

18.

PSYCHOLOGICAL, SOCIAL AND ECONOMIC IMPACTS OF COVID

Vishal Malik* and Kanika Mehta**

*Student, M.Com(H),University Business School, Panjab University, Chandigarh

**Student, M.Com(H),University Business School, Panjab University, Chandigarh

INTRODUCTION:

The whole world is fighting with the coronavirus very hardly but currently, there is no solution coming out. India is also trying hard to fight against this deadly virus but the situation doesn't look good for the largest democracy in the world. India reported its first case on the 30th of January 2020. To take precautions the Indian government enforced the lockdown in March. But more than 3,20,000 people have been infected by this virus. India now stands on the 4th position in the list of the countries with the most people infected from this virus. The pandemic has brought many curses with it also. The Indian economy seems to be badly affected by the pandemic and the steps taken to control the pandemic. The unemployment rate is increasing and the growth rate is going down. The psychological impact of this pandemic can now be also seen in the minds of the people clearly. Cases of domestic violence has also increased. All these different issues are tried to study in this study.

IMPACTS OF COVID:

- **ECONOMIC IMPACT:** The Indian economy has been affected very badly by this pandemic. The unemployment rate was 8.8% in March but as the lockdown was enforced on 25th March of 2020 the rate of unemployment just shot up. In the month of April, it was 23.52% and in May it was 23.48%. This problem of unemployment grew up because during the lockdown most of the industries were forced to stop their functioning. Also, most of the companies are facing the losses or low level of revenue that is why they have started the process lay-off. This has forced the migrant labourers to flee away to their homes. Unemployment directly indicated that there will be less income with the people and they won't be able to get their basic necessities things. So, this situation of unemployment can lead to the situation of a starvation if not controlled. Another problem for the Indian economy is the low growth rate. The problem of the low growth rate is due to the non-functioning of the industries. To control the pandemic the government enforced the lockdown and this led to the stoppage of the most of the work in the manufacturing and the service sector. The international monetary fund predicted that the GDP growth rate of India for the financial year 2020-21 will be 1.9%. Other rating agencies also predicted the growth rate of India, which is shown in the table:

AGENCY	FORECAST (%) FOR FY21
Goldman Sachs	1.6%
Moody's	2.5%
Standard and Poor's	3.5%
Asia Development Bank	4%

Table 1. India's gdp forcate by different agencies

So, it is predicted that the growth rate will be within the range of 1.6% to 4%, which are not very staggering figures. The growth rate is low because there is not much of the work is going on in the manufacturing and the service sector. When these sectors will start there proper functioning, the growth rate will increase. But for this year the rate is not likely to improve and will probably be lying in the range.

The export sector is also badly hit because of this pandemic. The exports fell by 60.26% in the month of April which resulted in exports on only \$10.36 billion. The exports suffered due to the lockdown enforced in India as well as in the other countries of the world.

India called agriculture- based country because it gives employment to the most of the people in the country. As the global trade disturbed there are chances that the agriculture sector could face the problem of shortage of fertilizers. Also, the farmers will be facing many difficulties in selling of the crops to the other states because of the restrictions in inter- border movement. The farmers will also face the problem in the process of harvesting of the crops because most the migrant labourers have gone to their homes. So, there will be delay in the arrival of the crops in the market. There is also a time gap between the payment of the farmers i.e., there is time gap in the selling of the crops and the payment of the crops. This can lead to the farmers entering into a vicious circle of debt as most of the farmers take loan from the unorganised sector and they charge compound interest. So, agriculture sector is also badly hit by the pandemic.

The stock market of India was near to the 42000 mark in the month of January and it reached to 25900 points on 23rd March, 2020, just the next day to the 'janta- curfew'. Experts says that the stock market is showing the effects of COVID-19. But the fact to remind here is that the stock market has a past history of strong recovery after such falls. In 1996, during the Asian crises, the Sensex fell 40% for 4 years but gained 115% in the next year. Same trend happened in the case of Harshad Mehta. And now Sensex has started to recover. So, COVID-19 has impacted the Sensex but not to a big level.

