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IMPACT OF COVID-19 ON INDIAN ECONOMY

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Covid-19 -corona virus disease 2019, caused by severe acute respiratory syndrome coronavirus 2. Its outbreak was first identified in Wuhan, China and first case of covid-19 in India was found in Odisha on 16th March 2020 and since 16th March till today it is on increasing phase and on 15th May 2020 Ministry of Health and Family Welfare have confirmed total of 81970 cases out of which 27920 have recovered and 2649 deaths in the country. Despite of its effects on the society and mentality of people, this pandemic has shattered Indian economy to a great extent. Its impact on Indian economy is largely disruptive. It has changed the way Indian economy works, just like depression. The road to recover economy looks rough. But the Indian govt. has taken landmark step to recover economy and to recover loss. A new mission called “Atma Nirbhar Abhiyan” or “Self Reliant India” has been started by our Hon’ble Prime Minister Sh. Narendra Modi on Tuesday (12th may, 2020) and under which economic assistance of Rs 20 Lakh crore approx 10% of GDP of India has been announced to assist various sectors. The Abhiyan is based on five pillars- Economy, Infrastructure, System, Vibrant Demography and Demand.

Being a developing country it is very difficult task to maintain its economy in the pandemic of Covid-19 in front of India. Within a month unemployment arose from 6.7 % on 15th march to 26 % on 19th April. During the lockdown an estimated 140 million people lost employment. The Indian economy is expected to lose over RS 32 thousand crore every day during the first 21 days of complete lockdown.

This paper is about the sectors which have been adversely affected because of this pandemic. Data has been collected from secondary sources.

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accelerated the pace of economic slowdown. Its impact was seen in different sectors, such as MSMEs, Transport, Education, which had the most negative impact on it and luckily it had a positive impact on the environment. The areas on which the effect of the lock down took place are given below.

EMPLOYMENT

The unemployment rate in India was 6.7% in March, which has increased to 27.11% by the last week of May. This rate shows the extent to which unemployment has spread in India and this is a major reason affecting the Indian economy. According to an estimate, the employment of about 14000 crore people has been lost, including the daily wages workers .

MSMEs

The MSME sector has got a new definition by the Prime Minister in his Atam Nirbhar Bharat campaign and has pledged financial assistance of up to Rs 3 LAC crore to this sector. This is the area that was most affected by the lock down. China has the biggest contribution to running the MSME sector in India as the raw material for these sectors is imported from China itself. The region was severely affected by the full lock down in china and the lockdown imposed in India.

EDUCATION

Education is considered to be a pillar of social infrastructure, but today the situation is that due to coronavirus outbreak, the Indian government had to shut down all the educational institutions. Due to which all schools, colleges, universities were closed and the situation was such that board examinations were also postponed in many states. This lockdown lasted for about 3 months and the Indian government uplifted the traditional medium to promote online education so that there is no loss of students' education. Today online education is being imparted in all educational institutions, whether it is a nursery class student and whether it is a final year student doing graduation, everyone is studying through online modes. Government has launched various tv channels for imparting free education to students. Even though the Government of India is putting full emphasis on the education of the students, but there are also many hurdles such as backward areas and rural areas where communication facilities are not available and there are some students who neither have a smartphone nor they have financial facility to buy it and every single student has to run a mobile for 4 to 5 hours which has many side effects on their eyes and health.

TOURISM:

The tourism sector has also been affected due to the lock down. Due to the lockdown imposed by the Government of India, people were banned from moving from one area to another and people had to cancel all their plans, due to which the hotel, transportation and tourism sector suffered heavy losses. The tourism sector of India suffered up to 50% of its revenue due to cancellation of travel plans in the year 2020.

ENVIRONMENT

Of course, this lock down has had a very negative impact on the Indian economy, but it has an advantage that it gave us a clean and clear environment. Such an environment that we all wished for, but did not do anything to get it. Stopping movement of vehicles, shutting down factories, canceling flights, stopping people moving from one place to another and shutting

down all units of production, reduction in emission of harmful gases and industrial waste are some of the reasons which were possible only through lockdown. And the situation is that we are breathing in a clean and clean air. It is believed that the water of the Ganges river has become drinkable again, the lake of Mumbai is seen in pink color because the flamingos have come back there. This is some example that nature has returned to its 100 years old form, but now see.. how long we can maintain it after the lockdown will be removed.

MENTAL HEALTH

Coronavirus has not only affected the Indian economy but has put negative impact on the mental state of people also. When it started, people did not have much awareness about how it spread, what is the reason for it. More than half of the people were not aware of its cause and effect. And they took it very lightly. For this reason the lock down was also opposed. Earlier there was a fear of coronavirus and there was not much case, today the situation is that coronavirus has spread more and people do not have fear of it, maybe this is the reason that today the situation has gone from bad to worse. This is a disease that is spread by touching and many times there is a situation of depression in people, people do not use the object given by each other, they are avoiding meeting each other so that they do not get this disease. And with this, he can defend himself. In some parts of the country, cases of suicide have also come to light.

INDUSTRIAL SECTOR

Industrial sector has come to a standstill due to the 3 months of lockdown. Supply of raw material has been stopped. Employees have been laid off. Supply chain is stopped. No work is being done and production of goods and services has been suspended due to the lack of basic facilities like men, money, material, machinery and management. financial burden has been piled up and demand has been fallen down.

AGRICULTURE

Rabi crop is harvested in the months of April and May. And farmers end their 6-month wait by selling crops in the mandi, but this year due to the lock-down, the crops cannot be harvested on time and farmers have suffered, due to which many farmers have lost their crops and Not only this, there are also problems in growing Kharif crop. Workers are needed to grow the Kharif crop and those who have migrated at this time have gone back to their respective states. The laborers are not available and which are available are asking for more money than the usual rates.

DEFENCE SECTOR

Corona virus has not only shattered Indian economy but has put a negative impact on the defence sector also. In the month of April Government postponed all the plans and policies of purchasing defence equipment and they were scheduled to be done in the month of June.

CONCLUSION

Novel corona virus outbreak has brutally shattered the world. 7.55 m confirmed cases have been reported till 15th June from all over the world. countries from all over the world imposed lockdown to contain the spread of corona virus but this lock down put in negative impact on the working of the countries and has helped to some extent to curb the spread of corona virus disease. These lockdowns have put negative impact on the economies and all the production activities came to start still. Supply chain has been stopped. Movement of people and material from one place to another has been curtailed. Indian economy is no more an

exception and Indian government is being working hard to recover the loss and boost the Indian economy. On 12th May 2020 Government of India launch the mission called self reliant India and announce the package of rupees 20 lakh crore to recover the losses due to this economic slowdown. Alto corona virus outbreak put negative impact on all the sectors of economy but it has a positive side also-- clean and clear environment. Today there is a need to recover from the losses to economy due to this pandemic India will slowly and steady win the race.

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