occupation troubles or pay chops and hamper impact of conceded request will have a more drawn out enduring effect on different areas, particularly where request is optional in nature. India's real Gross Domestic Product tried to its base in more than six years during 2019-20. India's development for one year from now 2020-21 is measure in the inside of 5.2% to 5.8%. The pandemic has revealed several shortcomings in the worldwide framework. In spite of our aggregated involvement with emergency the board, this infection has had the option to seclude us all in our homes. This virus has caused serious pause for the Indian economy. The current pandemic could prompt a 04% lasting adversity to genuine Indian total national output (GDP). It is assessed for India's Gross Domestic Product (GDP) development rate to 1.9 % for 2020-21. This will be the least after India recorded development rate at 1.1% in 1991-92. The Covid-19 has upset significant areas; it's markedly obvious that different areas the avionics, telecom, travel industry and transportation auto area, are most affected areas that are confronting negative repercussion of the current fiasco. In the given fact, withal the retail areas closing down their business the occupation of the laborers are at ideal danger. The Government of numerous nations has offered backing to the businesses to pay compensations to their workers. The current examination is attempted to contemplate the effect of Covid-19 in different sectors considering the information which are supporting in nature, diverse proper factual apparatuses and procedures are applied for review and end. This disease has spread out across the globe within a span of few months. Many industries have been affected by the nation-wide lockdown. All economies are facing the problems how to the economy open and functioning during Covid-19. The Companies are expected to register the poor growth in business. The organization's financial performance will remain slow in the coming few quarters. On the other hand, there are some industries which are impacted adversely. There are some industries which are impacted positively. This research paper is based on the secondary data collected from the different sources. For the past three year now, the world is worried to struggle this dreaded pandemic. The medicine has been thrown to a violent test of its character. Science has been trying to find the answer of How and Why of the pandemic. While an early vaccine was 'Cry of the day', changed variants caused greater harm, by put up the recovery of the nation in the form of second wave. The present paper is a review of the advent of the pandemic, measures taken, its revival and the crumbling down of the nation. Its impacts on various socio-economic ranges have far more reaching consequences than expected. On the analysis its after-effects are far extending and lasting than expected.

Keywords: Gross Domestic Product, Covid-19 and Financial Performance.

Introduction

The incident of pandemic has affected countries in a huge manner, particularly the cross country lockdowns which have carried social and monetary life to an immobilize. A world which everlastingly hummed with exercises has fallen quiet and all the assets have been redirected to meeting the never-experienced emergency. There is a multi-sectoral effect of the infection as the monetary exercises of countries have eased back down. What is astounding and important is an alert which was rung in 2019

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by the World Health Organization (WHO) about the world's powerlessness to battle a worldwide pandemic. In 2019 joint report from the WHO and the World Bank assessed the effect of such a pandemic at 2.2 percent to 4.8 percent of worldwide GDP. That expectation appears to have materialized, as we see the world getting overwhelmed by this emergency. In another report entitled Covid-19 and the universe of work: Impact and strategy reactions by International Labor Organization (ILO), it was clarified that the emergency has just changed into a monetary and work market stun, affecting gracefully (creation of products and ventures) yet in addition interest (utilization and speculation).

The Worldwide International Monetary Fund's (IMF) boss said that, World is confronted with remarkable vulnerability about the profundity and term of this emergency, and it was the most noticeably terrible financial aftermath since the Great Depression'. The IMF assessed the outer financing requirements for developing business sectors and creating economies in trillions of dollars. India also is moaning under the burden of the pandemic and according to news reports in Economic Times distributed on March 2020, the business analysts are pegging the expense of the COVID-19 lockdown at US\$120 billion or 4% of the GDP.

This Covid-19 pandemic influenced the assembling and the administrations area friendliness, visits and voyages, medical care, retail, banks, inns, land, training, wellbeing, IT, entertainment, media and others. The financial pressure has begun and will develop quickly. While lockdown and social separating bring about efficiency misfortune from one viewpoint, they cause a sharp decrease sought after for merchandise and enterprises by the customers in the market on the other, in this way prompting a breakdown in monetary action. Nonetheless, lockdown and social separating are the main practical instruments accessible to forestall the spread of Covid-19. Governments are learning by doing, as it was on account of achievement of control technique in Bhilwara (district), state Rajasthan, India, the monetary dangers of shutting the economy stay in any case. Likewise, complementing the caseload bend is basic for economy everywhere, except it accompanies a monetary expense.

