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IMPACT OF DOUBLE STRIKE (COVID-19 & CYCLONE-AMPHAN)

A MULTI-DIMENSIONAL APPROACH ON NATIONAL ECONOMY WITH SPECIAL REFERENCE TO WEST BENGAL

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Abstract : In India as well as in West Bengal double strike came from Coronavirus and Super Cyclone Amphan, which damaged the economy tremendously. As there was no vaccine to protect the people from coronavirus so the government has taken the way of lockdown as the only instrument against the protection. But the long-lasting lockdown brought varieties of miseries in the society of which economic discomfort appeared before the day to day earning category population in huge shape. There is no direct link between COVID-19 and Cyclone Amphan but the phenomena are cognate in the sense that they are all products of the tremendous acceleration over the last 30 years, a period in which extreme forms of neo-liberal capitalism has been imposed upon the world by global elites. This great acceleration period is the acceleration of consumption and production and the resulting rise in greenhouse gas emission that lies behind all these crisis from the climate breakdown to the pandemic.

Amphan the fiercest cyclone in the recent memory has left the state's agriculture severely damaged. The loss of crops now pushed up the prices of essentials. Most of the traders in the state as well as in the country cannot reopen their business due to the lockdown. The loss incurred by the traders as well as the farmers due to the Twin factors of COVID-19 and Amphan.

The Indian economy is expected to contract for the first time in nearly 41 years. If the contraction as forecasted by RBI and also by other economist is realized, it will be the first contraction for the Asia's 3rd largest economy since 1979-80, when GDP growth shrank 5.2%. The impact of lockdown was greatly been noticed in the financial sectors. Bank deposits have risen while bank credit during the period dipped. The government is planning to keep the overall spending under check at a time when revenue flow has nearly stalled due to the lockdown, which has halted economic activities across the country. More than four months under lockdown has sent unemployment roaring and forced migrant workers to return home.

In the present study an effort has been made to highlight the impact of covid-19 and Amphan on the economy of West Bengal as well as on the country India.

Keywords: COVID-19 pandemic, Cyclone Amphan, Economy, Lockdown, Recession, GDP, unemployment, Agriculture, Fiscal rate, Migrant labours, Acceleration

I. BACKGROUND OF THE STUDY

Double Strike is an evergreen keyword ability that allows a creature to deal combat damage twice per combat phase – Once during the first Combat damage step, along with any creatures that have first strike and again during the second Combat damage step along with creatures that have neither keyword.

First strike came from Corona virus, second strike from cyclone Amphan. Both are the gift of nature. One is visible. Another is invisible. When strike is invisible then you will have to hide to fight against your enemy. So is Lockdown. But when visible you have the scope to face the challenge and to take necessary precautions.

Against Corona virus the measures taken is Lockdown. While against Amphan people came out to protect the people from devastation. In both the cases people faced problems and plunged into deep troubles mentally, physically, socially and above all economically.

In case of Combat phase with corona virus, there was no keyword to face the challenge as the enemy was invisible but in case of Amphan, 167 personnel of the NDRF divided into eight teams were in W.B. to carryout restoration works in the cyclone hit areas along with the higher officials of government of West Bengal and many NGOs.

As there was no vaccine to protect the people from Corona virus so the government has taken the way of lockdown as the only instrument to protect the people. But the long lasting lockdown brought varieties of miseries in the society of which economic discomfort appeared before the day to day earning category of population in huge shape. Many people changed their usual profession or practice of normal business. It is noticed that marginal classes like:-

- 1) Auto Transport business Personnel are selling fish or egg or varieties of fruits or opened mobile vegetable shops.
- 2) The condition of conductors or drivers is miserable as they are not expert in other economic activities.
- 3) Footpath hawkers and food-sellers whose day to day earnings were depending on the mobility of common people and on office goers, at present their economic activities has completely shut down.

If lockdown continues for a long time, people will die with hunger and there is no need to say that COVID-19 along with Amphan will brighten death and crisis of food production not only in West Bengal but also throughout the country. So, COVID-19 has stopped many economic activities due to contagious disease and has no cure till date to fight with corona. It has produced economic impact globally and in India. It may create recession in many parts of the world. In every sector in India most of products are imported from China, especially in medicine and manufacturing industry.

In the present study, an effort has been made to highlight the impact of COVID-19 and Amphan on the economy of West Bengal as well as on the country, although impact of COVID-19 has widely created economic misery throughout the world. The trade impact of corona virus epidemic for India is estimated to be about 348 million dollars and the country figures among the top 15 economies most affected as slow down of Manufacturing in China disrupts world Trade, according to U.N. Report.

II. CORONA VIRUS IN INDIA

Corona viruses are a group of virus that can cause disease in both animals and humans. The severe respiratory syndrome (SARS) virus strain known as SARS-COV is an example of corona virus. SARS spreads rapidly in 2002-03. The new strain of corona virus is called severe acute respiratory syndrome coronavirus – 2 (SARS- COV-2). The virus causes corona virus disease 19 (COVID-19). The new corona virus has spread rapidly in many parts of the world. On March 11, 2020 the World Health Organisation declared COVID-19 a pandemic. A pandemic occurs when a disease that people are not immune to spreads across large regions.

Many health experts believe that the new strain of corona virus likely originated in bats or in pangolins. The first transmission to human was in Wuhan, a city in Hubeli province, China. Since then the virus has mostly spread through person to person contact. Reports of the first COVID-19 cases started in December 2019. However, it remains unclear exactly how the virus first spread to humans.

On 22nd March, India observed a 14 hours voluntary public curfew at the instance of Prime Minister Sh. Narendra Modi. It was followed by mandatory lockdowns in COVID-19 hotspots and all major cities. Further on 24th March, 2020, the Prime Minister ordered a nationwide lockdown till 3rd May, 2020 which was followed by two weeks extension starting 3rd and 17th May 2020, respectively with essential relaxations. Beginning June 1, 2020 the government has started unlocking the country (barring containment zones) in three unlocks phases.

The UNO and WHO have praised India's response to the pandemic as "Comprehensive and Robust", terming the lockdown restrictions as aggressive but vital for containing the spread and building necessary healthcare infrastructure.

The oxford COVID-19 government response tracker (OXCGRT) noted the government's swift and stringent actions, emergency policy making, emergency investment in healthcare, fiscal stimulus, investment in vaccine and drug R & D.

According to chief executive director of WHO's health emergencies programme noted that India had tremendous capacity to deal with the outbreak owing to its vast experience in eradicating small pox and polio.

COVID-19 at a glance

1. Disease: Corona virus disease-2019 (COVID-19)
2. Virus Strain: Severe active respiratory syndrome coronavirus – 2(SARS COV-2)
3. Location: India
4. First Outbreak: Wuhan Hubeli, China
5. Index Case: Thrissur, Kerala
6. Date: 30.01.2020 – On-going.
7. Confirmed Cases: 10,03,832 (as on 17.07.2020)
8. Active Cases: 3,42,473 (as on 17.07.2020)
9. Recovered: 6,35,757 (as on 17.07.2020)
10. Death: 25,602 (as on 12.07.2020)
11. Fatality Rate: 2.82% (as on 17.07.2020)
12. Territory: 28 states and 8 union territories

The lockdown was justified by the government and other agencies for being pre-emptive to prevent India from entering a higher stage which could make handling very difficult and cause even more losses thereafter.

III. AMPHAN: THE DESTROYER

Cyclone Amphan, the strongest storm on record in Bay of Bengal, ripped through West Bengal, Odisha and Bangladesh on May 20, 2020. The storm killed at least 98 people in West Bengal, destroyed thousands of houses, uprooted innumerable trees and led to power disruptions.

Hurricanes, cyclones and other tropical storms draw energy from warm water and may stretches of ocean are now exceptionally warm. One reason for the rapid intensification of cyclone Amphan was the warmth of Bay of Bengal. Also warmer air holds more moisture, so storms carry more rain.

There is no direct causal link between COVID-19 situation and cyclone Amphan but the phenomenon are cognate in the sense that they are all products of the tremendous acceleration that occurred over the last 30 years, a period in which extreme focus of neo liberal capitalism have been imposed upon the world by global elites. This period has been called the "Great Acceleration", which is appropriate because it is the acceleration of consumption and production and the resulting rise in greenhouse gas emission that lies behind this entire crisis from the climate breakdown to the pandemic.

Amphan at a glance:



- Name: Amphan, whose meaning is Akash i.e. sky
- Named By: Thailand
- Originated: 450 km. south west from Digha
- Effect on: (a) North 24 pgs, (b) South 24 pgs, (c) East Midnapore
- Speed: On the coast of Midnapore speed was 155 Kmph to 165 Kmph. Max. Speed 185 Kmph.
- Rainfall: Heavy rainfall with a speed of wind from 120 Kmph to 130 Kmph.
- Maximum Damaged Area:
 - South 24 pgs.
 - Namkhana, (b) Sagar Island, (c) Pather Protima, (d) Kultali, (e) Gosaba, (f) Basanti
 - North 24 Pgs.
 - Hingal Ganj, (b) Sandesh Khali, (c) Hasrlead, (d) Minakha
 - East Midnapore
 - Khejuri, (b) Nandigram, (c) Sutahata, (d) Mahisadal, (e) Nanda Kumar, (f) Kanthi, (g) Digha, (h) Mandarmoni
- Damaged On:
 - Old dilapidated mud made houses (Kutchha house).
 - Vegetables in the field
 - Trees, electric poles, ropes and mobile towers.
 - Inundation of the low coastal belt
 - Damage caused due to shift or signboard and roof made of tin.
- Conversion: From super cyclone to tremendous cyclone to high speed cyclone and lastly into cyclone.
- History of Storms:

Sr. #	Name	Year	Max. Speed (per hour)	Duration of Stay (Hours)
1.	Bulbul	2019	140 Kmph.	3
2.	Fani	2019	215 Kmph.	3
3.	Hudhud	2014	215 Kmph.	1
4.	Pilin	2013	215 Kmph.	3
5.	Aila	2009	120 Kmph.	1
6.	Super Cyclone	1999	260 Kmph.	1

IV. COVID – 19 Vs AMPHAN

There is no direct relation between Covid-19 situation and Amphan but these Phenomena are cognate in the sense that they are all products of the tremendous acceleration that occurred over the last 30 years, still comparison between these two incidences can be drawn as follows:

Covid-19	Amphan
Covid-19 has impacted huge numbers of population throughout the world and a large number of people in India	Amphan in 3hours destroyed a few millions of livelihoods and uprooted as many families
With Covid-19 there is every reason to believe that any one save himself/herself with proper behavioural hygiene, social distancing, and early detection	In case of Amphan we were all sitting ducks waiting to be pounced upon and tormented
Against Covid-19 we have hospitals and ICUs	Against Amphan the ICUs themselves stood destroyed

4.1. Miseries

(a) In Sundarbans: Owing to sudden attack of severe cyclonic storm and salt water from sea has backed up into the farmlands of delta, rendering them useless for the next few years to come. The Sundarbans is finished. Amphan has destroyed it. All types of crops in agricultural lands and trees have been damaged. Bighas after bighas of farm land on the costal edges of the Sundarbans is now completely submerged by the sea water thrown up by the super cyclone.

The paddy fields of the areas are, in fact, now turned into one vast lake. Their calm waters belying the great violence caused to create them and the human misery they represent. The Sundarbans is the Bengal first line of defence for the fierce storms that periodically arise in Bay of Bengal. However, the people of this region pay a heavy price for this. After Amphan hit, the Sundarbans region of West Bengal is in great shock. Livelihoods have been destroyed, houses torn down, power system dislocated and mobile networks blocked out. Most troublingly the intensity of storm has destroyed everything and threatening their everyday life. Living only on the kindness of NGO's and government help, life is becoming insecure and getting extreme pain in life. The storm has left many families of Sundarbans into a great misery of hunger as because they have no money with them. Their activity with fishing business has stopped. For a long period they will not be able to do fishing or any other agricultural activities. Above all corruption at this time in respect of distribution of relief by the Local Panchayat is very acute as informed by the villagers.

The Sundarbans is always an amphibious terrain, land-seguing into water and water into land. But for now in major areas, water has clearly won, the village is inundated with islands sticking out only in places and multiple families campaign out in village school which, luckily sets on the dry land. This is planting time of Aman crop but due to submerge of salt water it is not possible.

The important thing is that the government takes no note of share croppers. Landlord has got money from the share croppers but when the government will announce compensation, the landlord will get that resulting the marginal class will die without eating.

When the storm came, they tried to secure the crop with ropes, still they are lying on the ground, frayed and distended after their battle with Amphan but it was no use. Some of the villagers suffered losses of ₹ 1.5 lakh to ₹2 lakh. Such figure of loss will break their backbone. Anyway, when land is not suitable for cultivation, so some villagers decided to shift their earning to another trade.

