



The Grim Outcome of Covid19 – A Review of its Socio-economic Implications on India

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Abstract

December'19 marked the outbreak of Covid-19 in the Wuhan City of China. It emerged as a highly contagious respiratory illness caused by the novel coronavirus – SARS-CoV-2. The number of infected cases rose exponentially across the globe causing the World Health Organisation to declare the breakout a pandemic. In spite of taking precautionary measures like securing its international boundaries and restricting mass gatherings, India was not spared of the terror. A nationwide lockdown was announced to contain the spread of the deadly disease. The catastrophic impact of the unprecedented shutdown on the Indian economy and society is unscalable. The sudden halt created panic and confusion in the peasant community as it delayed the harvest of the rabi crops. A disruption in logistics and inability to access the market further aggravated the problem as most perishables were getting spoilt in transit. Lower demand, smaller workforce, fewer hours of operation and slower banking processes caused many producers to disengage from active production. Weary of incurring huge losses, industry owners devised survival strategies to remain afloat in the market. The tertiary sector was not spared from the wrath of the virus. The transition of traditional teaching to digital learning created a turmoil in the education sector. The pandemic has devastated the real estate, tourism and hospitality industry. Stringent social distancing norms and a constant trepidation has caused a steep decline in the demand for several services thereby rendering many people unemployed. Social dynamism also has been adversely altered due to the mounting levels of anxiety amongst the citizens. The fear of contagion has drastically reduced social interactions thereby creating a sense of

isolation and seclusion amongst individuals. The pandemic has also worsened the gender disparity at work as women are at a greater threat of losing their jobs. Rising cases of self immolation and domestic violence has pulled back the progress of the society by several years. Hence vaccination and immunisation shall definitely aid in wiping out the virus but the Indian economy and society will take years to rebuild again.

1. Introduction

December'19 marked the grim outbreak of Covid-19 in the Wuhan city of China. It emerged as a highly contagious respiratory illness caused by the novel coronavirus, SARS-CoV-2. Insufficient containment measures adopted by China led to an exponential increase in the number of active cases around the globe. The virus successfully engulfed the main countries of America, Europe and Asia within few months of breakout. Consequently, in March'20 the World Health Organisation declared COVID-19 a global pandemic. India reported its first case in January'20 in Kerala. The infected was a student of Wuhan University. In order to protect a population of 1.38 billion from the deadly virus, the Government announced a nationwide lockdown in March'20. International borders were sealed and inter-state movements were restricted. Social distancing was identified as the only measure to curb the spread of the virus. The lockdown brought an unprecedented halt to the lives of the citizens. It resulted in a complete shutdown of business operations, educational institutions and entertainment venues. Limited transactions, disrupted logistics, lower demand and loss of employment jolted the economy of the country. The pandemic also had several adverse social implications. Perpetual uncertainty and anxiety hindered the daily regime and mental health of a commoner. It also led to an increase in cases of domestic violence, child abuse, racism and also intensified the prevailing inequality in the society. Hence the effect of the pandemic on a densely populated, developing country like India is unscalable.

2. Economic impact of the pandemic

India is characterised to have a developing market economy. It has an employment rate of 45.4% wherein the majority is still dependent on agriculture for a living. The share of industries and service sector in creation of jobs and contribution to the GDP was witnessing an upward trend during the breakout of the pandemic. However COVID-19 has brought a major setback in the modest progress of the economy. It's impact is evident across various sectors.

2.1. Primary sector

2.1.1 Impact on Agriculture

The primary sector is the backbone of an economy. It generates maximum employment and commences the entire process of economic circulation. In India agricultural activities predominate the

primary sector. It not only is a source of livelihood for 58% of the population but also ensures food security to the 1.26 billion people of the country.

Indian farmers constantly battle against irregular monsoons, limited irrigation facilities, poor quality of inputs, interrupted supply chain and unstable prices. Covid-19 further magnified the vulnerability of the peasant community.

The lockdown initiated a phase of confusion and panic especially among the lower income groups. In India, it also coincided with the harvest season of rabi crops. A dearth of labour and equipments hindered the process of harvesting the ripe crops. The shortage of migrant workers and vague social distancing norms led to a steep incline in per day wages. Limited tools and equipments which were earlier borrowed or shared further aggravated the problem. Hence several acres of land were abandoned and the yield of the agricultural sector observed a significant decline.