There is a small window for the Indian economy to develop as the foreign companies are searching for the alternative of China. With the downfall of the China's image in this pandemic, a new space of opportunity has emerged for India as India is the cheapest labourer provider after China. Many big companies have started to shift their

production activity from China to India. Reports are stating that US based company Apple will be shifting 20% of its production from China to India. Also, recently google has announced that they will invest a huge amount in India. So, the Government of India is able to attract the companies to invest in India, it will solve most of the economic problems like unemployment, low growth rate etc. Also, the Indian companies have a new opportunity because of the boycott Chinese product movement, due to the tension on the Indo-china border. So, there are some opportunities are also there for the Indian economy but immense efforts are required to grab them.

- **PSYCHOLOGICAL IMPACT:** Another impact of the COVID-19 is the psychological impact which is more dangerous than the economic impact. The impact is directly on the mental health of people. In this period, one of the biggest psychological impact is fear. Incidents of suicide were reported in Maharastra, where people have committed suicide because of the fear of getting infected from the corona virus. So, this shows how much fear people are having in their minds that they are taking this extreme step. The people should not have fear in their minds because if they take proper precautions there are very less chances of getting infected then. Also, the mortality rate of this virus is also very low. So, people should not build fear regarding this virus. But the reality is that many people have built fear of this disease.

Job related can also be seen in this pandemic situation. Many people have the fear related to the job security and this is affecting their mental health. Also, many companies have started the process of lay-off. This has also led to a situation of panic among the minds of many people. Now the economy is opening up and it is expected that the things will get normal.

Nothing is permanent, so this Corona virus is not going to stay for life long. Things will come back to normal. These are the testing situations; we should not let anything affect our minds. Negative thoughts are very common in this period but we have to just stay calm and dose not let them control our minds. Proper meditation and exercise should be done in view of keeping mental health strong.

- **SOCIAL IMPACTS:** The economic impacts and the psychological impacts are the roots of the social impact. Many reports and studies show that the domestic violence has increased in the lockdown period. This can be due to job insecurity, stress, depression etc. But whatever may be the reason, the fact cannot be denied that the females have been discriminated in the society and during lockdown this has increased. Between March 23 and April 16, 586 cases of domestic violence were registered.

-

Also, the unemployment problem that led to the creation of panic situation among the labourers and especially among the migrant labours. Their struggle was seen by the whole world, how they were going back to their homes with no money and many of them were barefoot. Their families and children walked for hundreds of kilometres with very less food. A huge part of society suffered very badly due to this pandemic.

The reasons were although economic and psychological but this caused a huge impact on the society.

CONCLUSION:

India is currently facing the curses of the pandemic and this has changed a lot in the country. Economy of India is not in a good shape. It is facing the problems of unemployment and low growth rate. Economy has started to open and the problem of unemployment is expected to get resolved. Also, the government has announced several packages to help the businesses and MSME sector. Also, proper focus on the agriculture sector is given by the government. With the upliftment of the manufacturing sector, most of the economic problems will be solved. Also, India should be focusing on the MNCs that are willing to leave China. This can be an important step in the revival of the economy if India is able to attract the foreign companies. There have been some positive news coming out but more efforts are required to attract the foreign companies. Psychological impacts are also seen among the people and mostly among the youth. This issue is needed to be addressed by care and love. One should keep focus on the mental health to fight against the negative thoughts. Impact on the society are mostly caused due to the above said impacts. Most of the countries are facing the same problems that we are facing and things will take time to get back to normal. So, we should focus on the work with proper precautions and with calmness.

WORKS CITED

- 2020. [online] Available at:
<<https://economictimes.indiatimes.com/news/company/corporate-trends/manufacturing-sector-anticipates-severe-workforce-crunch-post-covid-19/articleshow/75084>>
[Accessed 15 July 2020].
- Khanwalker, S., 2020. *Emerging Social Impact Of Covid-19*. [online] Times of India Blog. Available at:
<<https://timesofindia.indiatimes.com/blogs/voices/emerging-social-impact-of-covid-19/>> [Accessed 15 July 2020].
- ReliefWeb. 2020. *Mitigating The Psycho-Social Impact Of Covid 19 - India*. [online] Available at:
<<https://reliefweb.int/report/india/mitigating-psycho-social-impact-covid-19>>
[Accessed 15 July 2020].
- Civildaily.com. 2020. *[Burning Issue] COVID-19 And Its Impact On Agriculture – Civildaily*. [online] Available at:
<<https://www.civildaily.com/burning-issue-covid-19-and-its-impact-on-agriculture/>>
[Accessed 15 July 2020].