

IMPACT OF COVID-19 ON DIFFERENT SECTORS IN INDIA AND SUGGESTIONS TO BOOST INDIAN ECONOMY TO RECOVER FROM THE PANDEMIC.

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Abstract: The successful growth of any country is largely depending on citizen's health. A healthy population contributes to productivity saving and progress. In 1950 India had started remarkable efforts to improve public health. In India increasing population and industrialization increasing environmental problems and consequently there is increasing communicable and non-communicable diseases that not only effect lives of people but also working capacity of various sectors of economy. One such current occurrence is covid-19 diseases. This pandemic firstly affects China and China's economy slowdown. Since it was a communicable disease Indian government stuck down transportation, tourism, industries, railways, social gathering and hence this directly effect on economy and share market collapsed due to this virus. According to CII Indian economy falls below 5% in FY2021 if policy action is not taken on priority basis. This study describes and explains the impact of covid-19 pandemic on Indian economy as well as on Indian society. Besides, the study also explains challenges in India and has made some suggestions to boost Indian economy to recover from the pandemic.

Keywords: Covid-19 Pandemic, Economical impact, social gathering, Health Emergency, Global Economy.

INTRODUCTION: Covid -19 diseases mostly found in mammals and birds. In human being corona virus cause respiratory tract infections that include common cold, coughing. This virus firstly discovered in 1960. The global spread of covid-19 observed mainly in Wuhan state of China. The first case of 2019-20 coronavirus pandemic in India was reported on 30 January, 2020. The infection rate of covid-19 in India reported to be 1.7, which is remarkably lower than in worst affected countries. The first case in India reported at Thissur in Kerala. Which are communicable respiratory diseases detected positively. Since 20 march 2020 the outbreak had been declared an epidemic in more than a dozen states and union territories, where provisions of the epidemic diseases act, 1897 had been invoked, and educational institutions and many commercial establishments had been shut down. India suspended all tourist visas because majority of the confirmed cases were linked to other countries. On 22nd March, 2020 India observed a 14-hour voluntary public curfew on the suggestion of Prime Minister Narendra Modi. The government followed it up with lockdowns in 75 districts where COVID cases had occurred as well as major cities. Further, on 24th March the Prime Minister ordered a nationwide lockdown for 21 days, affecting the entire 1.3 billion population of India. The WHO director said that India had tremendous capacity to deal with the coronavirus outbreak and as a second most populous country, will have enormous impact on world's ability to deal with it. According to UN report "India is among the 15 most affected economies due to coronavirus epidemic and slowdown in production in China. On 13th March 2020 the Prime Minister Narendra Modi proposed that SAARC nations jointly fight the pandemic corona, an idea that was welcomed by Nepal, Bhutan, Srilanka, Maldives. He allocated 74 crore of funds classified as covid-19 emergency funds for SAARC countries. Prime minister also announced 15000 crore aid for healthcare sector. This amount will be used to develop testing facilities, PPEs, ICUs, ventilators and training medical workers. During lock-down cinema halls were shut down by most of state governments. Film production houses decided to stop the production of films, TV shows and web series till 31 March 2020. According to data given by UNESCO on 10th March schools and Universities closures due to covid-19 has left one in five students out of schools globally. Trade impact of epidemic for India is estimated to be 348 million dollars and slowdown world trade and could result in a 50 billion dollar decreases in export across global value chains.

Objectives of study

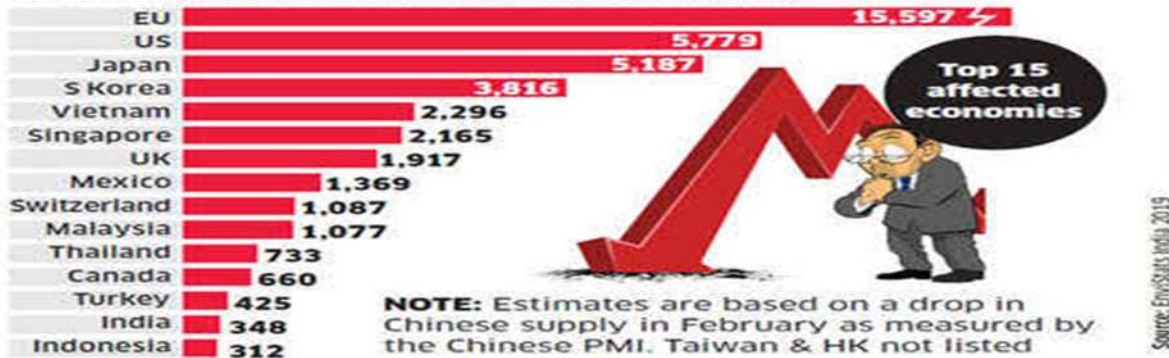
1. To study the impact of occurrence of covid-19 pandemic on Socio economic conditions in India.
2. To study the status of trades, businesses affected by the impact of Covid-19 pandemic.
3. To study how Covid has affected the lifestyle of common people and families.
4. To make suggestions to boost Indian economy after Covid-19 pandemic.