Absence of proper transportation facilities and disruption in supply chains affected the sale of fruits, vegetables, dairy products and other perishables. Agricultural products that have a short shelf life witnessed a high spoilage rate due to the inoperative markets.

The shutdown of eateries and hotels and the scaling down of social gatherings considerably reduced the demand for agricultural products. The procuring pattern followed by the public also became erratic due to reduced income and narrowed purchasing power. Panic buying further affected the food availability and prices in the country.

Restrictive movements and high prices have made inputs such as fertilizers, seeds and pesticides unaffordable to the small and medium farmers. This shall further affect their produce of kharif crops. Hence the impact of the pandemic on the agricultural sector shall not fade easily and only careful Government intervention can help the farmers to sail through it.

2.2. Secondary Sector

2.2.1 Impact on Manufacturing Industries

The manufacturing sector is of crucial importance to a nation's success. It paves the path of development by helping a country become self reliant and prosperous. Modernisation, urbanisation and an improved standard of living are results of a flourishing industrial base. In India, manufacturing units play the significant role of an employment generator. Apart from reducing the burden on agriculture it also promotes regional equality.

The ongoing pandemic has adversely affected the Indian manufacturing sector in several ways. Operations have been drastically scaled down due to limited workers and difficulty in procuring raw materials. The lockdown compelled a majority of labour to return to their home towns thereby creating

a scarcity of employees. The uncertainties in the logistics disrupted the entire supply chain right from procurement to dispatch. Smaller workforce, fewer hours of operation, slower banking processes, stringent social distancing norms and a constant fear has lead to a sharp decline in the production capacity of industrial units.

The reduction in transactions and a restricted flow of income in the economy have altered the purchase patterns of a consumer. Procurement of non-essential commodities have been postponed thereby reducing the demand for durable consumer goods. Weary of incurring losses, suppliers have hence disengaged from active production processes.

Deferred payment schedules and longer credit cycles are permitted by producers who are keen on continuing operations in the current uncertain scenario. This has proportionally elevated monetary risks for the industrial sector. As the economy picks up momentum will there be greater clarity on the number of defaulters.

Expansion and growth strategies have been replaced by survival plans as firms fear to reach the shutdown point.

A respite in such chaos is the boycott of Chinese products. Inexpensive and widely available Chinese commodities have since forever flooded the global market. India's policy of self-reliance shall benefit the economy and also boost sales of small local businesses.

2.3. Tertiary Sector

2.3.1 Impact on Education Sector

Covid-19 has drastically altered the educational system of India. Regular classes in schools, colleges and other educational institutions have been at a halt since the third week of March'20. This was done to contain the spread of the novel Corona virus. However, it has had severe repercussions on the students as well as teaching fraternity. The transition of traditional teaching to digital learning witnessed several obstacles. The new approach to education created an atmosphere of ambiguity. Prevalence of uncertainty in terms of syllabus coverage, class hours, assessments and assignments created panic in the minds of the young learners. Furthermore, a section of mentors struggled to adopt the new technology and online tools to deliver their lessons.

The lockdown also disrupted the board examinations that were being conducted in the country. Students were marked on the basis of a devised algorithm for the subject papers that were cancelled. This not only tampered the results and university admissions but also demotivated the rank holders and top scorers. The growth of the online pedagogy has intensified the prevailing inequality in the society. Covid19 has put the teaching-learning process to a standstill in many villages of the country. Inclusive

and integrated methods of e-learning need to be devised to ensure that the marginalised are not deprived of knowledge.

The unprecedented lockdown left several students stranded in their hostels and dorms. They went through severe hardships to reach back safely to their families. The entire commotion and a persistent fear has made the resumption of regular classes a distant dream.