Objectives of the Study

The major objectives of the study are as follows;

- To Study the Causes of Covid-19 Pandemic.
- To Study the Impact of Covid-19 Pandemic on Indian Economy.

Review of Literature

There are thousands of evidence which proves that infectious disease spate impact the economic development of a country. The economic cost of the infectious disease is the subsidies given to the poor, health facilities provided to the patient and losses incurred by the business organizations due to non-functional business operations. During the wave of infectious disease, workers are not able to work and business organizations are not in the position to run the operations at the full capacity. The millions of peoples will lose their jobs and companies will lose their orders taken from their clients from across the globe. The logic to bear this cost is that social security is more important than economic benefits. If the people are secured and healthy; economic growth can be achieved after some time.

The influenza virus had proven more dangerous and deadliest in human history. It cost loss of millions and deaths of millions in Spain. Similarly, Corona virus appears to be deadliest and spread person to person at a very fast pace. So far, there is no vaccine developed which could be used for the treatment of the corona virus patients. As of now, nationwide lockdown seems to be the only option to save the lives of people. Impact of Covid-19 in urban areas is more than rural areas. It is because of population density and environmental issues. Large numbers of people are living with fear and uncertainties. People are fearful because they are considering pandemic as a major reason for the people's death. However, this has not been proven but the perception of the people is like this. The Covid-19 as the third key factor for people death after cancer and cardiovascular. According to the research conducted by the Sun stein (1997) explains that an individual's willingness to pay increases when they feel that it can cost their life. They will search for best doctors and best treatment to avoid the impact deadly virus. People perception of Covid-19 is very negative as far as its impact on their life, business operation and economy is concerned. Due to the Covid-19, business is not able to operate and many other businesses are likely to collapse.

The many studies have outlined the effects of pandemic on world economy. World GDP is estimated to be reduced drastically due to COVID-19 because consumption and investment activities are

very low. People are spending their income on only essential items not luxury one. People want to save their income because they are not very sure that how long this virus will prevail in the world. United States of America, China and India are the three main economies driving the world's consumption activities. As compare to US and China, India is relatively safe and the virus effects are not as fearful as were in US and China. Lower consumption effects will not only confine to US, China and India but also to other major world economies.

Methodology

This research paper has used secondary source of published data, the data has been collected from varies sources i.e. periodicals, articles, reports, books, journals, and online website on the subject.

Impacts of Covid Pandemic on Indian Economy

The intact way across the nation, over 45% of the families have shown crude pay drops in contrast with a year age's numbers. The utilized ones are not wealthy either, as there have been various reports of compensation cuts the whole way across different associations in India. During the lockdown, the nation's economy was required to lose an expected USD 4.5 billion each and every day it stayed shut. Out of the USD 2.8 trillion economies being run in the country, under 25% of the whole framework was scarcely practical and enrolling such a development in the business sectors. The gracefully chains are under trouble because of the lockdown, because of the underlying absence of clearness among fundamentals and unnecessary items. The most gambled gathering of individuals in the economy is casual area and every day wage laborers, as they have consistently been.

Smallholders that had put resources into short-lived nourishments before the unexpected conditions being confronted today are additionally confronting vulnerability the whole way across India. Most significant associations the country over have either briefly suspended or altogether diminished their activities in such a period. New and up and coming new businesses have accepted a profound fall as the pandemic has influenced their financing levels. Securities exchanges in India recorded the most exceedingly awful misfortunes looked by different organizations throughout the entire existence of India on the March, 2020.

The Food and Agriculture

The item will be influenced in the coming seasons because of low planting of the up and coming occasional harvests which will influence the mandi activities as said by the Ministry of Agriculture. The organizations which manage Agro-synthetic rely upon send out for completed merchandise and import of crude materials. The food retail with the Central government and State governments permitting free development of products of the soil the Bricks and Mortar staple retail chains are working typically however with the deficiency of staff is affecting activity.