Methodology- Secondary research methodology has been adopted like literature reviews, which include textbook reviews, online resources and research journals, articles reviews. Besides this news articles and web pages are also consider for secondary data for the research study undertaken to study impact of covid-19 on the Indian tourism industry. Various published academic journals, government documents, as well as statistical databases have been reviewed for the study.

Covid-19: \$348m Hit for India

Chinese manufacturing slowdown due to the coronavirus outbreak is disrupting world trade and could result in a \$50-billion decrease in exports across global value chains, Unctad estimates show. Among the three most affected economies are the EU, the US and Japan...

Trade impact of Covid-19 outbreak (\$ mn)



Source-EnvisStatsIndia (15 April, 2020)

Socio economic impact on various Sectors by COVID-19 pandemic in India:

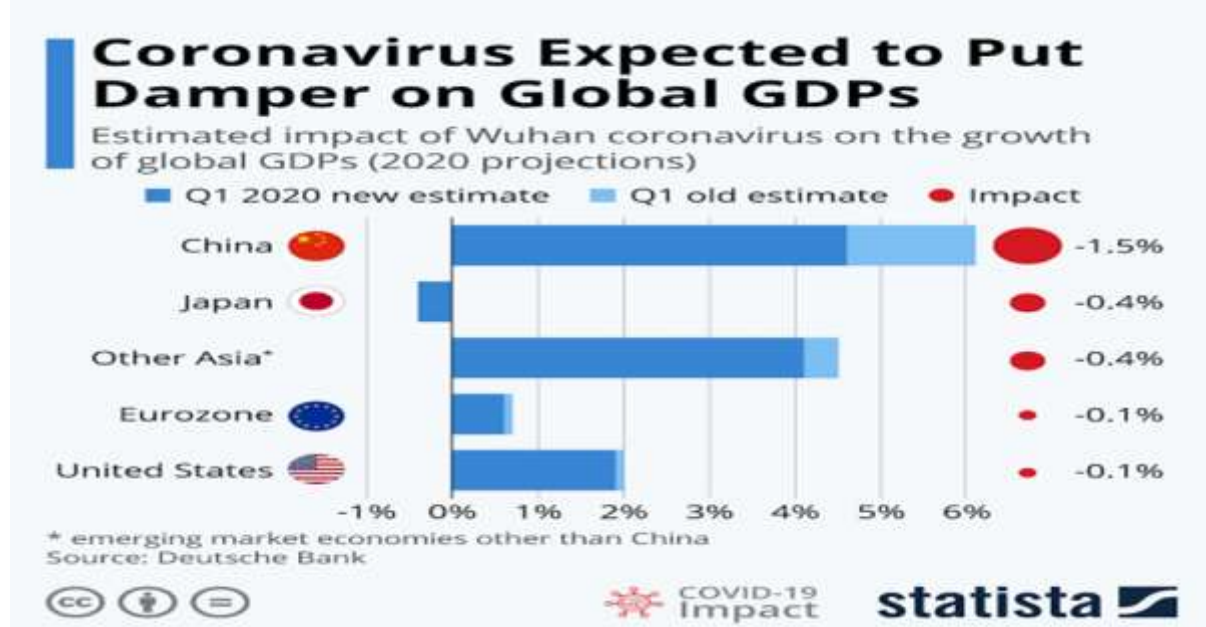
1. Agricultural and allies activities :India imposed a complete lockdown in March, 2019 which coincided with the peak of harvesting season of Rabbi crops in India mainly in the north-west which posed significant losses to farmers. Although there were relaxations to the agriculture sector during lockdown but transport constraints mobility restrictions and lack of labor due to reverse migration of labor to their native places by which major problems were faced by farmers. The pandemic led to a reduction in demand for some crops, particularly those that are primarily consumed by restaurants and hotels. This led to a drop in prices for these crops, which affected the incomes of farmers. With the declining demand and reduction in exports of fruits and vegetables horticulture is hit hard. Fishing and aquaculture are expected to have a high negative impact. Food grains and livestock low and horticulture medium, relatively agriculture seems to be a bright spot in India amid the COVID 19 crisis and CRISIL experts expect agriculture to grow at a rate of 2.5% in FY2021 (crsil,2020).