According to state forest department vast stretches of mangrove forest spanning over an area of about 1600 sq. km. in the Indian Sundarbans have been ravaged by cyclone Amphan covering 40% of Sundarbans that had struck the state. While it accounts for almost 40% of the entire 4000 sq. km. area, Sunderban's Tiger Reserve and South 24 Pgs. Forest division foresters are worried over the possible impact.

According to wild life Sanctuary report, about 1600 sq. km. area in the Sundarbans has suffered damage. The news comes at a time when UNESCO world heritage site is already battling the onslaught of various components of climate change and the forest of India has pegged a loss of more than 2%. Mangrove cover in the delta between 2017 and 2019. The mangrove act as a natural shield for Kolkata from the impact of cyclones like Amphan.

What is more, the storm has triggered siltation and opened up creeks that might have long term impacts on the delta. In the Vidya and Haldibari regions, some creeks have been opened up by the cyclone. It is like to change the tidal pattern and trigger erosion of islands and therefore navigation route maps will also have to be redrawn for this. Opening up of creeks might lead to overflow of saline water into villages. The villages will have to focus more on salt tolerant rice varieties now.

Some expert sounded an alert over habitat and loss due to erosion and sea level rise the Sundarbans. Meanwhile, almost all the nylon net fencing to check tigers from entering human habitat has been damaged along a stretch of more than 107 km. The government along with the local people have taken up repairing jobs on war footings in Ramganga and Basirhat ranges where villages are locked closer to the forested islands.



It is ironic that one of the most bio-diversity zones of the state is also the most vulnerable to climate disasters. The recent devastations and the evident impact of climate change means that the people, flora and fauna of the Sundarbans need to be cared for and protected like never before. The Indian Sundarbans recently recognised as Ramsar site, is home to more than 90 tigers, left a damaged embankment along the Gomor River is under repair at Uttar Rangabelia village in Gosaba.

Mangroves are resilient. They are well adapted to cyclones; indeed they play a vital role in protecting the interior. The impact on the wild life of the Sundarbans is a different matter. If the storm surge in 30 ft. in height then all the land and most of the trees will be submerged. However, it is the people who live in Sundarbans, will suffer most. Their villages will be inundated, their dwellings swept away. There will be extensive damage to the embankments that protect the interiors of islands. Arable land will be swamped with salt water and would not be cultivable for years. Fresh water ponds will also be flooded with sea water. Many of fishermen will lose their boats and nets.



This time, with the cyclone arriving during pandemic evacuations themselves may have adverse consequences. It is almost impossible to carry out large scale evacuations while observing social distancing. Nor will it be possible to maintain social distancing in crowded cyclone shelters. On top of that, an untold number of people- many already suffering from the effect of the lockdown, will lose their livelihoods. A good number of the migrant workers walking back to Bengal are from the Sundarbans. They will arrive to find further devastation. It will be a humanitarian disaster of epic proportion.



(b) In Kolkata:

State, police and Kolkata Municipal Corporation struggled hard to bring back normalcy in a city devastated by a monstrous cyclone. Removal of full grown uprooted trees to clear major roads posed a serious challenge before the KMC teams.

Some officials feared that since it is an emergency situation, social distancing norms may not be followed properly as all the focus will now be on clearing up city's major thoroughfares. From Tollymore to Tollygunge the scene was same everywhere, large trees blocking the roads, making vehicular movement more difficult. According to an estimate over 5000 trees were uprooted in the city, while 1500 full grown trees that fell on major roads made the task uphill. Over 3500 trees that were uprooted in the neighbourhoods forced many to stay indoors.

According to sources, over 2500 electric poles were also uprooted and damaged. In large areas in Southern and Northern suburbs, the KMC could not supply water for 10 to 12 days because of the power cut. Worse water logging in vast parts of Kolkata made the task of removal of uprooted trees difficult for the KMC and disaster management unit.

After a few days of cyclone Amphan ravaged Kolkata, lakhs of residents were left without power, water or other necessities supply. Connectivity (Both Cellular and Internet) too went for a toss. Service Providers and Telecom infrastructure experts blamed long power cuts for loss of cellular lines, data disruption and other communication losses. Large swathes of South Bengal including Southern Pockets of Kolkata, Salt Lake, New Town to the city's east, remained without power 24 hrs. after Amphan had blown over, leaving behind mangled towers with high tension power lines, twisted electricity poles and a mesh of low tension power lines.

More than 80% of Kolkata's cable homes have also been left with blank screens, with the cyclone snapping cable T.V. wires across the city. Most of the operators were staring at a financial burden of replacing the snapped cables, as cable operators across the city had a tough time assessing the damage and gathering the snapped wires. Above all failure on the part of the KMC to remove the trees, erection of posts in time and as the lockdown is still on and cable operators are facing the crisis of not enough people to do the job. So all these are the causes of delay in connection and harassment of the people.

Magnitude of damage at a glance:

1. No. of uprooted trees in Kolkata - 5000
2. No. of large or full grown trees uprooted - 1500
3. Species of Large Trees - Banyan, Kadam Sirish, Palas, Krishna Chura, Radhachura, Mango, Jamun among others.
4. Areas where large trees were uprooted - Northern Avenue, Chittaranjan Avenue, Camac Street, Maidan, Bhawanipur, Harish Mukherjee road, Alipore, Rashbehari Avenue, NSC Bose road, EM bypass (Anwar Shah connector) among others.
5. No. of Electric poles uprooted - 2500
6. Power cut in large areas of South and Northern fringes
7. Water logging in large areas of Kolkata including Chittaranjan Avenue, Sahitya Parishad street, Burrah Bazaar, Sukesh street, Camac street, Alipore, Behala, Kidderpore, Ekbalpore, Tollygunge, EM bypass
8. No. of trees uprooted in Salt Lake, Rajarhat and New Town - 2500



(c) In the Rurban Areas: -

The cyclone has torn apart the city of Kolkata and the Bengali country side and its neighbouring regions. This is also the time when human life is at an ebb the world with the raging pandemic. Amphan came at a time when the resources of the state were already at a breaking point battling disease, fortifying health systems and providing relief to the poor in the midst of an economic standstill.

In the aftermath of monster cyclone, it seemed as if the state had receded altogether. Left without electricity and clean drinking water, people were also dealing with fallen overhead wires and threats of electricians, trees precariously fallen on or in front of their homes and crashed electric poles. And for many, there was nobody to be reached. The state machinery was failing, as also all providers of amenities (something that did not happen in quite the same way even though the pandemic) and no help was at hand. It was then that people themselves started to cross their hurdles and come forward. They joined hands in ways that remind the days of Swadeshi movement and nationalist struggle, Bengal era of Tagore, Chittaranjan Das or Subhash Bose. When self-help was motto, when all countrymen were called upon to stand shoulder to shoulder in the face of adversity. In the aftermath of Amphan, elderly citizens have joined hands to clear the streets. People left without power and water nonetheless cooked lunch and fed civic body workers working through the day in their neighbourhoods. Beyond the city, where there was no Sarkari help insight, villagers have themselves started to rebuild inundated embankments to save themselves from floods. In the city itself people have salvaged and retrieved, held the hands of their neighbours and used their own resources to get respite to other people. Like in the past, when they would give selflessly to the cause of freedom and nationalist struggle.

(d) South 24 Parganas

Hundreds living in two sides of kakkwip road, between Diamond Harbour and kakkwip, have been rendered homeless overnight. Hundreds of trees lay uprooted on two sides of roads, portraying a telling picture of one of the fiercest cyclones Bengal has witnessed. According to the Government information over 2000 huts and lakhs of betel leaf fields in south 24 pgs. Were damaged. Villages in kakkwip, Namkhana, sagar islands, Mousumi, Ghoramara island were reportedly the worst affected. Dams at Pather Pratima and Ghoramara gave way and destruction is extensive at canning and Gosaba.

At a village beside lot No. 8 of Kakdwip, from where people take ferries for Sagar Island, homes after homes have been flattened out. Lakhs of people were rescued and were kept at school and government houses, where social distancing norms went for a toss. The people cannot think about social distancing and masks when they do not have food, home and clothes as well as have been living with 300 to 400 people in a school.

**(e) North 24 Parganas**

More than 700 villages in North 24 pgs went under water and 80,000 people were shifted to relief camps. About 30 km. stretch of Jessore road from Dutta pukur to Gaighata on North 24 Pgs. realized the havoc that the cyclone had wreaked on the area. Large trees had uprooted, smaller ones flung away and homes reduced to rubble. According to district administration, estimation of at least 80,000 people had turned homeless, communication collapsed and electricity yet to be restored to several villages, rescue and rehabilitation operation hit to a wall.

**V. ECONOMIC IMPACT ON WEST BENGAL**

5.1. On Agriculture & Agricultural Marketing:- Amphan the fiercest cyclone in the recent memory has left the state's agriculture severely damaged. The losses of crops will now further push up the price of essentials. Vast tracts of land are submerged, destroyed the crops in a large number of fields. According to the preliminary report, nearly 7% of 12.5 lakh hectares of standing crops like boro paddy may have been irretrievably damaged. Much of the product is common miniket, which is consumed in the state. Annually Bengal produces 15 to 16 million tonnes of paddy in three crop seasons – Aus, Aman and Boro. The Boro output accounts for 30% of paddy production in the state, as per West Bengal agricultural Department.

The report revealed that 50% of the same crop has been damaged. Ground nut another oil seeds produced in Bengal, has also been affected. Some common vegetables like ridged gourd, green chillies, cucumber, brinjal, bottle gourd, pumpkin and pointed gourd, were damaged across south Bengal. Vendors said that in the coming few days, there will be distress sale of these vegetables, that will be followed by highly fluctuating prices in a volatile vegetable market.

The vegetables are irretrievable, due to huge water logging in the fields; the loss cannot be estimated quickly. After COVID-19 had delivered a blow to the state's agriculture, cyclone Amphan virtually broken its backbone.

North Bengal has also been hit. In Malda, which is the biggest Mango producer in Bengal, the preliminary report suggests that 3800 tonnes of the fruit was lost in the storm. The districts economy largely revolves around mango production and nearly 10% of its production of 3.5 lakh tonnes has received a big jolt at the beginning of the season. Malda has also lost 16000 hectares of paddy and 500 hectares of vegetables. Vegetable prices will shoot up once the flood water recedes. People have already been paying extra for rice, pulses and edible oil, courtesy the lockdown for COVID-19.

Agriculture at a glance:

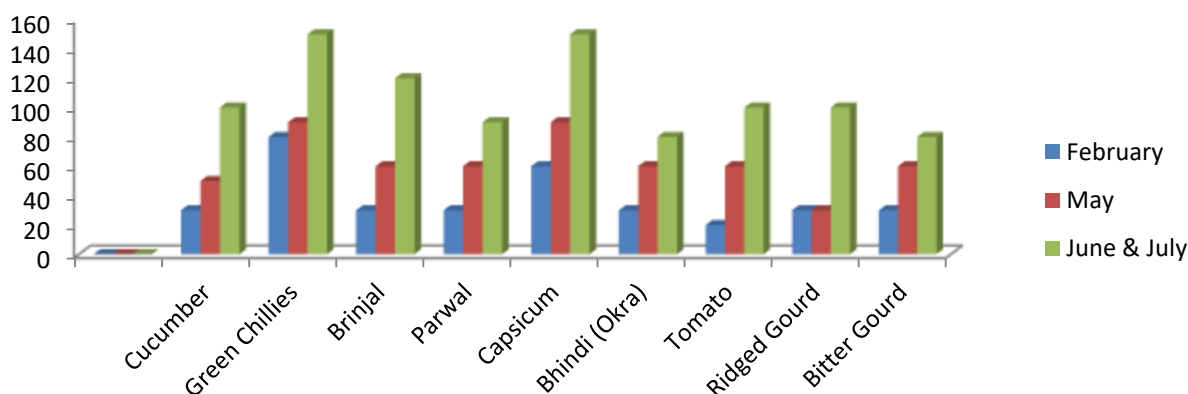
1. Paddy (boro): Cultivated on 12.5 lakh hectares
2. Crop loss: 87,500 hectares
3. Sesame: Cultivated on 2 lakh hectares
4. Crop loss: 1 lakh hectares
5. Vegetables: Cultivated on 6 lakh hectares
6. Damaged: 1 lakh hectares

[Source: Agriculture Department, Govt. of West Bengal]

Vendors felt that in coming days, the crisis may deepen with severe shortage of vegetables because veggie plants went under water and became useless. The price at which people are buying the stock is shocking. Some vegetable prices jumped over 10% to 15% over past four days and thereafter increased by 100% and shockingly there were no interference on the part of the government. The markets managed to sustain the supply with pre-Amphan stock but with serious constraint in transportation of goods. Amphan has damaged a lot of vegetables across South Bengal. Most farmers lost 70% of the crop because their field were flooded. Crops grown on elevated rafters were blown away. The situation is so bad that most farmers would think twice before starting sowing for the next cycle. Presently it is noticed that the vegetables which are available from the suppliers were not enough and not of good quality. Most of the vegetables were under water for a long time. Because of the supply crisis the prices were very high. So under such crisis prevailing, the vendors may bring vegetables from Bihar or from Jharkhand to meet the demand.