2.3.2 Impact on Hospitality Sector

A broad segment of the service sector, the hospitality industry is mostly associated with leisure and recreation. In India, it plays a vital role in terms of employment generation and contribution to the nation's income. Covid-19 has pushed the Indian hospitality industry on the verge of a collapse thereby deeply impacting the economy. The sealing of international borders and restricted movement between states brought about an unprecedented halt to tourism in the country. The impact has been more severe and direct on states like Rajasthan, Goa, Sikkim and Kerala as they depend extensively on tourists for their revenue. Suspension of domestic and international flights initiated a series of cancellations and amendments of prior bookings. Anxious travellers demanded a full refund of their payments from the airlines and hotels. Several businesses adopted the strategy of downsizing to keep a check on their cost figures. The pandemic thus robbed many travel agents, tour operators, drivers, guides and other service providers of their means of livelihood. The initial months of 2020 witnessed fewer hotel bookings than the usual as Covid19 had already started creating a havoc in many countries. Policies of 'work from home' and 'no travel' brought business tourism also to a standstill. Hotels struggling to survive with marginal occupancy rates started experimenting with alternate methods of earning revenue. Offering huge discounts for future bookings and delivering gourmet meals helped in financing the requirement of working capital. Moreover, a rise in the number of covid patients transformed several budget and luxury hotels into quarantine centres. However, the inability to withstand the grind and rising credit levels compelled some lodges and inns to permanently shutdown operations. Restaurants and eateries too faced the wrath of the pandemic. Stringent social distancing norms, restriction on social gatherings and a constant trepidation has jeopardised the financial health of many restaurateurs. To manage liquidity constraints eateries are operating with a smaller workforce and have extended facilities of delivery and takeaways. The decline in restaurant revenue has also had a ripple effect on dairy producers, horticulture farmers, food processors and delivery partners. A persistent analysis of the market, changed strategies and controlled expenses shall help restaurants to remain afloat and operational. The impact of Covid19 on the hospitality sector shall take several years to fade away. Policy revisions, careful monitoring and prolonged attempts shall help this industry to bounce back with greater vigour.

2.3.3 Impact on Housing and Real Estate

The outbreak of Covid-19 is regarded as a black swan event for the Indian economy. It has created an unforeseen predicament in the real estate sector of the country. Multiple upstream and downstream linkages and umpteen employment opportunities make the real estate industry vital to a nation's success. However, the deadly virus has gripped the reigns of this sector in its clutches.

The lockdown has resulted in immense job insecurity and a cash constrained society. Struggling with liquidity, probable buyers have postponed the purchase of houses and property for an indefinite period. The demand base for incomplete housing projects have been severely eroded due to the high risk factor and uncertainty of completion. Low demand and panic selling by house owners in the resale market have lead to a steep dip in property prices. Thereby the preference for rental housing has witnessed an increase as it minimises the level of risk of the customer.

The contagious virus has forced professionals and officials to work from their residence. The transition of office buildings to virtual workplaces has lead to a decline in the requirement of commercial property. The pandemic has lowered customer footfall in entertainment venues such as malls and restaurants. Hence purchase of property for new eateries and outlets have also been deferred for an undefined period. Easy availability and inexpensive labour determines the success of the real estate industry. The unprecedented lockdown compelled migrant workers to return to their villages thereby creating a dearth of labour. Moreover, government incentives to ensure ration and other necessities created an unwillingness to return amongst the labourers. Hence, work could not resume at the construction sites even after the lockdown was lifted. A hike in wages, greater perks and an assurance of a safer work environment will be required to lure workers back to the city. Real estate in India was highly reliant on China for several of its raw materials like iron and steel, plastic and fibre, heavy machinery and solar panels. The sealing of international borders and boycott of Chinese commodities have majorly disrupted the process of procurement of raw materials for construction purposes. It however serves as an opportunity to strengthen Indian industries that produce indigenous versions of imported goods. Locally produced substitutes of Chinese imports shall therefore aid in making the economy self sufficient.

The real estate is that important a sector that its revival can spur nationwide growth. Multiple measures and vigilantly crafted policies can help India overcome the effects of the pandemic. A balancing act is required whereby safety and economic activities are given due weightage. Plans to protect the population from the virus as well as starvation needs to be devised on an urgent basis.

2.3.4 Impact on Pharmaceutical Sector

An integral component of global healthcare infrastructure, the Indian pharmaceutical sector is the third largest in the world. Characterised by skilled scientists and low-cost manufacturing, Indian pharmacies are the largest providers of generic medicines. It also successfully caters to the global demand of vaccines by not only inventing new ones but also by undertaking bulk production. The outbreak of the pandemic compelled the Indian pharmaceutical sector to take the centre stage in the fight against the deadly virus.