It is normal that with delayed lockdown the interest for the food supplies will increment. The online food staple, then again, endures an enormous misfortune because of the limitation of conveyance vehicles. With the deficiency of work, the food preparing units are confronting a hunch in typical capacity yet the administration is attempting to back out the circumstance until that the production lines need to acclimate to working with low work check. A significant objective in the catch of Coronavirus for the following barely any months the Indian fare is affected because of low purchaser request the fare arranged products like fish, mangoes, grapes are smashing this will affect the future harvest accessibility. The food and horticulture area contributes the most noteworthy in GDP for example 16.5% and 43% to the business area. The significant part of the food handling area manages dairy (29%), consumable oil (32%), and grains (10%). India likewise stands number one in dairy and flavors items at a worldwide situation (send out).

Micro, Small and Medium Enterprises (MSME) Sector

This area contributes 30% to 35% of the GDP, indicating a bifurcation of miniature (99%), little (0.52%) and medium (0.01%) undertaking. On the off chance that we see the sectorial dissemination of MSMEs, it shows 49% from country and 51 % from the semi-metropolitan and metropolitan zones. Maharashtra, Uttar Pradesh, Bihar, Tamil Nadu, and Madhya Pradesh have the most noteworthy number of enlisted MSMEs, an investigation by the AIMO assessed that about a fourth of more than 75 million is confronting conclusion if the conclusion goes past about a month and if the lockdown actually expands the circumstance would compound influencing the work of 114 million individuals influencing the GDP.

Purchaser products, pieces of clothing, coordination's are confronting a sharp drop in the business and the MSMEs occupied with the administration area are as yet working, be that as it may, is

probably going to seclude due to plunging liquidity compels and buying limit. Areas which relies upon import, for example, gadgets, pharma, shopper durables and so on are confronting a ruin causing a tremendous joy over the worth chain. As a sprinkle of help came the RBI declaration of a three-month ban on reimbursements of credit and decrease in the repo rate as the greater part of the MSMEs relies upon the advance financing from the legislature.

Local Monetary Issues

As of June 8, India was on John Hopkins University's dashboard, setting seventh on the rundown of nations with most diseases – at that point, it had recorded an enormous 258,090 positive cases, with 7,263 recorded passing's. In the nation's most recent financial projections, India's GDP is relied upon to shrink by 6.8% in its present monetary year, more terrible than its slowest-in- 11-years climb the last quarter. An inexact 84% of Indian families are confronting pay diminishes since the start of the lockdown, as indicated by an investigation distributed by the Universities of Pennsylvania and Chicago, and Center for Monitoring the India Economy, Mumbai. They had likewise reasoned that the pandemic had caused a sharp and wide negative effect on family unit pay, as 33%, everything being equal, will be unable to get by past seven days without extra help.

Drug Scarcity

The Indian pharmaceutical companies warned in January 2020 that if the pandemic situation in China worsened, drug supplies could be jeopardized. China supplies roughly 70% of India's pharmaceutical ingredients. In March 2020, India imposed export restrictions on 26 pharmaceutical ingredients, signaling imminent global shortages. Some COVID-19 patients turned to the black market during the second wave of the pandemic in India due to drug shortages. Other relevant COVID-19 related drugs faced dwindling stocks and a dramatic increase in raw material costs in April, 2021.

Sectorial Impact

The National Restaurant Association of India (NRAI), which speaks to 500,000 or more eateries the nation over, has exhorted its individuals to close down eat in activities beginning Wednesday till March 2020. This will affect activities of thousands of eat in eateries, bars, bars and bistros. By augmentation, food conveyance stages, for example, Swiggy and Zomato that are without anyone else working - have additionally endured a hotshot. Requests on Swiggy and Zomato have dropped 60% in the midst of the covid-19 pandemic.