The normal demand supply dynamics seem to have gone for a toss post Amphan after the city managed quite well following the initial corona period hiccup. Stabilising market prices should be the priority now. The yawning gap between demand and supply owing to severe destruction caused by cyclone Amphan has led to scarcity of vegetables in some city markets with almost double prices. Even though the supply chain issues of the vegetables transportation were largely resolved after removal of uprooted trees, drop in production has dried up the wholesale and retail markets in the city. The largest vegetables wholesale hub in the city, the Kole markets, dropped from 350 trucks a day to 70 trucks. So from this picture it is very clear how the economic activities turned into a grave situation. Bengal has largely immune to lockdown price rise in vegetables because of bumper production so far in this year, but Amphan changed the scenario and much of the agricultural land in the state is under water, resulting wary of a lower production. Therefore, wholesalers and retailers feared a high price in the days to come. At retail markets, almost all vegetables were sold above ₹ 80 per kilo and still rising steadily.

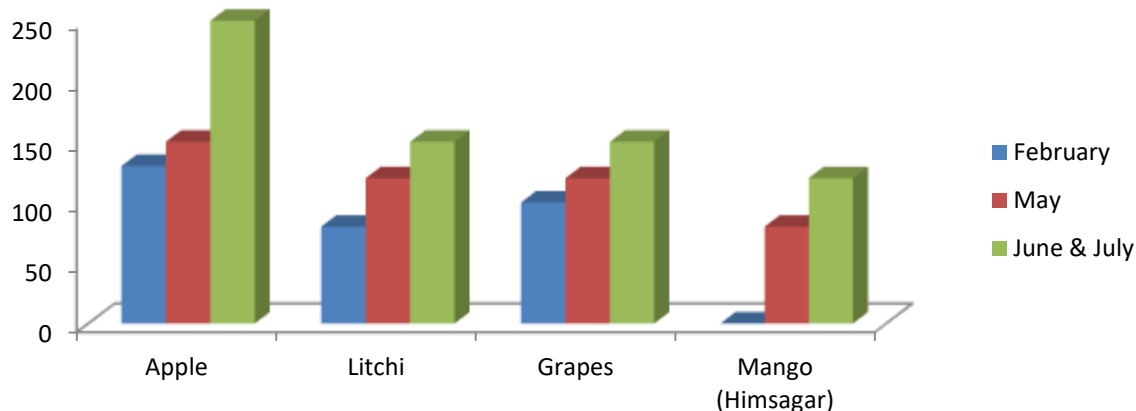
The following chart will reveal how prices are rising during the period of pre-Amphan & COVID-19 and post-Amphan & COVID-19:



Sr. No.	Vegetables	February	May	June & July
		(in ₹/kg)	(in ₹/kg)	(in ₹/kg)
1	Cucumber	30	50	100
2	Green Chillies	80	90	150
3	Brinjal	30	60	120
4	Parwal	30	60	90
5	Capsicum	60	90	150
6	Bhindi (Okra)	30	60	80
7	Tomato	20	60	100
8	Ridged Gourd	30	30	100
9	Bitter Gourd	30	60	80

[Source: West Bengal Vegetable vendor's Association & Posta Merchant Association]

In respect of seasonal fruit, markets are also witnessing scarcity. The sudden supply of mangoes in local markets is due to distress sale by some farmers and it is dried up from the month of July. Some of the fruit prices during the months of February, May and June-July were as follows:



Sr. No.	Fruits	February	May	June & July
		(in ₹/kg)	(in ₹/kg)	(in ₹/kg)
1	Apple	130	150	250
2	Litchi	80	120	150
3	Grapes	100	120	150
4	Mango (Himsagar)	-	80	120

Choked roads in the city and as the railway are not in operation, therefore, started creating supply line issues, pushing up vegetable prices. However, the loss of Crop due to the widespread Devastation by cyclone Amphan is likely to impact Kolkata market which are usually blessed with abundant supply of vegetables, had till now managed to keep the prices under check. Even during the initial days of lockdown, when other metros saw vegetable prices going through the roof, the prices became normal in Kolkata faster after recovering from supply line issues, but this time the cyclone proved to be a big jolt for farmers and premonition for consumers. Due to cyclone and COVID-19 the loss to the farmers is immeasurable and farmers' family will lose the courage to sow seeds afresh as observed. Majority of farmers borrow money at high rate of interest. Above all, due to lockdown the severe shortage of labourers slowed down harvesting in the state. Despite the early warning, the farmers left 50% of production in the ground, expecting to harvest the crops after the passage of cyclone. But the incessant rain and breach of embankment left a vast swathe of agricultural land completely inundated.

Apart from the loss of crops, accessing the markets has become a major issue. In absence of train services vegetable supply is now completely dependent on road transportation till to the month of August. Till now people have no idea about the prices of the fresh stock of vegetables, which they may start knowing from the forthcoming months.

5.2. Trade & Commerce

Most of the traders of Kolkata as well as of the suburbs of Kolkata cannot reopen their business due to uprooted and broken trees blocked the roads along with lockdown. This will cause inconvenience to their business and thereby losses further. Cyclone Amphan has destroyed goods worth several crores stocked in shops that have been shut for almost two months. Many traders had been excited about reopening of their shops and had been eyeing some good business over the weekend before some festival.

But during the cyclone, water seeped into their establishment destroying their stock. In the past, when a storm or heavy rain was predicted, shop owners would move their stock to safety to godown or to an elevated place inside the shops. But due to the lockdown restrictions this time around, the owners could not visit their shops to save their goods despite the cyclone forecast.

According to the wholesalers of plywood and Laminate sheets of Kolkata: "This is the last nail in the coffin for us. There was knee deep water inside the shop. Plywood worth lacs was destroyed. After keeping the business shut for almost two months due to the lockdown, every trader was expecting to reopen but this cyclone has destroyed the traders, the economic conditions of the people and the state."

Under this situation along with lockdown the states have cautiously started opening up their economies. The Government of Bengal including other states are following the centre's classification of green, orange and red risk zones in doing so, but the rules to guide lockdown exit seem overly preventive and difficult to enforce. The crowd before the alcohol shops earlier show that people may flout rules now that the lockdown has been eased but that does not mean that the state should start prescribing how many people should be there in a cab, as has been done by many states. Micro-management of this nature will lead to harassment and bribery. Instead, the focus should be on communicating the risks and of certain kinds of behaviour constantly.

5.3. Seasonal Trade

According to the preliminary reports, the cyclone damaged an estimated 40,000 tons of the fruit. The projected crop of 3.5 lacs tons this year had already been parred to 2.5 lakh tonnes following the hailstorms that struck the districts in early summer. Post Amphan, that figure is set to be revised to around 2 lakh tonnes. The traders lost a lot of business due to the lockdown and lack of labourers and were really looking forward to the mango trade. Hoping for a turnaround as the crop was good this year and the lockdown was being eased, but then the cyclone dashed the hopes.

Mangoes are seasonal and perishable. So there is very small window which the crop has to be harvested, sorted, packed and transported for sale. This year the lockdown lead to problems in sourcing labour and that has caused mango farmers bear. The cyclone has also affected the Litchie farmers within estimated 10,000 tons of the fruit being damaged. The loss is incurred by the traders as well as the farmers due to the twin factors of COVID-19 and Amphan.

VI. IMPACT ON NATIONAL ECONOMY

The economy is a complex beast and COVID-19 has some unintended consequences. Factories have not been able to restart because their dealers are not allowed to open. Further, even those that restart manufacturing see Ad Hoc closure due to positive cases being found in adjacent villages or due to closure of warehouses of big clients like Indian Railways.

In one case a village had dug a road to prevent mobility of labour and dissuade factory workers from working. Even where goods can be transferred, workers at warehouses can't turn up as they are not deemed essential. Sometimes workers are not allowed to pass through containment zones by the local authorities in spite of having all the documents, delaying transport of essential goods.

Another case is that pharmaceutical companies - some of which are operating at mere 30% to 40% capacity utilisation despite being an essential services. This is due to the lack of migrant labour and disruptions when inputs such as packaging materials are not deemed to be essential. All these point to a wide variety of problems that notification and instructions cannot solve. A study also revealed that, often local officials are overzealous and sometimes orders are interpreted differently by different parts of the system. Keeping this in mind few suggestions are noted below:

1. There should be no distinction between essential and non-essential items when it comes to manufacturing. A non-essential item for one can be an essential input for another. In the interlinked supply chain of the modern world, these distinctions do not work. The packaging that goes into a cigarette also goes into products and pharmaceuticals. At least, this distinction works for final consumption of goods but for intermediate goods and it should be removed completely for manufacturing to restart.
2. From a Logistic point of view, e-commerce companies should be allowed to deliver everything. The centre has already approved this but has left the final decision to the states. The ostensible reason to not allow this is to protect small store owners from E-Commerce players. But we are forgetting the thousands of small entrepreneurs, dealers and wholesalers who are selling on these E-Commerce platforms. Their livelihoods are at stake as are the jobs that they generate. In the current situation we should stop making these false choices.
3. The centre can decide the criteria for classification of risk zones, but the decision to reduce the risk level of a zone should be with the states as long as the criteria are transparent. With States at the helm, the lockdown could be limited to smaller geographical areas. We can't and should not have lockdown of complete districts that have the population of many small European countries.

Last, precise and detailed guidelines have choked the already overburdened communication channels in India's tiered Bureaucracy.

Further, the government has consistently released classification circulars to its own confusing circulars and expected Frontline bureaucrats to react accordingly in real time. Consequently trains and trucks have faced problems in transporting goods due to confusion among police about the guidelines.

Making the changes and communicating them with clarity and speed will require a fundamental shift in thinking. But if the government does offload some of the decision-making burden, it will in addition to eliminating bottlenecks, free up its capacity to execute its core functions more efficiently.

6.1. Local manufacturing

The government is considering proposals for investments of ₹ 16 to 17 billion (around ₹ 1.25 lakh crores) to boost domestic production of air conditioners and its components, furniture and Leather footwear, while looking at an option, including duty hike, to reduce import dependence and push Exports.

Manufacturing is worst affected (% annual growth)

Sr. No.	Sector	2018-19	2019-20	Q4(2019-20)
1.	Agriculture	2.4	4	5.9
2.	Industry	4.9	0.9	-0.6
3.	Manufacturing	5.7	0.03	-1.4
4.	Services	6.1	1.3	4.4

[Source: EMKay Wealth Management, Joseph Thomas]

At the same time, it should be taken into consideration that manufacturing lacks linkages. The lack of infrastructure pushes up by logistic cost, which at 14% of GDP is one of the highest globally. This decreases manufacturing competitiveness and visibility of future investments during the COVID era. We find manufacturing is worst affected except agricultural sector, other sectors also reduced rapidly.

6.2. Core sectors

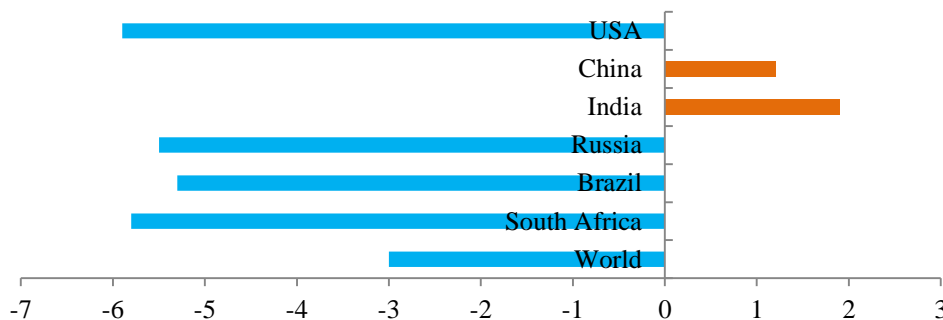
The Indian economy is expected to contract for the first time in nearly 41 years, while the outlook for inflation remains uncertain- RBI's assessment of the economic situation as showed.

According to RBI's Governor, "It is in the growth outlook that the monetary policy committee (MPC) judged the risk to be gravest. The combined impact of demand compression and supply disruption will depress economic activity in the first half of the Year. Assuming economic activity gets resorted in a phased manner, especially in second half of this year and taking into consideration favourable base effects, it is expected that the combination of fiscal and monetary and administrative measures being currently undertaken would create conditions for a gradual revival in activity in second half of 2020-21.

