



Challenges confronted by the entrepreneurs: a revival of indian economy.

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Abstract:

The unforeseen outrage of the pandemic crisis, which has completely immobile developments, networks, global economies, global and private companies, and global state-run administrations all over the world; The ongoing spread of the COVID-19 had become one of the biggest threats to the global economy and financial markets. The outbreak of COVID-19 has a huge impact on the economies globally, including economic slowdown, trade, supply chain disruption, commodities, and logistics. The world is experiencing the pandemic condition for last two years which has hindered the global business. India is fifth largest economy in the world. The outbreak of the Covid-19 pandemic is an unprecedented shock to the Indian economy. It has definitely impacted up to larger extent to Indian business. All the major sectors of the economy are severely hit by the pandemic. The pandemic situation has created gaps in the economy which has to be filled. There is need to fill these gaps by the post Covid economy intellectual re-evaluation, innovations, and reforms of policies.

The entrepreneurs are very important for the growth of economy of the country. They are the backbone to the Indian economy. They nearly contribute one - third of the India's GDP. The outbreak of COVID-19 pandemic has huge impact on the businesses and entrepreneurs. The sustainability of the business is under threat due to significant decrease in trading activities. To face the challenges and barriers to sustain in market the proper business excellence strategies will help the business to uphold. In today's scenario to uplift the Indian economy the contribution of the entrepreneurs is very crucial.

In view of this, the article is an attempt to study the impact on Indian economy post COVID-19. The paper focuses on the challenges faced by the entrepreneurs of doing business with these barriers and conditions prevailing in the market.

Keywords: Indian economy, challenges, entrepreneurs, Covid-19 impact.

Introduction:

The Corona virus disease (COVID-19) outbreak is a human tragedy. According to the World Health Organisation (WHO) reported on 14th May 2022, it confirmed 4,26,65,534 total number cases of COVID-19 and 5,09,011 deaths in India ^[1]. Moreover, in the year 2021 WHO had declared that the corona virus outbreak is a global pandemic. Nearly 162 countries are steadily gone into lockdown. The businesses across the globe are operating in fear of an impending collapse of global financial markets. This situation, clubbed with sluggish economic growth in the previous year, especially in a developing country like India, is leading to extremely volatile market conditions. As on today, India is the one among most affected country in the world due to COVID-19 ^[2] The crises have affected the India economy.

COVID-19 disease is an infectious disease . Corona virus belongs to a large family of viruses that causes illness. The virus thought to be natural and have an animal origin, through spill over infection. The origin is unknown but by December 2019, the spread of infection was entirely driven by human-to-human transmission. The widespread of the virus has given a wakeup call to all the affected nations. The outbreak of the Covid-19 pandemic is an unprecedented shock to the Indian economy

Objectives:

1. To identify the consequences of adopting new changes in the Indian economy.
2. To analyze the road map ahead with a view to the future aspects.
3. To analyze and recognize the impact of Covid-19 innovations and reshaping in various fields of business.

Literature Review:

1. **Mohamed Buheji and Dunya Ahmed (2020) “Foresight of Coronavirus (COVID-19) Opportunities for a Better World”** ^[3]: The research conducted to focus on the hidden and visible opportunities during the COVID-19 crisis. The author reviews the impact of diseases and crisis on the world. On other side these disease have even an opportunities to redefine, rethink and reframe the old business models. The capabilities to solve the complex problems like COVID crisis. The paper discuss about the challenges that can be faced during the crises. It gives a framework that discusses about opportunities and risks.
2. **Dr. Ranjith P V and Dr. Aparna J Varma (April 04, 2020) “Covid 19-Indian Scenario, Challenges and Possible Revival Strategies”** ^[4]: the article is the brief introduction on the impact of COVID 19 on the Indian economy. It discusses about the methods initiated by the government of India. The world- wide impact on business due to outbreak of COVID-19. The paper highlights that world is facing the recession period, the expected growth rate of GDP in many countries is very less. The break in the supply chain has ruined the business market.