2. Manufacturing sector:The manufacturing sector is a major contributor of GDP and employment in the secondary sector and has been recognized as an engine for vibrant growth and creator of national wealth (rele2020). The 50% contributor to the manufacturing sector, the automotive sector was suffering before covid 19 too due to low consumer demand, inadequate credit facilities and more problems due to NBFC crisis. There is a lot of pressure due to demand supply disruptions on the health of the auto sector in India due to covid-19. With the pandemic leading to a global economic slowdown, demand for goods and services had been decreased, which impacted the manufacturing sector. Many industries like automotive, aviation and textiles have seen a significant decline in demand. As per the latest assessment related to the impact of covid-19 done by SIAM, the auto sector is expected to have a decline between 22% and 35% in various industry segments conditioned with GDP growth of 0-1 % for FY21, said Rajan Wadhwa, President, Siam.

3. Service Sector: Pandemic has had a significant impact on the service sector. The service sector accounts for a significant contribution of India's economy. The pandemic affected various industries within this sector, such as hospitality, travel and tourism, retail and entertainment. Many businesses in the service sector were forced to shut down, resulting in job losses for millions of people. According to a report by the CMIE (Centre for monitoring Indian Economy), over 21 million jobs were lost in April 2020 alone. The financial sector that has got the most important role to play in the crisis times has been having huge problems in India like twin balance sheet (TBS) high levels of non-performing assets (NPAs) and an inadequately capitalized banking system. Some more problems like IL & FS crisis, decline in commercial credit of around 90% in FY 2020-21 and near demise of a well-known and reputed private bank –Yes bank and so forth.

4. Indian Tourism and Hospitality Sector: India is a very large market for Tourism and Hospitality for instance Goa, Kerala, Laddakh, Konkan are some of the favorite destinations of the tourists and religious

sites as well. Many small industries related to tourism are badly impacted. In order to control the spread of the virus, India imposed travel restrictions which led to the cancellation of flights, trains, and buses. During the lockdowns, hotels and restaurants were closed; this severely impacted the hospitality sector. Many employees of this sector lost their jobs permanently. India's Tourism and Hospitality sector is estimated of US\$ 28.6 billion dollars and expected to rise to US\$ 50 billion by 2022 but the COVID-19 has impacted it badly and this sector provides 4 percent employment which is 8 percent of India's employment.



5. Poverty and job losses in Informal Sector: According to the world bank (2016) report every fifth Indian is poor with around 80% population residing in rural areas at least 49 million individuals all over the world are expected to dive into extreme poverty as result of destruction caused by pandemic and according to world bank India estimated 12 million citizens pushed in extreme poverty (Bloomberg, 2020) according to Centre of monitoring Indian economy (CMIE) in India more than 122 million people lost their jobs in April 2020 out of them largely were small traders and wage-laborers.