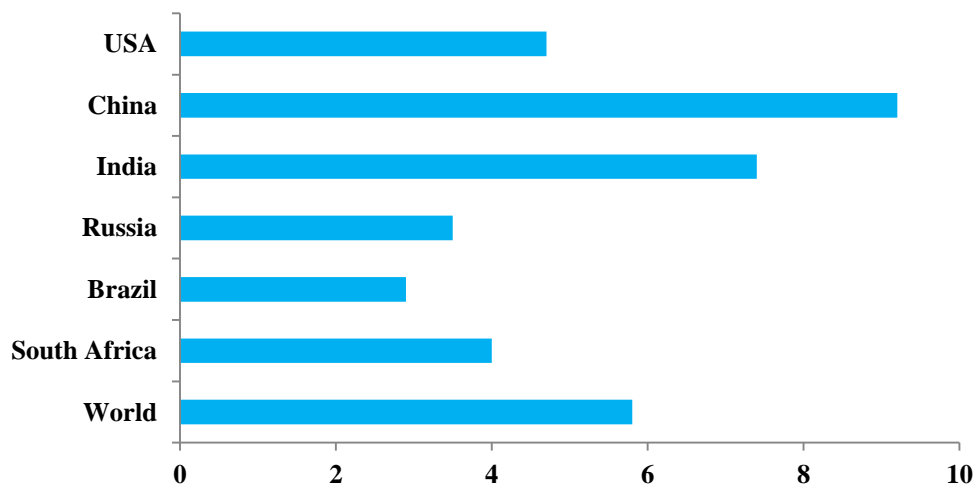
Nonetheless, downside risks to this assessment are significant and contingent upon the Containment of the pandemic and quick phasing out of social distancing (lockdown). Given all these uncertainties the GDP growth in 2020-21 is estimated to remain in negative territory with some pickup in growth impulses from the second half of 2020 – 21 onwards. If the contraction as forecast by RBI and also by other economist is realised, it will be the first contraction for Asia's third largest economy since 1979 – 80 when GDP growth shrank 5.2%.

Several investment banks, brokers and economists have predicted the economic growth to remain flat or contract in the range of 1.5 % to 6.8 %. IMF's April estimate however showed that India and China will be the only countries to display growth, while the rest will contract.

GDP Growth % (2020)



IMF's GDP Growth (%) Projections 2021 (Published in April - May)

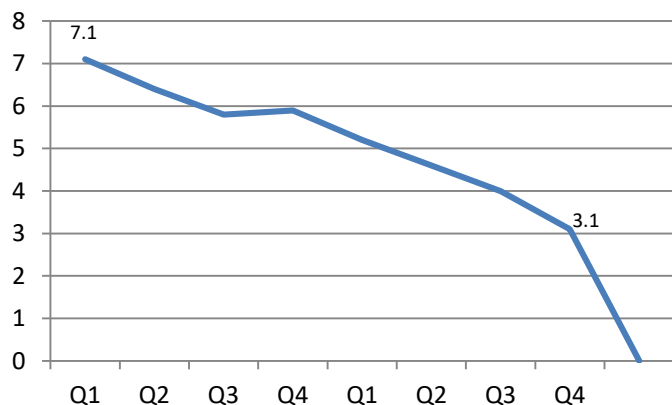


[Source: MPC,IMF]

Domestic economic activity has been impacted severely by the lockdown. The top six industrialized states that account for about 60% of the industrial output are largely in red, orange Zones. High frequency indent point to a collapse in demand beginning in March 2020 across both Urban and rural segments and the robust farm sector and prediction of healthy monsoon of rains augured well for the rural economy.

The condition of the global economy by all counts, the Macro Economic and financial condition are austere. The global economy is exorably headed into recession. Monetary policy committee assessed that the inflation outlook is highly uncertain. The supply stock of food prices in April may show persistence over the next few months, depending upon the state of lockdown and the time taken to restore supply chains after relaxation.

Much will depend on the shape of recovery after covid-19. According to monetary policy committee is of the view that headline inflation may remain firm in first half of 2020 – 21 but should ease in the second half, aided by also favourable base effects. By Q3 and Q4 of F.Y. 2020-21 it is expected to fall below target. Thus the MPC’s forward guidance on inflation is directional rather than in terms of levels.



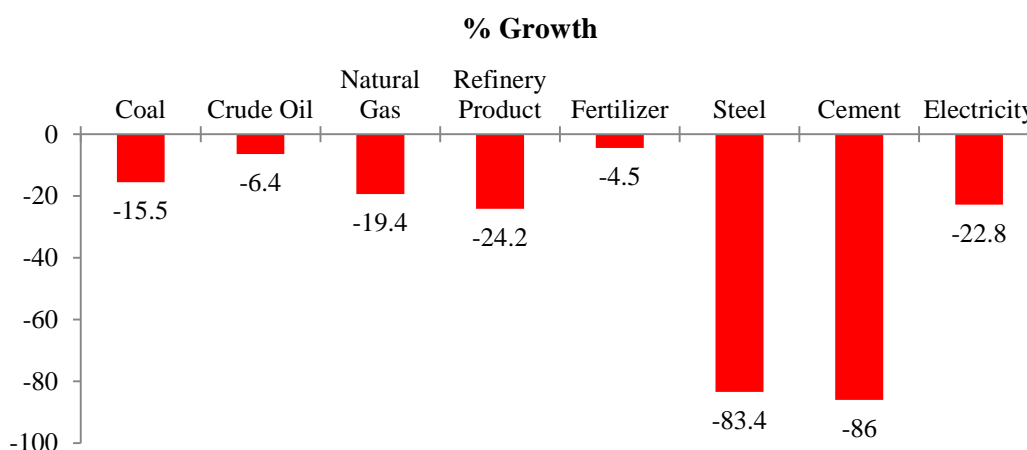
[Source: MPC,IMF]

1. Quarterly Growth in percentage
2. Steep fall projected in April-June Quarterly

Output of 8 core sector Industries plunged 38.1% in April. Probably the steepest ever led by an over 80% slump in cement and steel production due to the nationwide lockdown.

The members indicated that overall industrial production is headed for a high double-digit decline as the COVID-19 Induced lockdown has taken a toll on economic activity. The core sectors Industries have an over 40% weight in the index of Industrial Production. The core sector output contracted by 38% in April is an indicator of the dent which the lockdown is likely to bring forth in economic activity and the resultant member. Prominent sectors such as automobiles saw zero sales and production during April Traded data released earlier in the month show that exports and imports had both declined by nearly 60% each as factories were faced to shutdown to avoid spread of virus.

Other indicators such as energy consumption and transportation of goods too, point to a massive slump. It should be noted that the core sector data released showed coal production dropped by 15.5% while natural gas output was almost 20% lower. Similarly electric generation was down nearly 23% and refinery output for over 24%.



[Source: Times News Network]

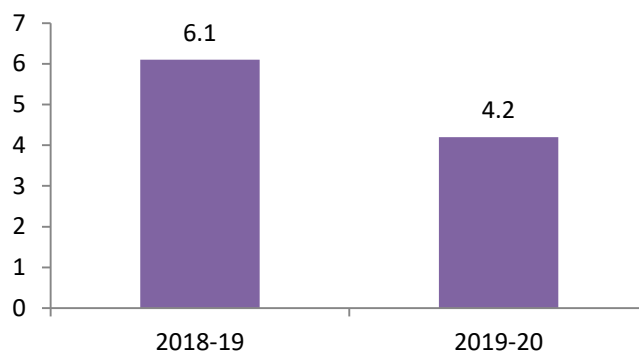
All 8 sectors were in red Bracket in % annual growth

Although, none of the 8 core sectors managed to see a higher production in April to June, the decline was led by an 86% fall in cement output, followed by an 84% decrease in steel, crude oil (-6.4%) and fertilizers (-4.5%) were the only two sectors that witnessed single digit drop.

Economist and market players expect the core sector numbers to impact the overall GDP in the first quarter. It is noticed that annual GDP in terms of percentage of annual growth is down by 2% point. Annual GDP was 6.1% in 2018-19 and 4.2% in 2019-20, which is lowest growth rate since 2008-09 in 2019-20. It is projected by Barclays that GDP will be below 0 in 2020-21.

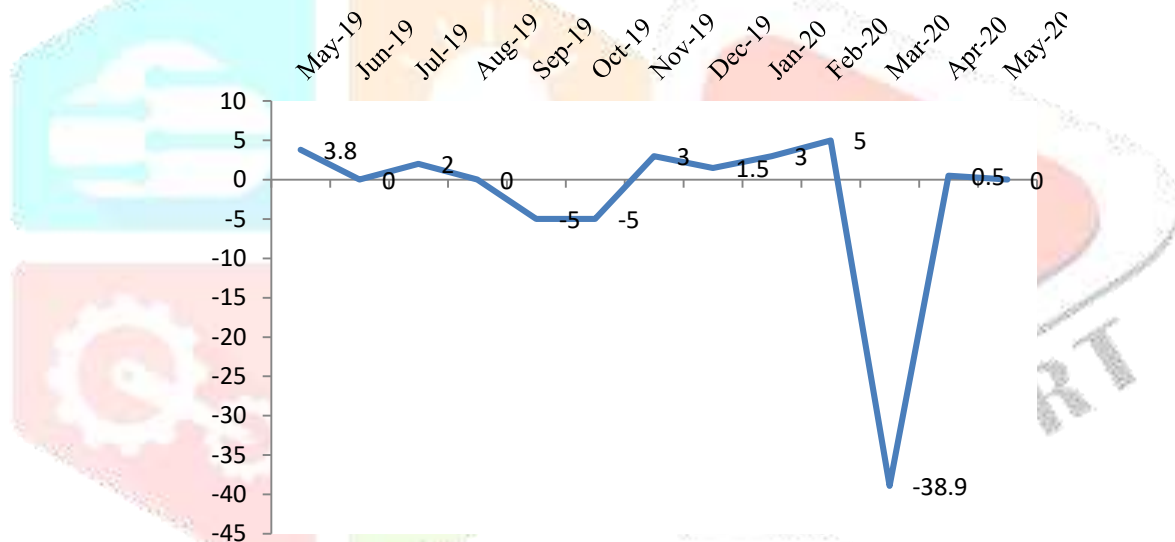
Annual GDP is down 2% points

% Annual Growth



The 38%, year on year decline in infrastructure index for April to June is a precursor of thing to come, and indicates again that economic activity looks likely to contract by an unprecedented magnitude in April - June. For now, we retain our projection of 0% GDP growth for calendar year 2020 but see material downside risk to our projection (Barclays).

Percentage Annual Growth of 8 Core Industries



[Source: Times News Network]

Agencies such as Goldman Sachs predicted a 45% contraction in the GDP during the April-June quarter. Again it is expected real GDP to decline by around 21% during the current quarter. According to RBI, the Indian economy is headed for its first decline in GDP in four decades but refused to give an estimate. The government however, refrained from giving away any projection, arguing that full impact is not clear at the moment.

During May - July factories have taken baby steps towards resumption but a majority are working at only a fraction of the capacity with several parts of the country still closed for business. Data available from the commerce department points to an improvement almost on a weekly basis. For instance, exports which worked down around 40% a couple of weeks ago and now 35% lower on the year on year basis.

VII. STUDY ON TATA GROUP OF COMPANIES

Among the core sectors, Tata Group of Companies has a very dynamic role in building national economy as well as discharging social responsibilities. A study revealed that the board of Tata sons has decided to chart the next move for the \$111 billion (or to some extent something more) salt to software group whose business have been significantly impacted due to the pandemic. The business scenario has undergone drastic change since the board members met last time (March 2019) to consider commitments for COVID-19 treatments. Many of the group’s portfolios including Automotive, Steel, constructions, lifestyle retail, hospitalization and aviation have taken a big hit due to business restrictions in India and elsewhere, triggered by the coronavirus pandemic.

TATA sons, among other things, will relook at its strategies covering a fund raising budget allowed to portfolio companies, debt leverage as well as revenue generation. It will also consider the compensation of its executive leadership for fiscal 2021. For fiscal 2019 (figures for F.Y. 2020 are yet to be available).

Chairman of TATA sons, Mr Chandra Shekaran took home a remuneration of ₹66 crore which includes ₹54 crore Commission, TATA sons profits. The earnings will be revised as TATA sons battles lower revenues because of the COVID-19 pandemic. The revenue of the holding company of the TATA Group mainly comprises dividend income and royalty fees. But with its portfolio companies failure, demand challenges even as business restrictions are eased in several countries, Board members will be relooking at expenses.

The health crisis will shrink the global economy by 3.2 % this year and could contract by further 0.5% in 2021 if infection cases and restrictions continue till September 2020 according to UNO. The TATA Group earns more than of its revenue from outside of India. TCS, Jaguar Land Rover (JLR), Tata Steel Europe(TSE) and tetley are significant contributors to the conglomerate International revenues.