3. **Amitab Bhattacharjee and Asghar Afshar Jahanshahi (January 2020) “The COVID-19 Crisis Brings Spring Season for Translucent Activity. Does It Result Exogenous Uncertainty for the Entrepreneurs and Bound-Less Commodity Pricing”**.^[5] the paper highlights about the upward economic flow of entrepreneurs and especially the start up. The research conducted by the survey method on pharmaceutical, agriculture and entrepreneurs. The agriculture and pharmaceutical sectors are growing, compared to other sectors. The outbreak of COVID -19 has opened the doors for the entrepreneurs and innovative ideas.
4. **S. Mahendra Dev and Rajeswari Sengupta (April 2020) “Covid-19: Impact on the Indian Economy”**^[6]: the paper aims at the impact of COVID-19 on Indian Economy. The paper discusses the pre-COVID19 phase and analyses the probable outcome of the impact of outbreak of corona virus effect on the various sectors. The article has analyzed the government policies and put forward the recommended policies. For agriculture sector the supply chain must be made stronger. The banking sector should provide assistance by providing credit facilities.
5. **Eric Liguori and Christoph Winkler (April 04 2020) “From Offline to Online: Challenges and Opportunities for Entrepreneurship Education Following the COVID-19 Pandemic”**^[7] : the paper emphasis on the entrepreneurship education, the outbreak of COVID 19 has hindered the education system. Online learning is not new phenomena; many organisations or institutes do not adopt it. However, the COVID-19 outbreak has gain momentum for online courses towards entrepreneurship. A new phrase for online education business started during this period of COVID-19.
6. **Vanessa Ratten (2021)**^[8] the author aims to discuss about innovation and futuristic thinking is necessary for entrepreneurs to sustain the pandemic situation. The policy makers have to be driven with better policies to enhance future research direction to the entrepreneurs. There is digital transformation adapted by the society. This societal shift arises digital opportunities to the entrepreneurs.
7. **Richa Chaturvedi (2021)**^[9] the author has used mixed method approach. The empirical analysis has been carried out to examine the challenges faced by the entrepreneurs during pandemic. The economic slowdown has impacted severely to the small business. The major barriers were the financial crisis and lack of technology.

Discussion:

The impact of pandemic outbreak on business sectors. The outbreak of the novel corona virus has caused panic across the world. It has negatively affected the Indian economy. The following is the overview of business sectors affected due to corona virus outbreak.

Tourism and Hospitality Sector:

The Tourism sector is the most important and fast-growing sector in the country. The World Travel and Tourism Council calculated that tourism generated ₹16.91 lakh crore (US\$240 billion) that is 9.2% contribution towards the GDP of India in 2018^[10]. It generates 8.1% of its total employment. Due to the outbreak of corona virus tourism is the heavily affected sector. The outbreak of corona virus in worldwide has made the Indian government to announced temporary suspension of visa and e-visas granted to people. The immediate effect was on the people travelling to China, Spain, Italy, Korean and Japan. For Indian tourism and hospitability industry, summer is the prime season for both domestic and international tourist. The tourism and hospitality in India generated revenue for the local people but corona virus outbreak it has brought a huge loss to the local business. The travel agencies, hotel bookings, means of travels like airlines, buses, trains etc had to suffer the massive number of cancellations. The outbreak of corona virus there can't be any assumption when will it take to settle back to normal life. Until then the sector has to suffer down with huge loss to the industry. According to the Federation of Associations in Indian Tourism & Hospitality, the tourism industry is looking at bankruptcies, closure of businesses and mass unemployment. It is believed that around 70 % out of a total estimated workforce of 5.5 crore (direct and indirect) over 3.8 crore could get unemployed. Many tourism industries and hospitality industry bodies have also written to the government for interim relief to pay EMIs, installments, taxes, and salaries to employees. The road to recovery for the industry is surely difficult, at least for the next fiscal. According to Siddharth Jain, CEO – Sapphire Ventures, and Director – Kazin Travel Consultants LLP, the impact is huge and the tourism industry will see be the first collateral damage. Travel agents, hoteliers and airlines are constantly receiving cancellations. Business has literally come to a standstill and everyone is bleeding in an already challenging business scenario. Even if the Covid-19 cases decline, the recovery will still take prolong. Private stakeholders alone will not be able to recover without financial relief from the government,” he said.

Food Industry:

The food industry has 32% of market share in the nation's total market in term of production, consumption and export ^[11]. But the scenario has changed now after the outbreak of corona virus. The impact is even on the Food Industry of the country. Food materials have become scarce due to reduced imports and exports from affected regions. It is being observed that the Indian (as well as global) food industry is losing on large-scale (business-to-business) orders. Transportation capacity is under severe pressure due to the outbreak of virus and no easy availability of products. Retailers are thoroughly monitoring their supply chains in order to fulfill customer demands. On other hand the local retailer is taking advantage of the situation and selling products on extra prices than the MRP. People in fear of scarcity of domestic materials and groceries are ready to purchase on extra price for the materials. Thought the government has impose strict measure do not do malpractices.

Manufacturing industry:

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Shri Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India expected to become the fifth largest manufacturing country in the world by the end of year. The outbreak of corona virus has changed the picture. The impact is heavily on steel industry as India is second largest producer and exporter of steel after China. Manufacturing industry is majorly facing the problem of supply chain, shortage of components and raw materials. This due to the global outbreak of corona virus and many countries are following complete lockdown measures to safe the people.