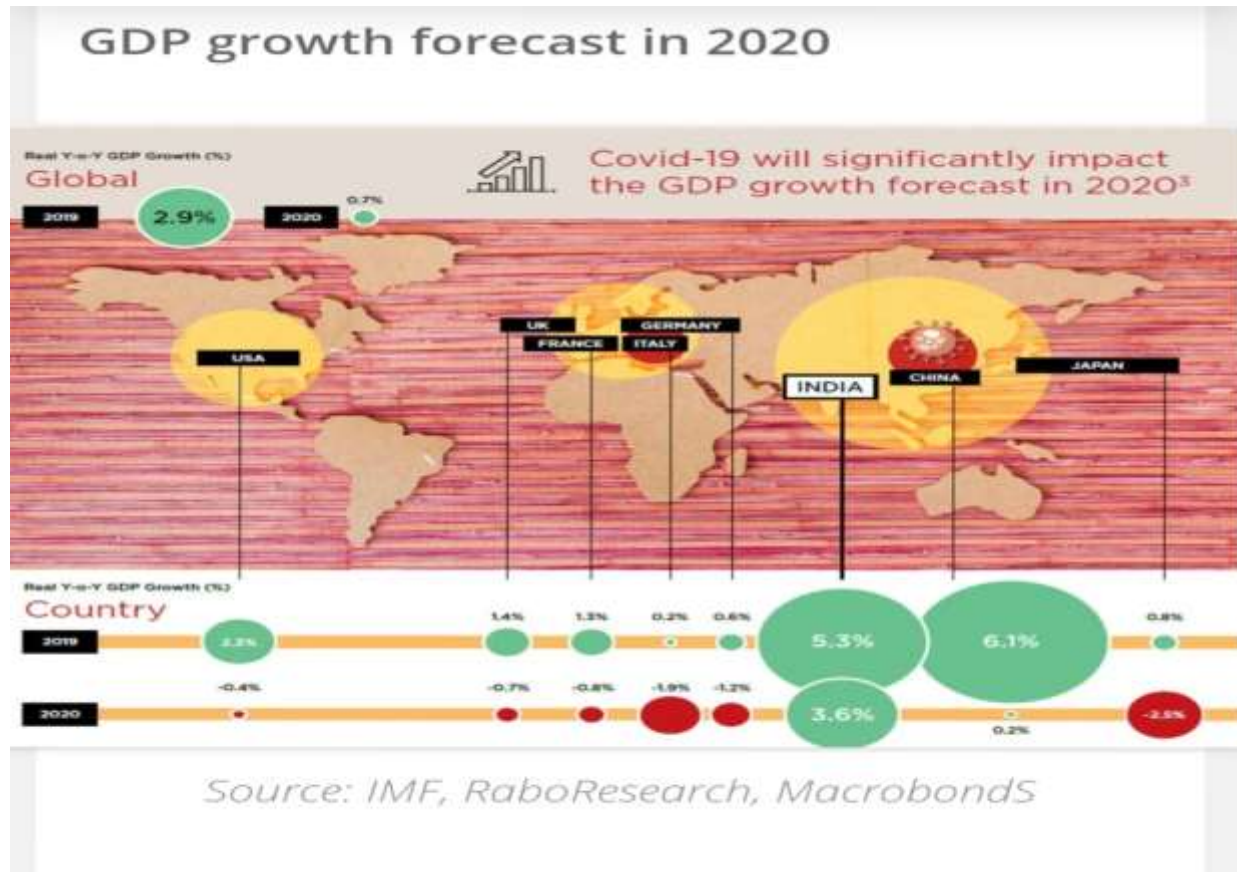
6. Domestic Violence and crime: According to recent report by national commission for women (NCW) within 25 days following lockdown there was a 45% increase in number of cases of domestic violence against women. Domestic cases upsurge mainly in state of Uttar Pradesh, Bihar, Haryana and Punjab. With nearly doubling cases as compared to pre-lockdown cases sad NCW chief Rekha Sharma. The real situation may be more dangerous because many women especially from rural areas do not file cases and raise their voice are scared of their husbands and family (Kundu & Bhowmik, 2020).

7. Reverse Migrations: After partition in 1947 it is second biggest mass relocation that India is experiencing more specifically it is the reverse migration, as indicated by the International migration organization, (2011). Return or reverse migration is process of individuals back to their local spots who prior moved to urban communities for employment and to gain bread and butter for their families. Now due to covid 19 there is mass reverse migration due to limited employment opportunities fear of more destruction due to uncertainty of future crisis, financial crisis, health crisis, and so forth. The cramped living conditions in cities and the lack of access to proper healthcare facilities made migrant workers more vulnerable to the virus. Many were afraid of contracting the virus and chose to return to their villages and towns where they felt safer. Till the time many businesses and industries struggling to find workers to fill the jobs left by migrant workers. The pandemic has highlighted the need for better social security measures for migrant workers and the importance of a more resilient and inclusive economy.

8 Psychological Impacts: The COVID-19 pandemic has had a significant impact on the psychological well-being of people. The fear of contracting the virus, uncertainty about the future, and the constant barrage of negative news about the pandemic has led to increased levels of anxiety and fear among people. The lockdowns and social distancing measures have led to social isolation and loneliness, which can have a detrimental effect on mental health.