TCS, the most profitable company within the TATA Group sees the short term business challenges due to the pandemic. But it expects to gain business later as clients would invest more in technology after the world emerges from the crisis. On the other hand, JLR and TSE have sought financial support from the UK Government to weather the collapse in sales brought on by the COVID-19 outbreak. Several Tata companies have been preserving cash and bolstering liquidity besides reducing cost as they align themselves with the market situation.

The board of TATA sons will also discuss financial requirements for certain existing portfolios like Aviation and financial services and for building new businesses. TATA sons has recently registered an entity to manufacture ventilators and personal protective equipment (PPE) among other medical equipment and devices. The move follows its extensive work with the government to tackle the COVID situation.

Tata sons had announced a contribution of ₹1,000 crore towards Covid-19 activities as a part to discharge the social responsibilities.

VIII. LOCKDOWN: INCOME, SAVINGS, EXPENDITURE DYNAMICS

The impact of lockdown has greatly been noticed in the financial sector. Bank deposits have risen by over ₹2.8 lakh crore in three fortnights of the lockdown till May 8, 2020, while bank credit during the period dipped by ₹1.2 lakh crore, according to data released by RBI. This has added nearly ₹4 lakh crore to the liquidity in the banking system resulting in a surge in investments by banks. A few days into the lockdown, on March 27, 2020, Bank deposit stood at ₹135.7 lakh crore. A Fortnight later on April, 10 outstanding deposit surged to ₹137.1 lakh crore. In another two fortnights by May 8, 2020, the deposit rose to ₹138.5 lakh crore – A rise of ₹2.8 lakh crore in the six weeks since March 27, 2020. These three fortnights also saw bank credit decline from ₹103.7 lakh crore on March 27 to ₹2.5 lakh crore on May 8, a drop of ₹1.2 lakh crore in six weeks. Bank have grown outstanding deposit by over 2% in 6 weeks while the whole of F.Y. 2020 up to March 27, Bank deposit had gone up by only 7.9 %. The number indicates a big shift to bank deposits during the lockdown. Most of the money went into fixed deposits with the outstanding amount rose to ₹123.9 lakh crore on May 8, 2020 and increase of ₹4.4 lakh crore over March 27, 2020.

Current and savings deposit balances decline by ₹1.6 lakh crore to ₹14.6 lakh crore while a decline in bank credit in April is not unusual, what accumulates this year's decline is that the year-end surge on March, which leads to a pullback in April, was missing. As a result, F.Y. 2020 credit growth was only 6.1 % less than half of the 13% growth in F.Y. 2019.

According to SBI chairman, the public sector lender had seen a Bank deposit growth of ₹1.25 lakh crore attributing it to a flight to safety. He added that credit growth was negative during April leading to surplus liquidity in the banking system. He also informed that top rated corporate work raising funds from the money markets. People's savings are shifting to banks since it is safe and people are not withdrawing. The government must address the demand side by crediting cash to the affected sections of the society.

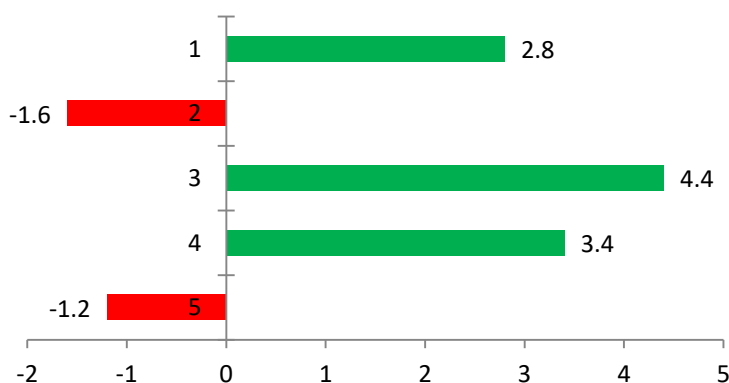
FLIGHT TO SAFETY (In Crores)

Sr. No.	Nature (Month of May)	₹
1	Deposit	138 L
2	Savings/Current	15L
3	Fixed Deposits	124 L
4	Investments	40 L
5	Credit	102 L

[Source: RBI]

- Note: 1. Deposit reveals other than from Bank.
2. Credit represent – excluding interbank advance

RISE & FALL OF BANK DEPOSITS AND BANK CREDITS in Lakh (Differences since March 2020)



[Source: RBI]

The government is expected to prioritize expenditure on sectors such as healthcare, food and transporting migrants over the areas such as culture, steel or sports for the full financial year. The plan is to keep the overall spending under check at a time when revenue flow has

nearly stalled due to the lockdown, which has halted economic activities across the country. In early April 2020, the expenditure Department had put in place a new cash management system for the April – June 2020 period under which there was no spending limit for Ministries such as health, Ayush, agriculture, aviation food, Railways and Textiles which were at the centre of Battle against COVID-19.

In contrast, Ministries such as coal, commerce and industry, urban affairs, education and skill development among the 52 heads where spending in the first quarter was capped at 15% of the annual outlay. There was also a third set with the quarterly expenditure ceiling was fixed at 20% of the allocation for 2020 – 21.

On the expenditure fund, the government is budgeting for savings under some heads such as petroleum, where the subsidy on cooking gas has vanished, and official travel, which has come to a halt. In fact petroleum may turn into a revenue spinner after the government raised central excise duty, although the funds will move into a special entity to finance Infrastructure Projects such as Highway construction.

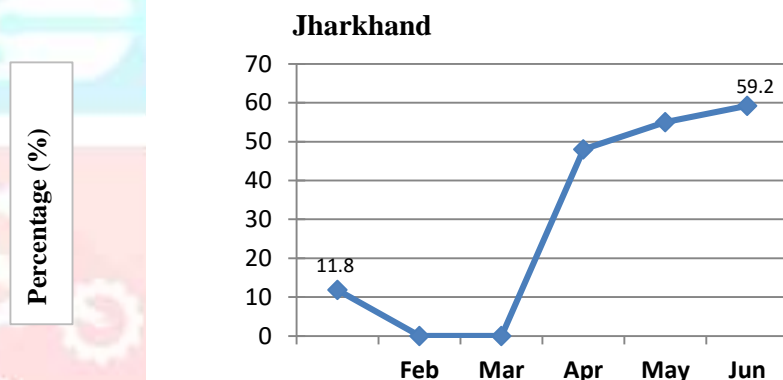
But food subsidies are expected to go up as the government is going to distribute food grains to ensure that the poor do not go hungry, while also procuring aggressively to fill up granaries. At the same time it expects higher outflow for health for which an additional ₹1500 crore is being sanctioned with ₹4100 crore going to states and the National Rural Health Mission to help them develop testing facilities and other infrastructure.

On the whole the move to prioritise expenditure comes amid an assessment that revenue flow will take a few more months before showing any signs of pick-up as economic activity is just starting after nearly two to three months of lockdown. For the F.Y. 2020-21 the government had aimed to rein in fiscal deficit at 3.5 % of GDP. But it estimates widening of the deficit to 5.7% of GDP on increased market borrowing to provide funds to counter COVID-19 impact on Economy.

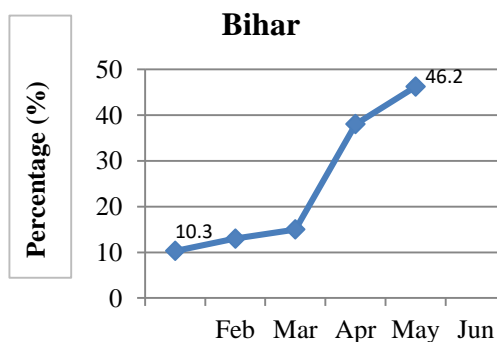
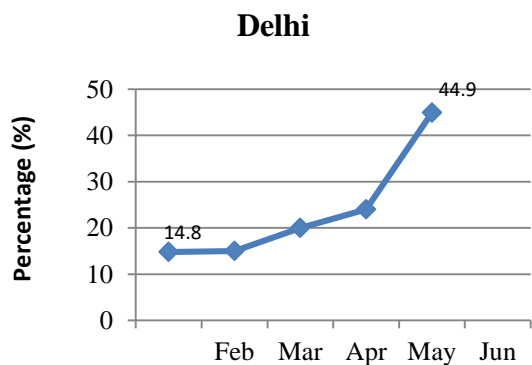
IX. UNEMPLOYMENT

More than four months under lockdown has sent unemployment soaring and forced migrant workers to return home. The unemployment rate initially rose in major states like Maharashtra and Delhi and has remained considerably high since, but the exodus of migrant workers has led to a spike in jobless in their home state. Though the unemployment rate has stabilized over the past month, the decline in labour force participation is a worrying sign.

In the case of discussion of state wise situation it is noted that 6 out of every 10 job seekers were unemployed in Jharkhand in May – June. The unemployment rate was more than 40% in Bihar and Delhi. All major States reported higher levels of unemployment. The rate is far higher than that of last years and is largely linked to the recent shock to the economy from lockdown.



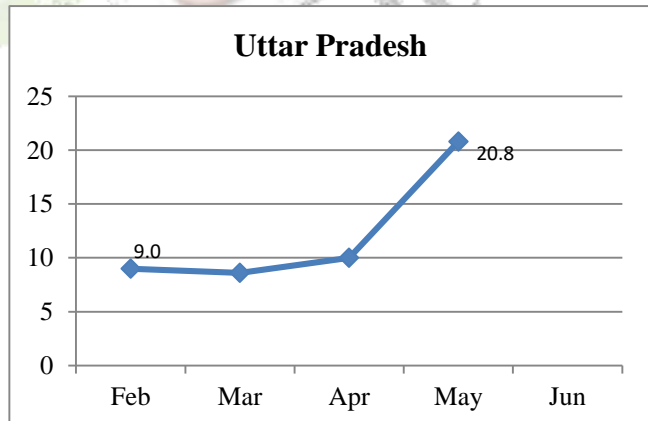
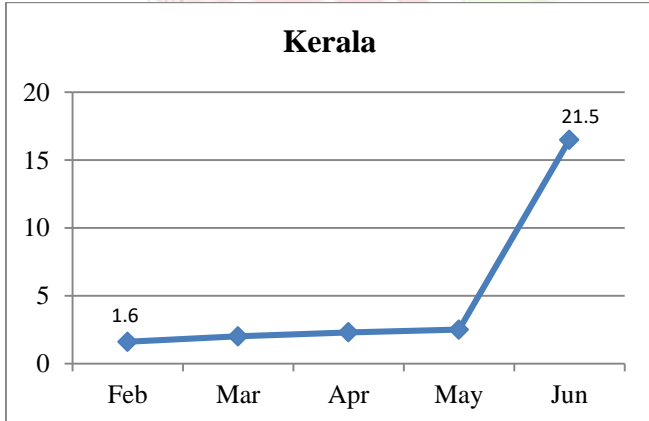
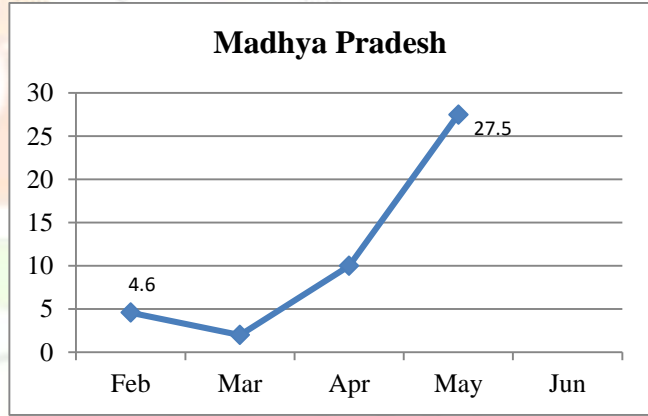
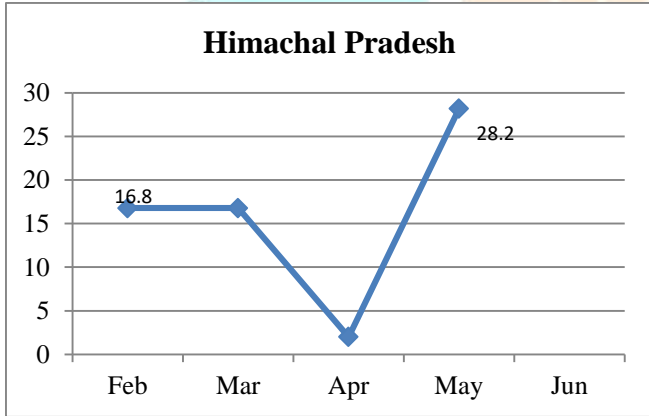
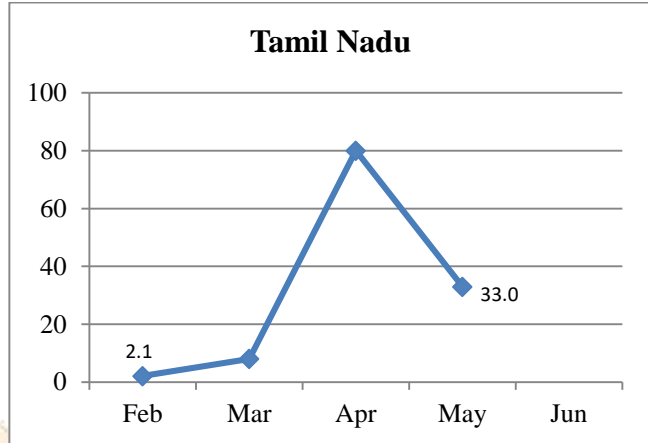
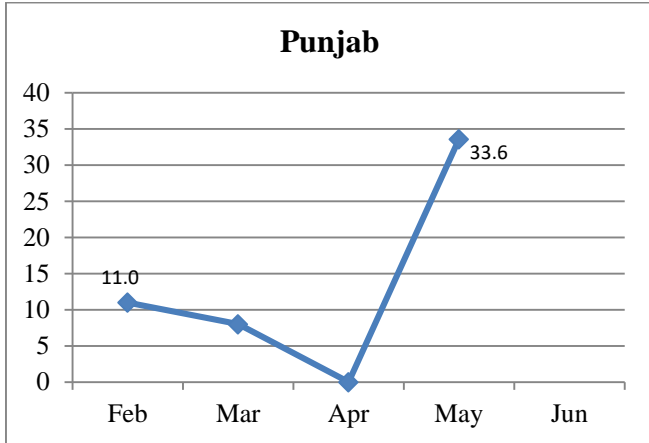
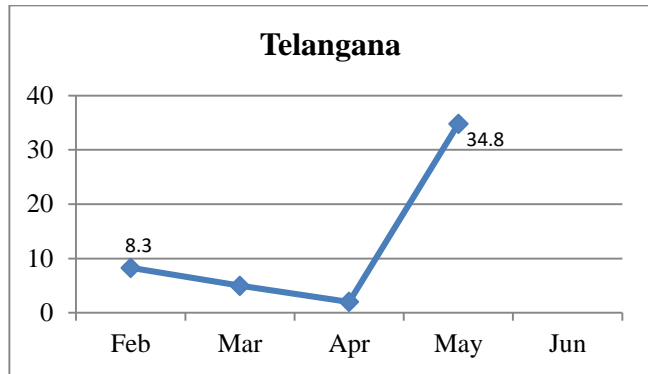
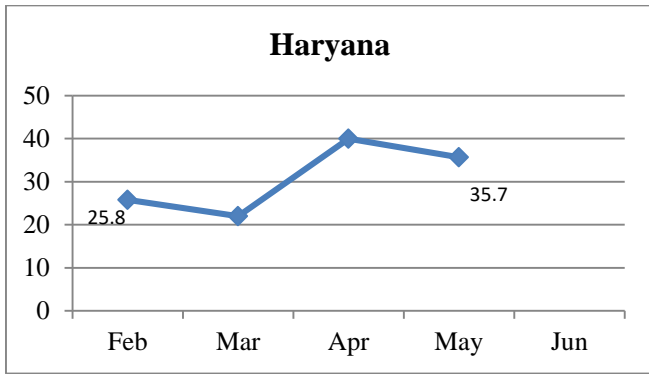
[A] States with over 40% unemployment rate in May 2020
Change in terms of % since Feb. 2020