The Economic Effects

Also see the pandemic's economic effects. The economic effect of the second wave has been less serious than the first wave due to fewer limits on social activity during the second wave compared to the first wave's lockdown steps. As compared to the first wave, socioeconomic indicators such as power demand, labour participation, and railway freight traffic dropped less during the second wave. Considering the intensity of the second wave, the first wave has increased domestic economic resilience, which is evident throughout the second phase. "Economic activity has learned to work 'with Covid-19,'" the Indian Finance Ministry wrote in their Monthly Economic Review for April 2021, which was published on 7 May 2021. Poverty has risen in India since the start of the pandemic, and livelihoods have been impacted. The Covid-19's Impact on the NIFTY 50 Index of the National Stock Exchange of India (January 2020 to May 2020). "The NIFTY 50 is the National Stock Exchange of India's (NSE) benchmark broad-based stock market index for the Indian equity market. S&P Bombay Stock Exchange (BSE) 500 Index (January 2015 to April 2021).

The Impact on Healthcare Workers

During the pandemic in Kerala, healthcare staff and the Indian Medical Association (IMA) announced on August 8, 2020 that 198 doctors had died as a result of COVID-19. By October 2020 and 3 February 2021, the number had risen to 515 and 734. However, the health ministry declared in the RajyaSabha and LokSabha on February 2 and 5, 2021, that COVID-19 had killed 162/174 physicians, 107/116 nurses, and 44 ASHA staff/199 healthcare workers. The estimates come from the government's "COVID-19 Insurance Scheme for Health Workers."

According to the IMA, there have been 747 deaths of doctors as of April 2021. Pandemic has contaminated tens of thousands of physicians, nurses, and other health care professionals. Starting on January 2021, healthcare staff and frontline workers in India were given covid-19 vaccinations first. This involved 9,616,697 healthcare employees and 14,314,563 frontline workers, with the majority receiving their second dose by May 2021.

Online Business Area

The online business in the present economy assumes a significant part in the economy with a piece of the overall industry of USD 950 billion. It contributes 10% to the Indian GDP and demonstrated an extraordinary in the work area in the FY 2019 viz 8%. Its significant portions are the family and individual consideration items (50 %), medical care fragment (31%) and the food and drink area (19%). At the time of the social removing because of danger of Corona virus the propensity of the customers to overload on basic item and wares viz rice, flour and lentils. This gave ascend in the deals of the FMCG organizations which it saw fall in the stir in exchange because of twisted flexibly chain .the internet business area saw a dunk in development with tension on the gracefully chain conveyances and the desires for the buyers on the organizations to think of more up to date circulation channels zeroing in on direct to client courses.

In this taking off climate the overseeing and anticipating of interest will assume an imperative function in the client connection area. Ordering the wares into part for example fundamental products and unimportant items demonstrated various reactions in the market. Displacement of migrant workers has an effect. During the pandemic, Indian migrant workers were at risk: Migrant workers stranded in Delhi during the fourth period of the lockdown Tens of millions of migrant workers were laid off as a result of the 2020 lockdown. Many migrant workers were left jobless after factories and workplaces were closed. As a result, they agreed to walk hundreds of kilometers back to their ancestral villages, mostly accompanied by their friends.

As a result, the federal and state governments took a variety of steps to assist them. The federal government then declared that it had requested state governments to set up immediate relief camps for migrant workers returning to their home countries, and that it had issued orders securing migrants' rights. The central government claimed in its report to the Supreme Court of India on March 2020 that migrant workers, fearful of their survival, moved in the panic caused by false news that the lockdown would last more than three months. In early May, the Indian Railways were finally given permission to run "Shramik (labour) Special" trains for stranded migrant workers and others but this change came with its own set of complications. The Supreme Court acknowledged on May 2020 that the migrant workers' issues had not been resolved and required the federal government and states to provide free food, shelter, and transportation to stranded migrant workers.

