Impact of COVID-19 on Economy, Public Health and Entrepreneurship in India

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Abstract: The situation in India due to COVID-19 is forcing entrepreneurs and business leaders to innovate and adapt like never. The total shutdown of an economy could be worse than a global recession because it can completely wipe out small and medium scaled businesses. Public health has taken a considerable impact with the rising number of cases in India, many of which are yet to be detected through testing. The research methodology chosen is secondary research. There has been a detailed study of credible sources from the internet and the crux of the matter has been put together with learnings to bring more clarity to the situation amid the lockdown. During this study, various unforeseen factors which have impacted these three areas have also been revealed. The study has shown that even though the current systems in place lack the ability to handle public emergencies like the present pandemic completely, we have innovative solutions which are being implemented by the government, business leaders and the public. Overall, the study concludes with a few suggestive measures which can be implemented throughout India to make the conditions better.

Index Terms – **Covid-19, Indian Economy, Public Health, Entrepreneurship, Coronavirus, Suggestive Measures.**

1. INTRODUCTION

The situation in India because of COVID-19 has made a serious blow to the Indian economy. The pandemic has led to the nationwide lockdown of all non-essential goods and services devastating the growth rate of our GDP. The impact is severe India due to the closure of such businesses. Apart from the economic impact, the government is dealing with a major health crisis and the lockdown is an effort to flatten the curve of the medical capacity and slow the spread of the virus. This lockdown has led to the loss of daily livelihood of daily wage workers who have started their journey home on foot because the public transport and the borders are closed. There are issues like that of sustaining the current supply chain of essential goods and services which is facing hardships amid the lockdowns. Agriculture, the largest employer in the country, which is largely informal, is severely affected by distortions in the food supply chain induced by the pandemic. The sudden increase in the demand of essential services due to panic and mass hysteria lead to the shortage in supplies. The census report identified 13.8 million households — about 64 million people — located in city slums nationwide. That's 17.4 per cent of all urban households, which account for roughly one-third of India's 1.2 billion people.[1] We can expect to have this figure increase as the population in India has been on the rise. The major threat to the medical system in India is the exponential increase in infections which might spread the slums. This would be extremely hard to detect and contain. Another major problem would be the situation after the lockdown. There could be a period of hyperinflation because of the sudden rise in the demand as the masses could start panic buying again fearing another one of the lock downs might happen. There are various issues which might arise which none of us expected and therefore the only solution to this is breaking down the current scenario into parts and taking care of as many as we possibly can with the given restrictions. However, it is rightly said that 'Bad Times Produce Good leaders', the entrepreneurs in India are facing a tough situation trying to stay in business during the lockdown and they have relied on technology to make the situation by leaning on 'Work From Home' by using video conferencing apps, virtual dashboards and many other innovative reforms. The purpose of this research was to understand how the recent pandemic has impacted the economy, public health, and entrepreneurship in India. We hypothesize that there would be change in the trends of policies implemented by the government in response to the condition created by COVID-19.

2. OBJECTIVE OF THE STUDY

1. To understand the impact of the novel Coronavirus on the Indian Economy, Public Health.

2. To study the recent changes in Entrepreneurship and study the methods business leaders are adopting to tackle the current situation.

3. To infer solutions or processes to be implemented through this study which might make the situation better.

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[1] Census (2011)

3. RESEARCH METHODOLOGY

The research is done using secondary research method. Secondary data is the information which is collected from the articles and research papers which already exist. It is collected by researching the topic and finding any related articles, books, journals, etc. already published by various authors and journalists. In this paper, research papers, articles and books related to RPA which are available on the internet are considered.

4. RESEARCH FINDINGS

4.1 Impacts in various aspects -

1. **Economic Impact** – The lockdown is a crisis for small and medium scaled businesses who contribute a large percent of the GDP. The local entrepreneurs like the coconut seller, the tea vendors, etc. are all closed and thus, are losing business. The aftermath of the lockdown on the sudden surge in goods and services because of panic buying might lead us to another crisis of hyperinflation.

2. **Public Health Crisis** – The COVID-19 as we know is highly infectious. The people living in proper houses have a possibility of self-isolating and curbing the spread. However, the major threat would be in the slums which amount to 17.4%.[2] of India's population. This would lead to an exponential growth in cases which would make it extremely difficult of the medical system to contain. However, it can be observed that the government of India has taken necessary precautions swiftly in the wake of this crisis by implementing various measures. The measures like testing the people coming to the country by notoriously infect countries helped detect the danger. India scored a perfect 100 on the "Oxford COVID-19 Government Response Tracker.[3] This crisis surely would leave a long-lasting impact on public hygiene and upgradation of healthcare systems with the stockpiling of essential supplies.