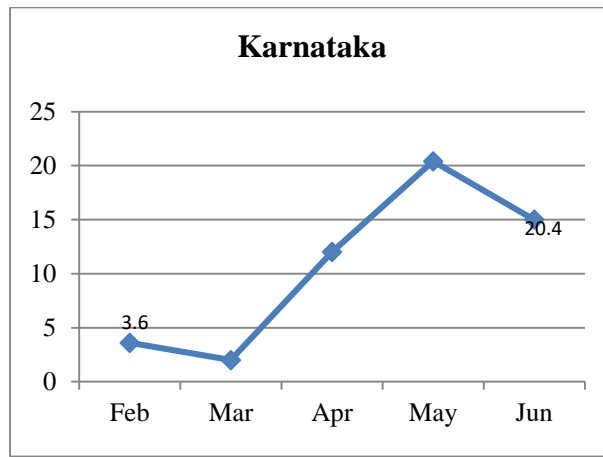


[B] States between 20% and 40% Unemployment Rate

Under this category, the listed states are:

- (a) Haryana, (b) Telangana, (c) Punjab, (d) Tamil Nadu, (e) Himachal Pradesh, (f) Madhya Pradesh, (g) Kerala, (h) Uttar Pradesh, (i) Karnataka



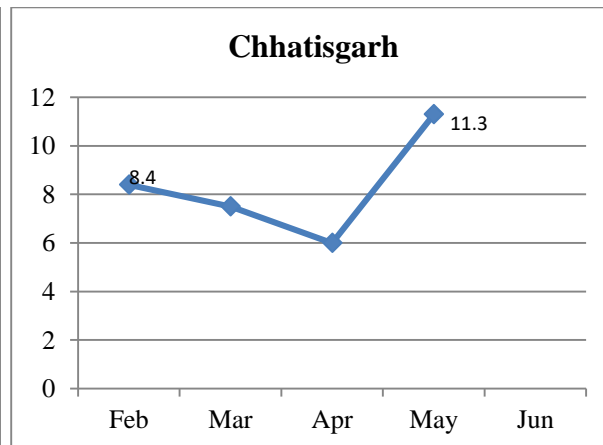
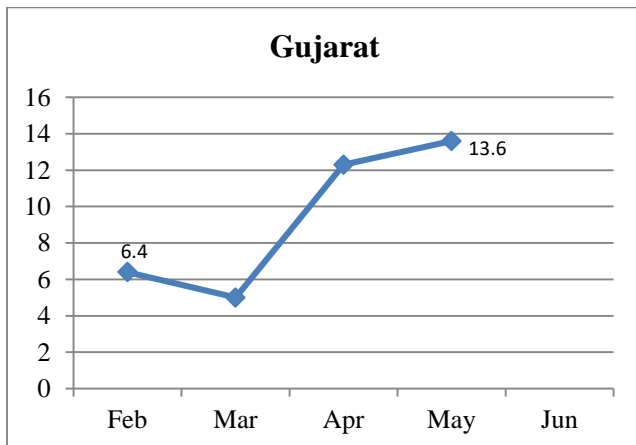
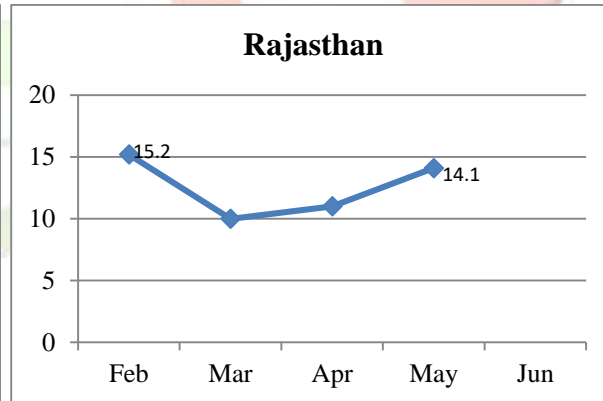
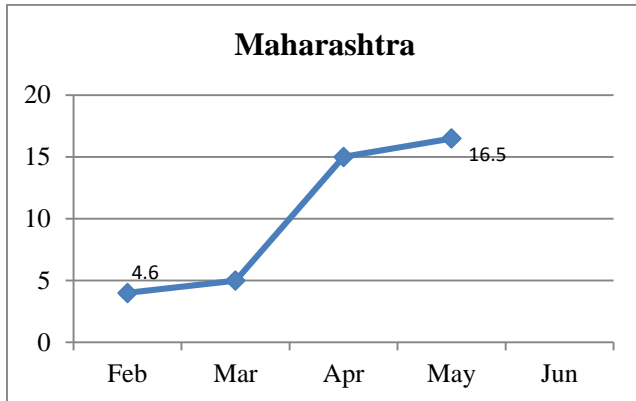
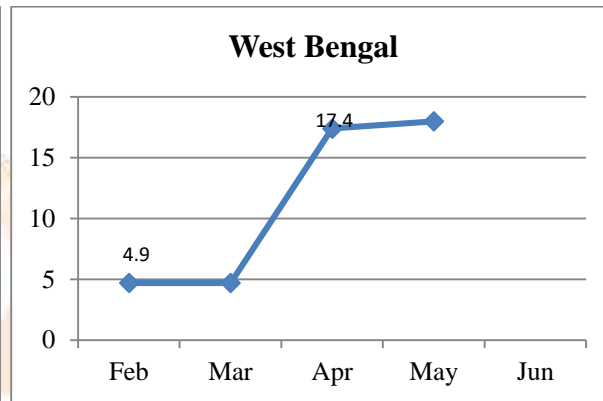
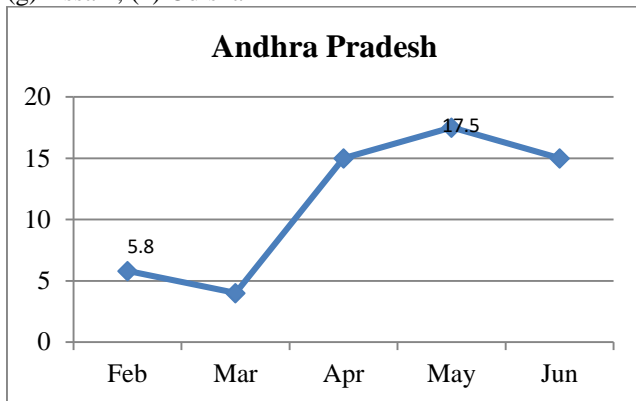


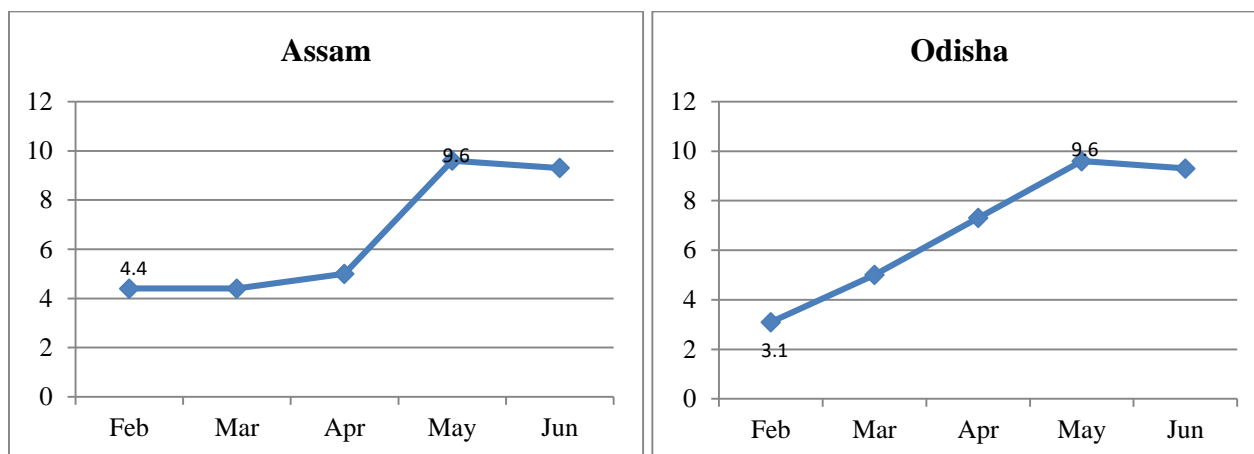
From the above diagram it is observed that Punjab saw the biggest spike followed by states like Telangana and Madhya Pradesh.

[C] States having less than 20% Unemployment Rate

Under this category, the listed states are:

- (a) Andhra Pradesh, (b) West Bengal, (c) Maharashtra, (d) Rajasthan, (e) Gujarat, (f) Chhattisgarh
- (g) Assam, (h) Odisha





The above diagram in respect of West Bengal saw no change in February and March i.e. change is 0% but in the month of May it is three times over February.

States that reported between 20% and 40% unemployment rate are Haryana, Telangana, Punjab, Tamil Nadu, Himachal Pradesh, Madhya Pradesh, Kerala, Uttar Pradesh and Karnataka. Punjab saw the biggest spike followed by states like Telangana and Madhya Pradesh,

Unemployment rate of the states during the three months of lockdown period are noted below:

Percentage of Unemployment (2020)					
Sr. No.	States	February	March	April	May
1	Haryana	25.8	20.8	35.7	27.0
2	Telangana	8.3	5.0	8.2	34.8
3	Punjab	11.0	8.0	3.0	33.6
4	Himachal Pradesh	16.8	18.8	3.0	28.2
5	Madhya Pradesh	4.6	3.0	8.0	27.5
6	Kerala	7.6	10.6	14.0	26.5
7	Uttar Pradesh	9.0	10.0	20.8	19.0
8	Karnataka	3.6	3.0	20.4	10.0
9	Tamil Nadu	2.1	4.0	49.8	33.0

[Source: Labour Department Govt. of India]

States with Industries saw the most drops between the period of lockdown and peak of the lockdown. Unemployment falls in the states with a strong industrial presence. This could be attributed to The exodus of migrants who ceased to be a part of the state's job market. Tamilnadu saw the largest decline since April 16.8, followed by Odisha (14.2), Karnataka (9.4) and Haryana (7.5).