According to the survey conducted by the National Association of Manufacturers that the 78.3% of respondents say that the COVID-19 outbreak has heavily financial impact on their businesses. In addition, 53.1% of manufacturers are anticipating a change in their operations in the coming months after outbreak of corona virus and 35.5% say that they are facing massive problem of supply chain disruptions^[12].

Pharmaceuticals Sector:

India is prominent and rapidly growing in global pharmaceuticals. It is the largest provider of generic medicine globally. It occupies 20% of share in global supply by volume and suppliers 50% of global demand for vaccines. India stands third in production by volume and thirteen by value^[13]

The Indian pharmaceutical industry is also expected to take a hit due to the corona virus disease outbreak. The medicine industry is feeling the supply pressure with increasing number of people with corona virus symptoms. Apart from this, medicine prices are also increasing due to shortage of supply of active pharmaceutical ingredients.

According to the data available with Pharmaceutical Export Promotion Council (Pharmexcil), the cost of paracetamol has gone up from Rs 250-300 kg to 400-450 kg. "Similarly, 'montelukast sodium' (an anti-asthma drug) is trading between Rs 52,000 and Rs 58,000 per kg, compared with Rs 33,000-38,000 per kg a few months ago," said Dinesh Dua, chairman, Pharmexcil, which functions under the Ministry of Commerce and Industry.^[13] The Indian pharmaceutical industry is depending on China for its core ingredients. The lock down and crisis of corona virus in China has brought disturbance in pharmaceutical sector. The government is taking measures by discussion with drugs maker and policy makers to domestic manufactures the ingredients, this can be view as opportunity for India.

Banking Sector:

The Indian banking industry plays an important role in the development of the country's economy and is the most dominant segment of the financial sector. Banks help channel savings to investments and encourage economic growth by allocating savings to investments that have potential to yield higher returns. The banking sector contributes 7.7% GDP towards Indian economy^[14]. The corona virus strike has to the banking system. The weakest link in Indian economy is its banking sector. With outbreak of the novel corona virus-banking sector has hit with huge losses. The volume of transactions has come down considerably. Presently, the working hours of the bank is been reduced. The average person is hesitating to visit banks because of fear of outbreak of corona virus. Even the employees are working with no ease. The

most important factor affecting the banking sector is that the credits take off is all most stop. The lending activity has almost stopped. Thought it is the peak season for industries, agriculture and other sectors to avail credit facilities, all this has stopped. The recovery and repayment of all bank dues has fallen to a low level. The government has attempted to assist people by direction banks and various financial institutions not to insist on recovery. The Reserve Bank of India has decided to hold back the installments on term loans for three months. This brings a huge relief for borrower. The Reserve Bank of India, Governor- Shaktikanta Das said that, "All commercial banks (including regional rural banks, small finance banks and local area banks), co-operative banks, all-India Financial Institutions, and NBFCs (including housing finance companies and micro-finance institutions) ("lending institutions") are being permitted to allow a moratorium of three months on payment of installments in respect of all term loans outstanding as on 1st March 2020." ^[15]. But the disruption is likely to lead to accessibility concerns and scaling down of MSME's in terms of monitor affairs.

Conclusion:

The conceptual study brings out that the entrepreneurs have experienced unforeseen and unprecedented hardships during the pandemic. The prime barriers were the financial crises and lack of technology to deal with digitalized market. Many countries like India during the pandemic phase directly impacted economy. To uplift the Indian economy the government needs a proper policies and measures to bounce back. The business sectors have many challenges to sustain in market. Proper business excellence strategies will help the business to uphold. Even this situation can be looked upon as opportunity for India to grow in global market. China is world largest and exporter but due to the outbreak of corona virus in China it has to face major crises in exporting and production. This situation is opportunity to India to flourish in global market.

The Reserve Bank of India (RBI) has set on tap liquidity of Rs50,000 crore at repo rate to strengthen healthcare infrastructure for period of three years and it would qualify as priority sector lending for banks. The RBI will provide Covid -19-related resolution framework 2.0 flexibility to banks to recast loans to small borrowers, MSME and individual with up to Rs 25 crore dues even if it was classified as standard asset in the current year. Besides, the central bank will also provide liquidity to small finance banks through repo operations. ^[15] Finance Minister of India announced support to small businesses and non-bank lenders to employers and employees by lowering their share in statutory provident fund and package for Atmanirbhar Bharat. All the above schemes and supporting packages will improve to uplift the Indian economy.

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