3. **Startup Crunch** – Due to the pandemic, the MSME entrepreneurs would face a severe cash crunch. This would lead to various businesses going bust. However, the government plans to kickstart the economy by giving out loans at 20% higher credit limit to these small scale entrepreneurs which would be backed by the Modi Administration.[4] This creates an opportunity for these entrepreneurs to adapt and overcome this tough situation by innovating and tackling the problems. The recent trends have led to the adoption of work from home in various companies and the business leaders like TCS have reported to continue this trend by enabling around 75% of their workforce to work from home.[5] The businesses which have less direct interpersonal contact with their customers or clients are leaning towards this new model of operation to save on the accommodation costs and increase efficiency. This could also lead to the organizations to form a plan of action in case something restricts them to operate in normal conditions like the current pandemic.

4. **Migrant worker issues** –Because of the lockdown, the migrant workers have no employment and thus, no home to stay in as most of these construction site workers build their home at the site itself. The issues faced by these construction workers and other workers are severe as they do not have access to the basic needs required to survive and their cash reserves are running out. They might also spread the virus to other states while migrating if they are already infected. It is extremely important to make sure that we implement measures to safeguard the lives of these workers whose sole purpose has become survival.

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[2] Census, 2011

[3] Oxford COVID-19 Government Response Tracker, covidtracker.bsg.ox.ac.uk

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This is a good estimation of the number of workers stranded.

Top 10 Migrant Destination States in India

By % of Migrant Population and Migrant Population greater than 7 Million

State	Migrant Population	State Population	% of Migrant Population	IMPEX Score
Kerala	18 Million	33 Million	53	63
Maharashtra	57 Million	112 Million	51	44
Punjab	14 Million	28 Million	50	40
Andhra Pradesh	38 Million	85 Million	45	49
Gujarat	27 Million	60 Million	45	34
Tamil Nadu	31 Million	72 Million	43	40
Karnataka	26 Million	61 Million	43	33
Delhi	7 Million	17 Million	43	34
Haryana	11 Million	25 Million	42	35
Odisha	15 Million	42 Million	37	34

Table: India Migration Now • Source: Census India 2011 • Created with Datawrapper

Top 20 Interstate Migration Corridors In India (2011)

This chart explains that most of the workers who have migrated from Uttar Pradesh reside in Mumbai Suburban and Thane.
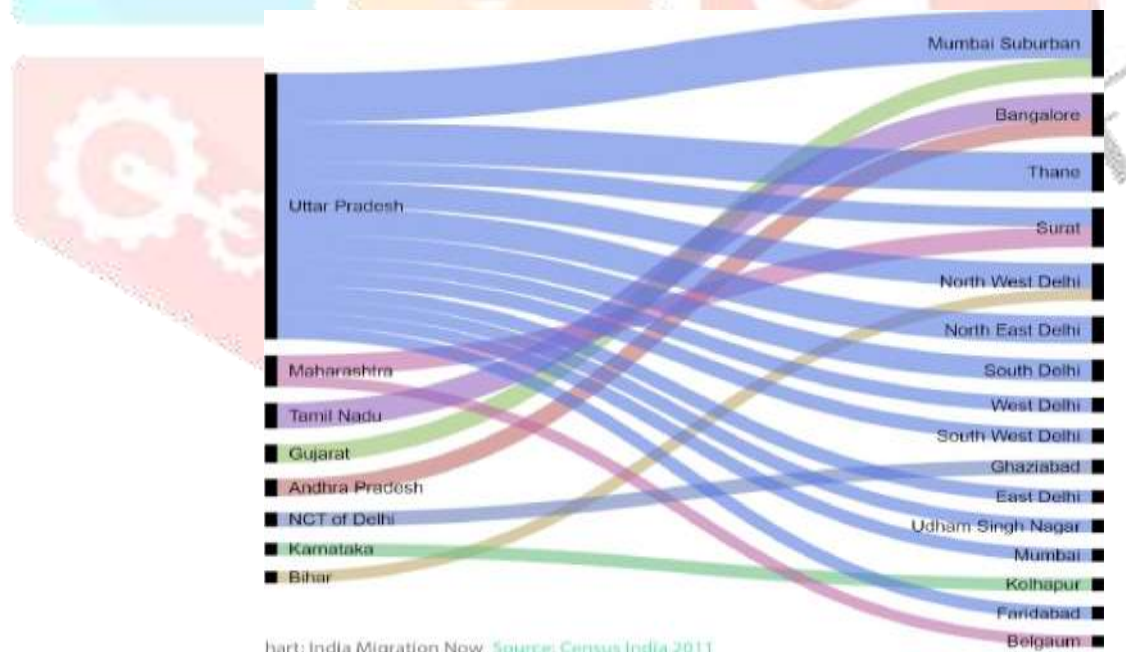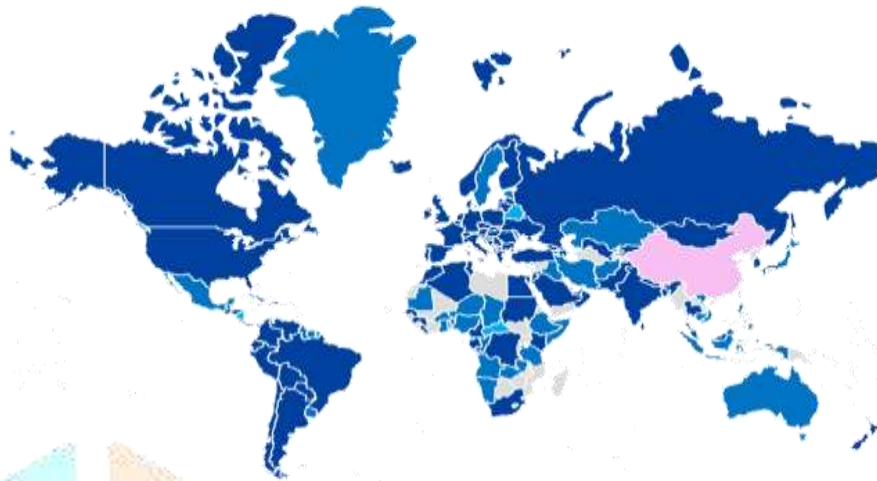
hart: India Migration Now Source: Census India 2011