During pandemic job losses, economic uncertainty, and social isolation, all of which led to depression and other mental health issues. People who had contracted the virus or who had been in contact with someone tested positive faced stigma and discrimination, which also made impact on mental health. The lockdowns

and social distancing measures led to an increase in domestic violence, which can also have a significant impact on mental health. The pandemic has led to a significant loss of life, and many people have lost loved ones. The grief and loss associated with this had a significant impact on mental health of the people. Healthcare workers and other essential workers had been working tirelessly to combat the pandemic, experienced burnout and other mental health issues.



SUGGESTIONS:

- I. Economic bell out package is required for Indian tourism industry to emerge out of this economic calamity.
- II. ICC Suggests 6 to 9 month's moratorium on all principal and interest payment on loans and overdrafts.
- III. Complete GST holiday for tourism, travel, and hospitality industry for next 3 to 4 years. Government need to take initiative in tax reforms, such as reducing tax rates and simplifying the tax system with the aim of attract investment and boost economic growth.
- IV. ICC also urging the ministry to provide funds from MGNREGA scheme to support the salaries of employees in the industry. Also setting up of a travel and tourism stabilization fund with direct benefit transfer to each unit to prevent financial loss and consequent job loss
- V. ICC also strongly recommended for removal of fees for any upcoming licenses, permits renewal, excise exemption (for liquor mainly) for the hospitality and travel industry across the country.
- VI. We will also recommend for interest reduction on term loans and working capital loans for travel and tourism industry.
- VII. After the impact of covid-19 pandemic the primary aim of all stakeholders of country would be bring back the confidence of tourists to visit in India. The government and private stakeholders should vey subtly publicize this newly acquired credibility for promoting our tourism sector. Government should allocate sufficient funds for organizing roadshows and other promotional activities in market.
- VIII. The government should focus highly on all types of safety and security measures for tourists visiting various places for country. Since global tourism fraternity will take some time to get settled after the after covid-19 the sector should now focus more on domestic travellers. People would now feel more comfortable to travel within the country rather than going abroad.

- IX. Digitizing tourism resources might be extremely beneficial to countries organizing virtual events to showcase cultural and heritage resources will help keep countries on tourism map and hence in that lockdown period also tourism activity continue and get some revenue.
- X. Collaboration is most importance to chart a way for recovery of Indian tourism industry post covid-19 all players in industry like airlines,hotels,and tour operators ,must come together and devise strategies to minimize losses and capture the market once things return to normal.
- XI. It is essential to prioritize mental health during the pandemic and ensure that people have access to mental health services and support.
- XII. The government should focus on infrastructure development, such as building roads, airports, and ports, which can create jobs and stimulate economic growth.
- XIII. The government needs to support to small and medium enterprises by giving some financial packages or schemes to recover from the pandemic and grow. Because small and medium enterprises are the backbone of the Indian economy.
- XIV. The government can also attract foreign investment by improving ease of doing business, simplifying regulations and providing incentives for foreign companies and investors to invest in Indian market.

Conclusions:

1. The pandemic has led to a significant slowdown in the Indian economy. Many businesses have shut down, and unemployment rates have soared. India's GDP contracted by 7.7% in the financial year 2020-21, marking the worst economic performance in decades.
2. The pandemic has led to an increase in poverty and hunger in the country. Many migrant workers lost their jobs and had to return to their villages, where they faced a lack of access to food and basic amenities.
3. The pandemic has put a significant strain on the healthcare system in India. Hospitals have been overwhelmed with COVID-19 patients, and there has been a shortage of medical supplies and equipment, leading to a high number of deaths.
4. The pandemic has disrupted the education system in India. Schools and universities have been closed for extended periods, leading to a loss of learning opportunities for students, particularly those from disadvantaged backgrounds.
5. The pandemic has also had a significant impact on mental health in India. Many people have experienced anxiety, depression, phobia and other mental health issues due to the stress and uncertainty caused by the pandemic.
6. The tourism industry at national as well as international level and other small businesses based on it have been greatly affected.
7. Due to the impact of Covid, many families where their family members have died; have been financially and socially devastated. Some family members were cured of this disease but they spent so many amounts in private hospitals that they had to spend all their life savings. This effect is not limited only to those families but is seen on social and economic transactions and trade in a broad manner.
8. The pandemic has highlighted the need for better social security measures for migrant workers and the importance of a more resilient and inclusive economy.
9. Overall, the COVID-19 pandemic has had a profound impact on the socio-economic fabric of India, and its effects are likely to be felt for years to come.

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