States that have less than 20% unemployment rate are Andhra Pradesh, West Bengal, Maharashtra, Rajasthan, Gujarat, Chhattisgarh, Assam, and Odisha.

In case of West Bengal during the month of Feb. 2020, it was 0% i.e. in this month there was no change in respect of unemployment but in the month of May (17.4), it was over three times that of February, 2020 (4.9).

Basically the states having Industries like Haryana, Tamilnadu, Karnataka, Andhra Pradesh, Maharashtra, Rajasthan, Gujarat and Odisha marked less unemployment rate during the lockdown period.

Though unemployment rate remained at around 24% in May, the labour force participation rate seems to be regaining a substantial part of the lost ground. It reached 38.7% by end of May after falling to as low as 35.4% in April.

In April, about 122 million people lost their jobs but not all of them kept looking for new jobs. The numbers of unemployed people actively seeking jobs have increased by only 53 million. What happened to the remaining?

The data suggest they were willing to work but did not actively look for jobs, possibly because they were discouraged by the large scale loss of employment. The numbers of such people swelled by 77 million from 12 million in 2019 – 20 to 89 million in April.

Data from May seems to suggest there has been a migration of labours from the “Willing but not looking for jobs” category to the “Willing and looking for jobs” category. Discouraged worker seems to be coming back to look for jobs. It is noticed that the unemployment rate has stabilized nationally. After a spike in the end of March 2020 the national unemployment rate appears to be stable which could be attributed to movement of migrant workers i.e. in Feb., 2020 7.4% to May 2020, 24.3%.

After all, a large number of labour forces have withdrawn themselves from the labour market. Labour force participation rate i.e. ratio of people in the working age to those employed or actively seeking jobs has declined. Recessions tend to reduce this rate as there are fewer Jobs available. It is marked that labour force participation from February 2020 was 43.2% came down to 38.7 % in May 2020. Such decline in labour force participation is very much worrying to the production sector as well as to the economy of the country.

The lockdown has led to a nearly threefold jump in Bengal share of the unemployed but the situation in the state is much better than what exists across the country, centre for monitoring Indian economy data indicate.

Bengal's share of the unemployed population has risen from 6.9% in March to 17.4% in may (roughly one in 6 unemployed). The all India scene however is much worse after the lockdown, with the national unemployment rate rising from 8.8% in March to 23.5% in May (roughly one in 4 unemployed).

According to some economists Bengal's 10% odd rise in unemployment as compared to the nearly 15% unemployment spike nationally- to its stronger agriculture and micro, small and medium enterprise sectors. Bengal has been among the leaders in agricultural produce including rice and vegetables and there is scope to absorb a lot of people in agriculture. Small household industry could also be a

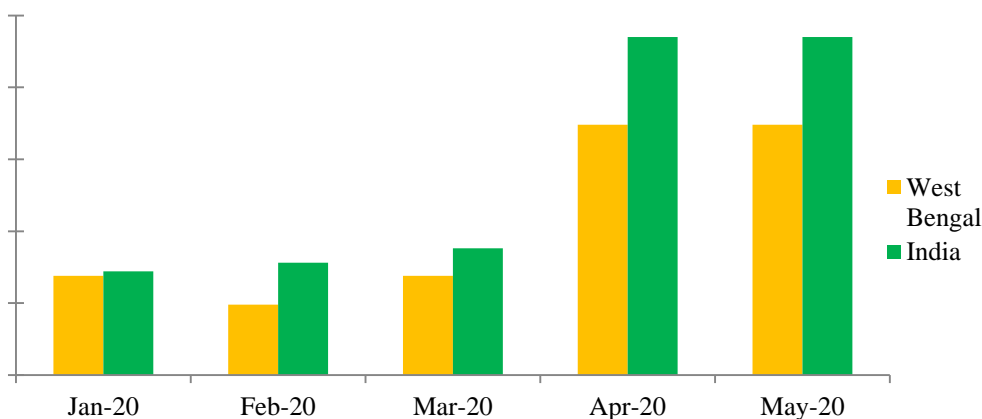
big factor. These industries are to some extent, immune to external shocks. External shocks like COVID-19 have been felt much by big Industries.

Bengal’s unemployment rate was 9% in January 2016 which was higher than the national average. Bengal reversed this trend for several months but again from October 2016 to September 2018 the state unemployment rate remained higher than the national rate. But since then Bengal has consistently reported a lower unemployment rate than the national average.

The CMIE data also indicate that the urban employment rates are higher. According to the state finance minister, the May employment data demonstrate Bengal had the resilience to withstand even the double blow dealt simultaneously by COVID and Amphan, something that no other state had faced.

Bengal is a national leader in the MSME sector, which is most employment intensive. Bengal government's focus on 100 days’ work in rural Bengal is another factor that has kept unemployment rates down. There could be a surge in the June 2020 data as an estimated 10.5 lakh people were expected to return home from other states. But there is also likely to be a large demand for blue colour jobs in jute and other labour-intensive sectors now facing a shortage of workers.

Unemployment Rate: West Bengal vs rest of the Country

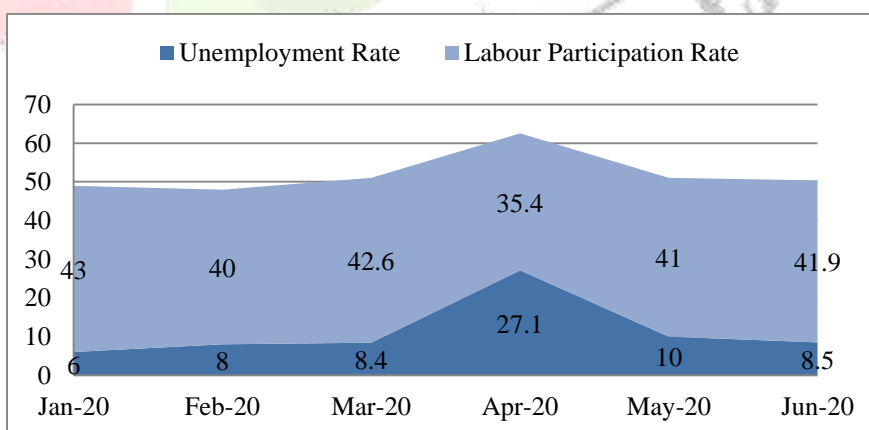


[Source: Centre for Monitoring Indian Economy, Govt. of India]

This tide of reverse migration from cities, townships and agricultural heartland is returning as the boiler rooms of economy sputters back to life, fuelled by employers willing to do whatever it takes to woo back the migrant workforce they had lost to an exodus a few months ago.

While unemployment figures are back to pre-lockdown levels, the impact of the lockdown will likely set household budgets back by years. That would prove to be a great challenge for millions of Indians who have successfully escaped extreme poverty. Studies show while falling back into poverty remains a threat without policy interventions even as the pandemic rages on.

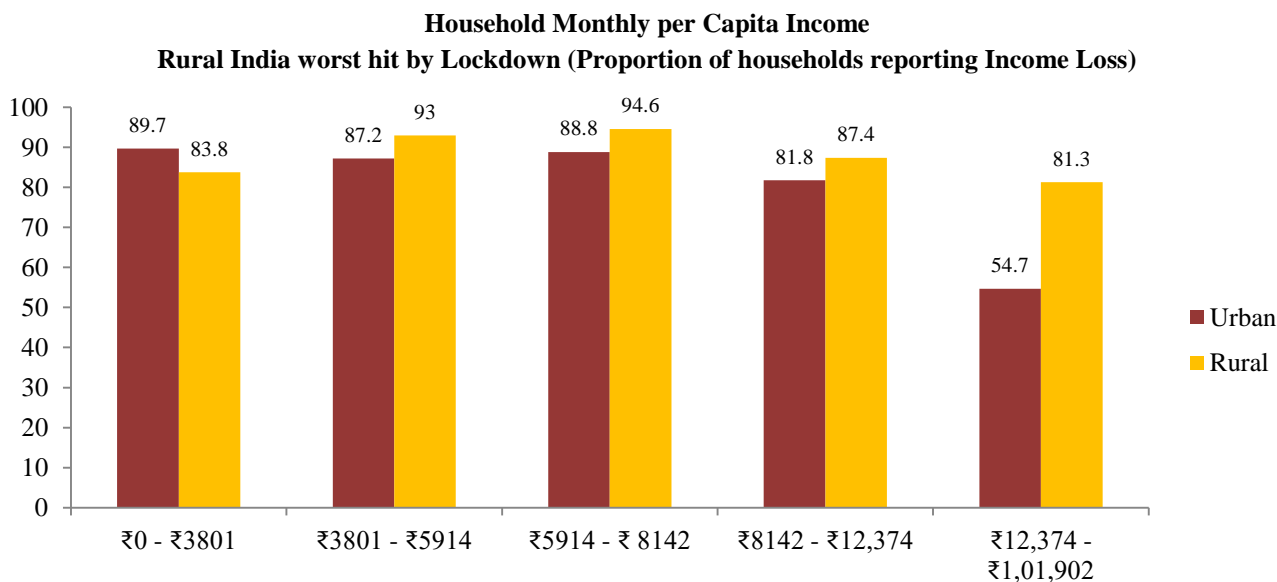
A majority of Indian households in a survey reported decreases in income during lockdown, said researchers at the University of Chicago and the centre for monitoring Indian economy. Their consumer pyramids household survey covered nearly 6,000 households across 27 states in April, when lockdown was on. The survey found that 8.4 % of households reported declines in income since the lockdown began, which coincided with a spike in joblessness and a drop in labour force participation.



[Source: SBI, Ecowrap & COVID-19 & Poverty Incidence, CMIE]

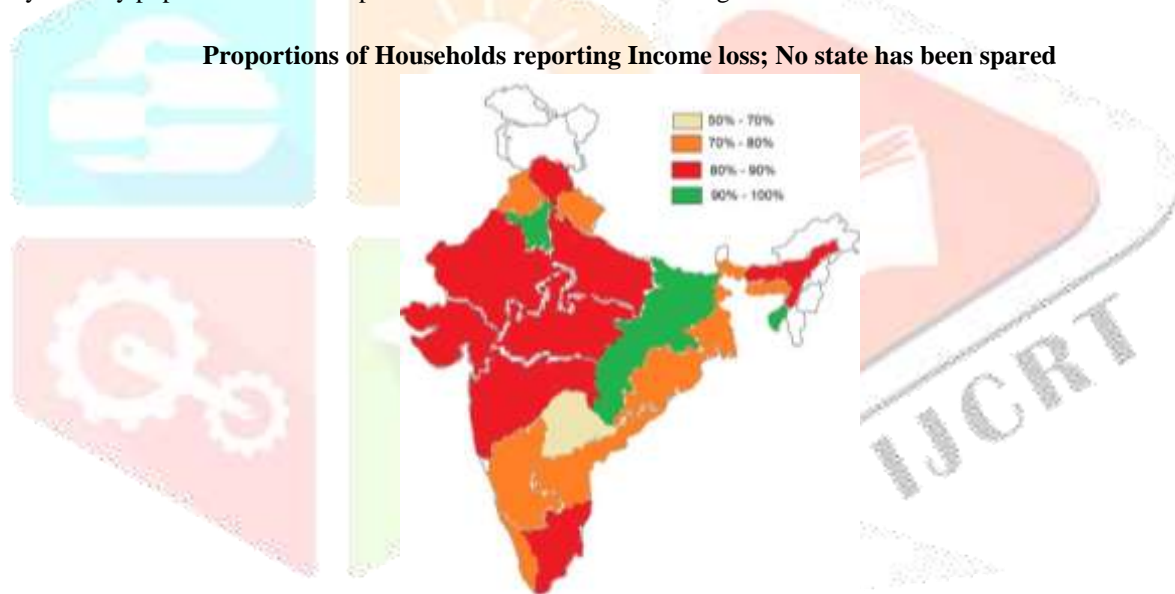
The lower middle class has been badly hit, likely because it relies on sources of income worst affected by lockdown. A high proportion of the wealthiest households are salaried workers who continued working from home. The poorest households saw incomes decline less likely because they work in sectors unaffected by lockdown like agriculture.

88% of rural households surveyed said they have suffered loss of income, compared to 75% of urban households. This is likely because high income salaried workers are concentrated in urban regions.