5. **Supply chain crisis -** In the wake of the nationwide lock-down, empty aisles of stores and out-of-stock images of essential food items on online portals give the appearance of the country running out of supply. The sudden rise in demand of essential goods and services is also due to panic buying. This leads to the shortage of supply for the citizens who buy their supplies daily. Industries calibrated to supply consumers with necessities are finding it difficult to cope with the sudden surge in demand. However, the supply of food grains and other essential items in the country are adequate, and there is no reason to get into panic buying is said by the government. As of now, there is no shortage of material lying in the supply chain, but temporary bottlenecks in the flow of goods will distort supply chains for a brief period. There are various other testimonies from the business leaders from E-commerce industry admitting the difficulties faced by them in this tough scenario. The map and the consumer behavior table are color coded and we can clearly see that the trend in India lies in the #5

Restricted Living Category as of 28th April 2020.

The World Map showing the countries based on restricted living. Color Code is seen in the next chart
Source —Nielson https://www.nielsen.com/us/en/insights/article/2020/covid-19-tracking-the-impact-on-fmcg-and-retail/

Table Showing the consumer behavior based on restricted living in India

#1 PROACTIVE HEALTH-MINDED BUYING	#2 REACTIVE HEALTH MANAGEMENT	#3 PANTRY PREPARATION	#4 QUARANTINED LIVING PREPARATION	#5 RESTRICTED LIVING	#6 LIVING A NEW NORMAL
CONSUMER BEHAVIOR SHIFTS					
Interest rises in products that support overall maintenance of health and wellness.	Prioritize products essential to virus containment, health and public safety. E.g. face masks	Pantry stockpiling of shelf-stable foods and a broader assortment of health-safety products; spike in store visits; growing basket sizes.	Increased online shopping, a decline in store visits, rising out-of-stocks, strains on the supply chain.	Severely restricted shopping trips, online fulfillment is limited, price concerns rise as limited stock availability impacts pricing in some cases.	People return to daily routines (work, school, etc.) but operate with a renewed cautiousness about health. Permanent shifts in supply chain, the use of e-commerce and hygiene practices.
COMMON COVID-19 EVENT MARKERS					
Minimal localized cases of COVID-19 generally linked to an arrival from another infected country.	Government launches health and safety campaign. Local transmission and / or first COVID-19 related death(s).	Small quarantines begin; borders close more broadly. Often represented by accelerating cases of COVID-19, but not necessarily by deaths.	Localized COVID-19 emergency actions. Restrictions against large gatherings; schools and public places close down. Percentage of people diagnosed rises.	Mass cases of COVID-19. Communities ordered into lockdown. Restaurant closures, restrictions on small gatherings.	COVID-19 quarantines lift beyond region/country's most-affected hotspots and life starts to return to normal.