The Effect of the Covid-19 Pandemic on Education

The union government ordered the closure of schools and colleges on March 16, 2020. The Central Board of Secondary Education (CBSE) issued updated examination centre guidelines on March 18 that included social distancing steps. The CBSE and JEE exams for admission to Indian Institutes of Technology and other engineering colleges were postponed on March 19. School exams were postponed or cancelled throughout the country, and younger students were either promoted automatically or based on prior results. The Civil Services Examination interview has also been delayed by the Union Public Service Commission. Just a few Indian educational institutions have successfully adapted to e-learning and remote learning; the digital gap is exacerbated by severe energy shortages and a lack of internet access.

Positive Aspects of Covid-19

There are a numerous advantages by Corona virus. Above focuses expressed generally the negative effect of the lockdown, yet we would pass up a major opportunity something in the event that we don't recognize the development of computerized imbued innovative increase. With the coming of the lockdown the greater part of the area moved their working on the web the MNCs are using their work from home choice to carry on a continuous working. While these patterns were at that point in the child steps, they had to hit the quick forward catch. The advanced world got such a push that the little retail areas like the Bricks and Mortar stores are additionally utilizing applications i.e. Paytm, Google pay, Phone pay, BHIM UPI and other computerized channels. The instruction area is currently totally dependent on the computerized stages the schools and colleges are directing their normal classes being in the solace of their home with different online stages, for example, google study halls, zoom, and so on they are likewise acquainting new programming with their educational plans, for example, advanced grounds where the understudies can get to their school library, charge installments, online tests and so forth This current emergency has featured the significance of putting resources into advancements like cloud information and digital protection, self-administration abilities and e-administration.

Conclusion

Universal unhappiness currently appears to be unavoidable. In any case, how reflective and long the fall will be relies upon the attainment of measures taken to expect the spread of pandemic, the impacts of government approaches to release liquidity issues in small and medium entrepreneurs and to help families under suitable financial pain. It additionally relies on how organizations respond and get ready for the re-beginning of financial exercises. Also, importantly, it relies upon how long the current lockdowns situation will last. The nation is confronting an additional customary testing time in this money related year. India needs to intensely find out how to pad the interest side shocks actuated by expected lockdowns and other progressing control measures. The rising and unavoidable Covid-19 pandemic has damaged the world's economy in unpredictable and questionable terms. Yet, it essentially demonstrated that the current downfall appears to be largely not the same as downturns of the past which had shocked the nation's financial request. While the countries aggregates enterprises and multinationals keep on understanding the extent of the pandemic situation, it is without a doubt the need of great importance to get ready for a future that is economical, basically more suitable for living and working.

During this time, the economy is compared with social conduct of mankind, so the duty of bringing back financial activity isn't of government alone. Be that as it may, each emergency achieves a novel occasion to reevaluate on the way attempted for the advancement of a person, network and society. The Covid-19 pandemic has a reasonable directive for the Indian economy to embrace practical formative models, which depend on confidence, comprehensive systems and are climate cordial. After analyzing the various reports, it is concluded that Indian economy has not been affected as badly as the other economies impacted. However, some industries have been affected badly and hit the financial performance of the companies badly. While the exceptional context has made an incredible damage the economy, particularly during times of shutdown, the country should deal with it, by presentation of monetary measures. As the public government imagines, assurance of the two lives and job is required. The monetary and financial movement must start step by step in the wake of screening of the workforce. The severe preventive measures ought to be performed by the business so as to protect the strength of the laborers. While strategy and changes ought to be given out by the administration enough to rescue the economy, the business, common social orders and networks have an equivalent part in keeping up the harmony. The standards of social separating, evading or dropping get-togethers, and utilization of veils and sanitizers ought to be the lifestyle till we can annihilate the infection.

On the other hand, some industries are performing good and expected to perform well in the coming few quarters. Covid-19 has created several opportunities for their growth and development. There many industries which are growing at the fast pace during the pandemic. The pharmaceutical industry has grown up exponentially during this virus and certain drugs are more in demand. India has exported. Different pharmaceutical companies are spending a lot on the research and development to create medicine to avoid the negative effects of Covid-19. The demand for sanitizers and masks has increased exponentially. The chemical sectors will also see the high demand for its products due to rising need of disinfectants and medicines. The online education and online different training platform i.e. WebEx, Zoom, Google classroom, Googlemeet, will also be into high necessity.

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