[Source: COVID-19 & Poverty Incidence, UNU wider, University of Chicago, CMIE]

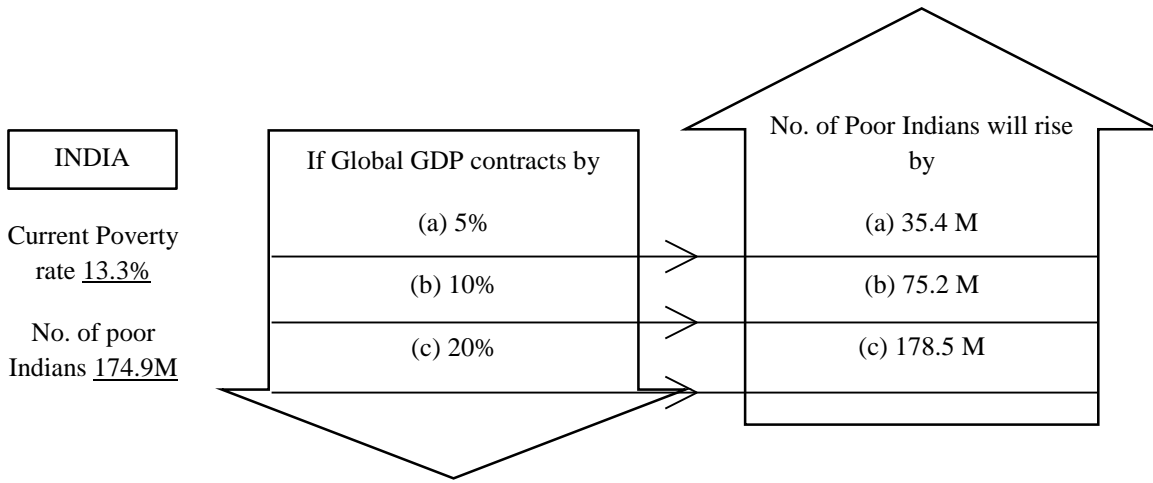
Some of India's poorest states like Bihar, Jharkhand and Chhattisgarh are among the worst affected by the lockdown. But there is no clear link between the intensity of the outbreak and the economic impact. Considering the case of Delhi, having one of the country's highest case tallies, it is found that households did not report losses in income to the same degree as those in states with fewer cases like Haryana. A SBI report found Delhi per capita GDP shrunk by 15% during the lockdown, the largest decline in the country. But its urban and relatively wealthy population did not report income losses to the same degree as most other states.



[Source: COVID-19 & Poverty Incidence, UNU wider & CMIE]

According to UN University World Institute for Development Economies Research, in their research Publication pointed out that, globally extreme poverty numbers are expected to rise for the first time since 1990. A 10% contraction in global GDP would push 170 million more people into extreme poverty (earning less than \$1.90 per person/day across the world. India will make up almost half the estimated additional regardless of the contraction scenario.

According to the UN India lifted 271 million people out of extreme poverty between 2005-06 and 2016 – 17. That achievement is now certainly under threat even though economic activity has resumed in the post lockdown period. The UNU report looks at three scenarios of 5%, 10% and 20% contraction in GDP to estimate the additional people who would become poor. In the extreme case of 20% GDP loss, 180 million Indians could fall into extreme poverty.



[Source: COVID-19 & incidence, intensity & severity in Developing Sciences by UNO wiver, University of Chicago, CMIE]

X. MEASURES TAKEN BY GOVT. OF WEST BENGAL

The government of West Bengal announced relief of 5 lakh families spread over 9 districts that were damaged by cyclone Amphan, with the Chief Minister making direct transfer of ₹20,000 to each of these families who lost their homes. Another 3 Lakh farmers in this district will get ₹1500 per acre as compensation for damage to crops. The relief came within 9 days of the fiercest cyclone to hit Bengal in recent memory which battered the state for over 9 hours with the peak speed of 165 kmph, leaving behind a trail of destruction. The chief Minister's assistance forms part of the ₹6250 crore the state government released for restoration work in nine districts – south 24 Pgs, north 24 Pgs, Purba Medinipur, Howrah, Hooghly, Nadia, Jhargram, Purba Burdwan and Paschim Medinipur. The Government of Bengal took the convergence route for farmers whose total orchards have been damaged in the cyclone. The government has released ₹5 crore to each of the one lakh farmers to rebuild the orchards. The remaining ₹15000 will be released from the wages they earn from the 100 days' work (MNREGA). The government has also released ₹1000 crore to pay social pension to widows, senior citizens, scheduled caste and Scheduled Tribes under the existing scheme. Providing sweet water to villages swamped by saline water in the Sundarbans is one among the priorities of the government. The government has released ₹250 crore to sink tube wells in far-flung villages where citizens don't have access to drinking water. Meanwhile the public health engineering department is providing water pouches to villagers. According to Government of West Bengal, already 400 bridges and all the 273 power substations has restored under WBSEDCL.

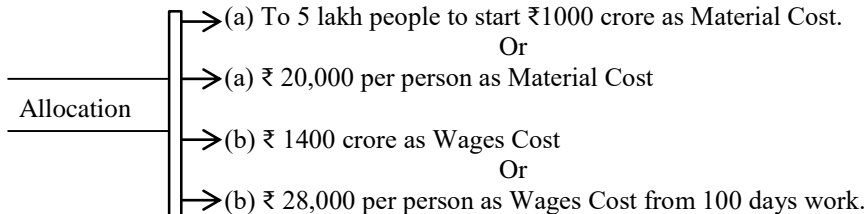
Below is given the measures taken by the government of West Bengal to help the poor, farmers and needy people for the losses caused due to cyclone and COVID-19



* Another ₹800 crore was released for Krishak Bandhu Scheme and ₹1,000 crore for Jay Bangla Scheme.

House Building Assistance:

House building assistance was ₹ 2400 crore.

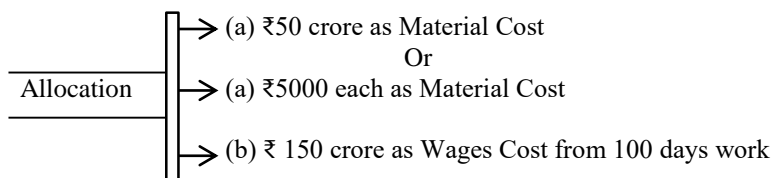


Assistance to Farmers:

Total assistance in this scheme was ₹ 300 crore. Under this scheme total 20 lakh farmers were covered and each farmer was getting on an average ₹1500.

Assistance for Pan Boraj (Betel Orchards):

Total assistance under this scheme spread ₹200 crore to one lakh people.



Funds for Repairs & Reconstruction total ₹ 1,550 crore. Purposes, allocation and expenditure incurred by departments are given below:

Sr. No.	Purpose	Allocation (₹ Crore)	Department
1.	Construction & Repairs of Tube Wells	250	₹150 crore to B.D.O's for sinking & Repairs of 25000 shallow Tube Wells. (South 24 Pgs – 7000 Tube Wells North 24 Pgs – 5000 Tube Wells Remaining districts – The rest i.e. 13000 Tube Wells through B.D.O's ₹100 crore to PHED for sinking Mark II Hand Pumps)
2.	Embankment Repair	200	Irrigation
3.	Repair to State Roads	100	PWD
4.	Repair of School, drinking water, Toilets	100	School Education
5.	Repair to Rural Roads	100	Panchayat & Rural
6.	Power Sector	500	Power
7.	Poultry & Cattle	100	Agriculture
8.	Fisheries	100	Fisheries
9.	Horticulture	100	Food Processing and Horticulture

[Source: Government of West Bengal]

XI. MEASURES TAKEN BY GOVT. OF INDIA

The Global economy continues to suffer as lockdown and restrictions remain in place around the world. Government have announced stimulus packages, with varying degrees of effectiveness to counter the economic impact of Pandemic. While the USA and Europe has adopted specific measures to help protect workers. India has taken an innovative approach that critics argue is inadequate and will not help revive demand.

Government of India's approach is as follows:-

1. The government has announced ₹20 lakh crore in economic measures, a large number of which are expansions of existing programmes.
2. India's attempt has not been focused on direct cash transfers or wages subsidies (not like US and Europe)
3. Under Prime Minister's Garib Kalyan scheme, about two third of the population will receive free assistance and 80 million families under the scheme will get free LPG cylinders.
4. MNREGA workers minimum wage has been hiked, amounting to an additional ₹2000 over the years.
5. In terms of direct cash transfers, about 30 million senior citizens, widows and disabled people will receive ₹1000 over the next three months and 200 million women Jan Dhan account holder will receive ₹500 per month for 3 months.
6. In the organised sector, the government assistance is primarily through the employees' provident fund by easing withdrawal restrictions and raising the government contribution.
7. A major chunk of stimulus has been dedicated to liquidity measures through RBI amounting to ₹5 lakh crore and about ₹3 lakh crore in loan has been extended to MSMES.

The Government of India has announced a package of ₹20.97 lakh crore and has provided details of how it adds up which is nearly 10% of the gross Domestic Product. The finance minister of India has said that the package includes the liquidity measures announced by RBI and the Prime Minister Garib Kalyan Yojana which the finance minister unveiled as soon as the National lockdown was ordered.

But over a dozen banks, brokers and rating Agencies have said the package fall short of 10% of GDP and works out to around 1% and may not be enough to address the large-scale devastation inflicted by the pandemic across crucial sectors of the economy.

A unit of fitch group pointed out that the Indian government COVID-19 package will not have a major fiscal and economic impact, despite the government's claim of its 10% GDP size. India's package includes previously announced measures and also monetary stimulus, making the actual fiscal impact of the additional stimulus only about 1% of GDP.

According to chief economic advisor of SBI, a research wing, "The package does not do much to boost consumption in short-term and that could act as Dragon Worth. The final tranche of ₹20.97 lakh crore package was announced, of which measures amounting to 4% of GDP have been undertaken by the RBI. The direct fiscal impact of the reforms were however, comes to around ₹2 lakh crore i.e. 1% of GDP.

But the officials of the Finance Minister have defended the inclusion of liquidity measures announced by RBI in its package, saying it is in line with Global practices and several countries which have announced large stimuli, have also included the measures taken by their respective Central Banks.

The estimation of the size of India's fiscal stimulus as described by different entity are noted below:-

Size of Fiscal Stimulus

Sr. No.	Entity	Fiscal Cost as a % of GDP
1.	Goldman Sachs	1.3
2.	Motilal Oswal	1.3
3.	U.B.S.	1.2
4.	Bofa	1.1
5.	Fitch	1
6.	HSBC	1
7.	Kotak	1
8.	SBI	1
9.	Barclays	0.75

[Source: SBI, Chief Economic Advisor]

XII. CONCLUSIONS AND RECOMMENDATIONS

Now it is the time to rebuild Bengal as well as the nation as a whole. Forgetting all national and state differences, we need Synergy and coordination to seriously save lives and livelihood. Unless that happen, the death toll could soon be in hundreds or thousands or lakh with proper literally left with nothing as a result of Amphan and COVID-19.

The first lesson for us all in Amphan and COVID -19 was not Bengal's or Odisha's misery. It is the India's misery and we need to treat it as such. It cannot be left to the state or to the NDRF. We need National co-ordination and people's participation at every level to start the revival. The next weeks' or months or years are hugely critical in the recovery. While battling COVID and enforcing the lockdown and social distancing, we need to deal with the after effects of Amphan and COVID -19. It will test the resolve of the best of political leaders and also of civil society. No mobile connections, no power, no drinking water all together are not things we deal with every day. Basic needs to be resorted first and as soon as possible. While the memories won't leave us, how scared we all are depends on action taken in the next days to come.

In spite of these entire critical situations the people must be honest in respect of distribution of government help. Government department must be cautious and alert in respect of distribution of food, money and necessary articles may reach to the actual needy people. It is noticed that false application (about 90%) from rural Bengal received for help from the wealthy population having political influence. The greedy political personnel must be sensitive, sympathetic and honest towards the poor and try their level best to be a social servant.

India as well as West Bengal has to deal with already existing problems of unemployment, low incomes, rural distress malnutrition and widespread inequality which are aggravating further. Pandemic and Cyclone has caused food and nutrition shortages and driven governments to reduce social services such as school nutrition programmes that the most marginalized rely upon. Hunger and malnutrition could double within the space of just a few weeks after cyclone and COVID-19. In this respect, nutrition rehabilitation centres has a role to play to serve "severe acute malnutrition" children. After all, when political parties and some of the government department fail to cater the services of needy people, the Civil Society organisations including self-help groups can play an active role in supporting solutions at a local level during the COVID-19. The role of Panchayati Raj institution can facilitate availability, accessibility and counselling for proper utilisation of services and build awareness on locally available foods including the government help. Private-sector plays a significant role in social development. This is the right time to explore public-private partnership opportunities for creating a sustainable public healthy ecosystem. All these will help to build a strong Nation and strong economy.

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