Disruption of supply chain caused a major setback in the pharma industry of the country. The lockdown and the resultant restriction on transportation and movement delayed the procurement of raw materials. It also led to a three fold increase in the price of several ingredients like vitamins and penicillin. Production processes were interrupted and delivery charges increased boundlessly. Pharmaceutical companies encountered severe hardships as the operating workforce became smaller but the nationwide demand for generic drugs witnessed a steep upsurge. India's budding relations with China came to a sudden halt after the latter emerged as the epicentre of the pandemic. Pharmaceutical companies in India are highly reliant on Chinese imports to meet the requirement of their raw materials. However, the Chinese pharma companies lost their credibility due to insufficient disclosure of information regarding the virus. Moreover sealing of international borders by the government further interrupted the inflow of required chemicals to produce necessary drugs. This however also serves as an opportunity for India to reduce its dependence on one nation and identify alternate sources to meet their demand for inputs. India's robust pharmaceutical sector has provided the world with several life saving drugs. It eagerly collaborated with professionals around the globe to fight against the spread of the deadly virus. Companies ramped up production of Hydroxychloroquine when it was identified as a key drug that could minimise the effect of Covid-19. Indian scientists are also vigilantly involved in developing probable vaccines for the disease in the shortest possible time frame.

The battle against Covid-19 has freshly highlighted the importance of the pharmaceutical sector. Its activities are closely monitored by the Indian Government which ensures timely distribution of medicines required to treat Covid patients. Strict measures are adopted to prevent black marketing of life saving drugs and to check upon escalating prices of masks and sanitisers. The persistent effort, expertise and determination of Indian scientists and healthcare workers shall definitely help the country to steer out of the pandemic.

3. Social Impact

The breakout of the pandemic has created a stir in the Indian society. The lockdown has led to an upsurge in instances of domestic violence, rape and child abuse. It has also tampered the mental well being of many individuals. In several places brotherhood and affection which were key attributes of the Indian society have been replaced by hostility and a grim competitive frame of mind. Vulnerable communities like the poor and the marginalised have faced the maximum wrath of the pandemic.

3.1. Migrant Labourers

Every year thousands of Indians leave the comforts of their homes in search of a livelihood. They migrate to urban areas where owing to industrialisation and modernisation there is immense demand for cheap labour. Poverty and limited information impel the village dwellers to accept low wages and poor working conditions of the informal sector. In India, Delhi and Mumbai are a hub for migrant labourers where they are mainly employed as daily wage earners in companies undertaking construction activities. Insufficient employment opportunities and support policies in Uttar Pradesh and Bihar makes them the biggest source states of migrant workers. The poor labourers endure a great deal of struggles and hardships which were further magnified after the outbreak of Covid-19.

The lockdown announced by the government in the third week of March to contain the spread of the virus created an atmosphere of panic amongst the migrant labourers. Shutting down of factories and other workplaces created an acute shortage of food and other necessities for the workers who were miles away from their homes. In spite of food grains stocked up in public godowns several died of starvation. Limited transportation and mobility hindered the process of distribution of necessities. Moreover area-wise ration cards made the Public Distribution System inaccessible to the hungry labourers. Absence of particulars and poor implementation of 'One Nation One Ration Card' impeded the workers to avail the government facilities.

The sudden shutdown robbed the labourers of a roof over their head as they mostly resided in factory dormitories or on construction sites. Limited vehicles and non-operating rails further aggravated the helplessness. Desperate to reach their villages, incapacitated labourers walked or cycled to reach their destinations. Social distancing norms and hygiene protocols were not followed as the migrant labourers moved in large groups. Their actions were justified for if not the virus, starvation would kill them.

The plight of the migrants forced the government to step in and introduce the Shramik Special trains which would ferry stranded workers to their native villages. The policy makers were highly criticised by the opposition for the imposition of additional charges over the normal fares. However, ministers claimed that the fares were sponsored by central and state governments. Workers continued to endure

hurdles as the trains had poor sanitation facilities and minimum arrangements of food and water. Delayed schedules and cramped up coaches saturated the exhaustion and patience level of its travellers. Due to the poor arrangements many migrant labourers succumbed to death during their homebound journey but the Rail Authorities stated that they had prior ailments.

Covid19 lead to the death of many poor labourers for reasons ranging from starvation, suicide, road and rail accidents to police brutality. The workers were subjected to harsh treatment from not only officers on duty but also their neighbours who feared that the labourer returning from urban India would be a carrier of the virus. The state of the Indian migrant labourers during the pandemic is a matter of national shame and reinforces the fact that the poor suffer the most in situations of crisis.

3.2 Domestic Violence

Domestic violence refers to aggressive behaviour towards a particular member within a household. It encompasses verbal abuses, mental torture, physical attack and also sexual assault. Though most often directed on the female spouse it can also be against the children and the elderly of the family. Lockdown, an aftermath of Covid-19, has majorly worsened India's modest progress in combating domestic violence. The mandatory stay at home has lead to a sudden spurt in the count of victims of household abuse in the country.