NOTE: These represent TYPICAL markers of these stages but are not always consistent, especially with number of cases or deaths

Source — Nielson https://www.nielsen.com/us/en/insights/article/2020/covid-19-tracking-the-impact-on-fmcg-and-retail/

This study reveals change in the buying behavior of consumers in the market. Limited stock and huge demand due to panic buying may result in the increase in prices of certain essentials.

4. 2 Current Solutions Being Implemented

- Complete lockdown of all non-essential goods and services.

- Borders to the other states closed.

- Improving the testing, quarantining and treatment of all suspected patients.

- Transforming the train coaches to isolation wards.

- Providing food and shelter to around 12,000 migrant workers.

- Implementing laws to make sure the businesses pay their employees and the workers do not lose their employment.

- Capping the prices of essential goods like masks, sanitizers, etc.

- Stopping the export of essential medical equipment and other required products.

These are a few of the measures which are currently implemented by the government .

4.3 Recommended Improvisations

The processes/solutions listed below are the result of my study of this situation. The only intention of these recommendations is to assist the authorities to make the situation better.

1. Joint Committee of the top Business Leaders and the Government —

This committee would comprise of the company leaders contributing their services to reach out and deliver "The Life Box". This would be given to all those in need and cannot afford their daily food.

The contents of the life box would be packed nutritious foods like peanuts, biscuits or something else which can be manufactured at a large scale. The families which have gas available to cook would be given supplies like rice and dal. This would be delivered through the already established supply chains of the e-commerce giants with the help of the local police force and the municipal workers.

The process of the delivery is not just food but also creating awareness, testing and quarantining. The steps are as follows -

a. The delivery agent would have a pre-recorded video explaining what the situation is. It would also explain what the symptoms are and how to self- isolate the one showing these symptoms with the basic precautions.

b. They would be checked by the temperature guns device used for checking body temperature.

c. They would then be asked to isolate the member having a temperature and if the symptoms follow the ones of COVID-19, to report back to an emergency number.

This can be a two-way process of providing essentials to the ones in need and a mass awareness campaign.

The safety of the delivery workers would also be ensured by giving out masks, gloves and taking precautions which can be laid out after discussing with medical professionals. This process would ensure the daily needs of the people and this would reduce the shortage of supplies caused due to panic buying in the usual grocery stores.

The reason for forming the committee is that we can bring together the efforts taken individually by the businesses, NGOs, and private individuals. This would increase the efficiency multi-fold as we would be proceeding with the data provided by the government and targeting areas with the maximum manpower at our disposal.

This might become one of the largest collaborations of private businesses and the government. We would utilize all the brainpower and manpower we have at our disposal and overcome this calamity as one united community.

2. Sanitize the places which are commonly used —

The places like a lift, grocery stores, petrol stations, water taps and bathrooms in slums should be regularly sanitized because they are in use even during the lockdown and have great chances of spreading the virus.

3. Converting Amusement Parks and Malls to Life Centers —

The amusement parks and malls are closed during this lockdown. The huge spaces they have can be utilized to forming shelters for the migrant workers where they can be provided food and shelter. They can be transported using the local train and checked before taking. Proper distancing can be practiced due to the availability of the huge spaces.

4. Limiting the Sale of essential goods to avoid panic buying —

During the sale of essential items like food-grains, rice, etc. we could make it mandatory for the buyer to show the ration card. Then, based on the members mentioned in the family we could limit the buying. This would ensure the availability of such goods by preventing the panic buying. The maximum limit of the goods sold depending on the family members present can be decided under the guidance of professionals.

5. Enable alternatives like Work from Home –

Work on creating a maximum delocalization plan with corporates by providing them essential technologies to operate from home. Essential technologies could be a safe video calling technology, telecom plans to reduce the costs of co-ordination and many more.

5. SUGGESTIONS

1. The data available now would be subjected to change with changing circumstances. So, updating the statistics and then re-visiting the solutions recommended is crucial.

2. Gathering Primary data can solidify the research even more as it provides a firsthand perception of the problem at hand.

3. The primary data gathered should be demographically spread towards all the regions in India to provide a more balanced opinion and avoid biases.

6. CONCLUSION

This research concludes that the impact over all the three aspects – Economy, Public Health and Entrepreneurship due to COVID-19 is severe. The lockdown might leave long term effects on the economy and on entrepreneurial ventures because of the cash crunch of the investment centers. The growth would be slow because the consumer buying behavior would change after this pandemic. The pandemic has made us notice the flaws in our public health system and what areas of it needs to be improved. Overall, the suggestions recommended in the paper are general and could be applied in any nation as such.

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operating model called 'Secure borderless Workspaces' which would enable them to make 75% of their staff work from home.

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