India is infamous for its gender inequality. It has a patriarchal society wherein child bearing and rearing are considered to be the prime responsibilities of a woman. Despite notable progress in education, the labor force participation rate of Indian women is substandard. It has further worsened post the outbreak of the pandemic which has put many female employees at the risk of a permanent exit from the labour market. Hence lack of financial security and monetary resources compel the ladies of a family to withstand the torture directed towards them.

Covid-19 has created an economic upheaval in the country. Lack of employment, limited resources, financial stress and constant anxiety had led to a proportional increase in impulsive, violent and abusive behaviour towards the weaker cohabiting partner. Several of the oppressed approached local police stations for help and rescue. The National Commission for Women also received many complaints via mails during the period of lockdown. However, it is strongly assumed that the recorded number of cases are not a true representation of the actual ones. Locked in with the abusers and negligible interaction with outsiders has complicated the process of filing a complaint.

Trapped in a space with violent oppressors adversely impacts the mental health of an individual. Unable to seek help, many identify suicide as an easy solution. Alongside the lockdown which was a necessity to prevent the spread of the novel coronavirus the Government should also have implemented policies to ensure the safety of women in their households. Social media, radio

broadcasts and news channels should be used to sensitive citizens about domestic violence. Similar to how popularising the usage of masks and sanitisers have become a national campaign, ensuring the safety of women in their own houses should be taken up by every citizen. Neighbours should be urged to intervene, usage of code words should be popularised and ration shop owners and chemists should be made more cautious so that unusual behaviour can be identified and reported. In the post pandemic scenario India can scale greater heights only if its women are safe in their own houses.

3.3 Hostile Neighbourhoods

Social distancing was identified as the prime remedy to curb the spread of the novel corona virus. Disruption in cultural celebrations, restrictions on meeting friends and family, closure of places of entertainment and a constant interruption in the daily routine immensely pressurised the social fabric of the country. It created communal tension and jolted the basic essence of community relations. Several individuals were perceived as carriers of the virus and were subjected to hostile treatment from their neighbours.

The lockdown initiated a process of panic buying. Families started hoarding groceries as they feared shops would run out of supplies. A competitive attitude developed amongst households dwelling in one community wherein each tried to procure more than the other. Hence a sharing and cooperative attitude was successfully replaced by a grimy contesting frame of mind.

A perpetual distrust regarding disclosure of travel history prevailed in neighbourhoods. Families which were compelled to travel during the pandemic were seen as potential carriers of the virus. Many individuals refrained from quarantining themselves after the completion of their journey. Violators of social distancing protocols got offended when asked to behave in the greater interest of the society. Thereby the pandemic created an atmosphere of constant fear and anger in communities.

In many states of the country, the front line COVID warriors were not spared of the hostile treatment. Doctors and nurses were subjected to abuses and threats by their neighbours. They were restricted from going to health centres as their localities dreaded contamination. The society's treatment towards certain life saviours was a matter of national disgrace.

Poor migrant labourers had encountered hardships not only in their homebound journey but also upon reaching their villages. They were greeted with stone pelting by the native villagers who feared getting infected with the virus. Hence brotherhood and affection that were key components of the Indian culture and society were put at stake by the frightening virus.

4. Conclusion

The brunt of COVID-19 has been borne by the entire global population. India too is constantly struggling to contain the spread of the virus and reduce its mortality rate. The impact is visible across all sectors but its effect on the poor and marginalised is unscalable. Unemployment, starvation, massive insecurity, depression and a perpetual fear has enveloped the entire society. During situations of crisis, vulnerable communities are exposed to the maximum risk. They neither have the health or nutrition to fight the infection nor the monetary resources to afford health care services. In developing countries like India which have a significant share of population below the poverty line the magnitude of damage is immense. The effects can be minimised by creating national awareness and trust. Social rumours and myths tend to surface at times of crisis. Hence citizens should be assured that the government is working in their interest. These campaigns should be supplemented with relief policies and support programs. Additional aid should be provided to small communities in order to ensure that they succeed in sailing through the grim phase. Covid-19 reiterates the fact that there are several components of nature which are beyond the control of the human race. Strong determination and an optimistic approach shall be required to sustain the fight against the virus and emerge victorious.

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Web Links

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