



How to Revive the Indian Economy from Covid

19

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Abstract:

The coronavirus COVID-19 pandemic is the defining global health crisis of our time and the greatest challenge we have faced since World War Two. Coronavirus was declared a pandemic by WHO on 11th march 2020 and at that time the virus had spread to more than 110 countries with more than 1,18,000 cases. Today the total number of coronavirus cases has jumped to a north of 4 million with a north of 54000 confirmed cases in India itself as of 6th may 2020. The virus is believed to be originated from the wet markets in the city of Wuhan (China). It would be a safe assumption to make that this situation is extremely unprecedented and unparalleled to anything that the world has ever seen before. The world seems to have come to a standstill. The virus started spreading in February 2020 and since then the covid 19 has spread exponentially all over the globe. The major economies and superpowers of the globe by been brought down to their knees by this virus which holds no bounds. Mr. bill gates predicted this is 2015 that if anything can kill millions of people in the coming decade, it is going to be a highly infectious virus rather than a war. Not missiles but microbes he warned that humanity is not prepared to face a pandemic. *It is ironical that the biggest threat to mankind is so small that it is invisible to the naked eye.* It is surprising that with all the science and technology we as humans have developed over centuries has not been able to control this pandemic. Be it a coincidence or a warning from mother nature, the mother of all threats to humanity is roughly 100 years old. Nature shows us its power every 100 years. In 1720 the great plague of Marseille, in 1820 the first cholera pandemic, in 1918 the Spanish flu and now in 2020 the coronavirus. All these pandemics and events have taken millions of lives. Not only has this virus taken millions of lives but has also crashed economies, stock markets, large corporations, throughout the globe. COVID-19 is much more than a health crisis. By stressing every one of the countries it touches, it has the potential to create devastating

social, economic and political crises that will leave deep scars. Everyday people are losing jobs and income and nations that depend on tourism, oil export and other hospitality industries have been badly hit. Empty cricket and football grounds and deserted beaches, cancellation of commonwealth games, IPL, extension of lockdown, shutting down of factories and production units are to name a few impacts of this pandemic.

With an epidemic of this degree of magnitude, it brings along with itself a plethora of multifaceted issues and problems, which need to be addressed with utmost caution and scrutiny by the global leaders.

As the government of India, we too need to table major steps to control this deadly virus and restore normal conditions. Our timely lockdowns have greatly helped us flatten the curve to some extent and put less strain on the country's medical resources.

India as a nation is being watched by the world. By the more developed economies like Italy and more influential world powers like USA. By neighbours like China and further away countries like Iran. They are all watching if India is "able" enough to deal with a looming threat to the healthcare, economy and life of its citizens. At the verge of an exponential explosion, are we as a nation smart enough, strong enough, kind enough and responsible enough to fight against a common enemy? An enemy that is being feared world over. It's up to us to set an example to all the ones who are watching with intent, if we succeed or fail. People look at India with scepticism because our reputation of being a crowded, overpopulated and unhygienic group of people. We have a chance to show the world that we are a young, vigilant and united country. And we can fight what might seem so insurmountable.

It is our job to tackle the issues of unemployed, migration of labourers, falling economy at the brink of recession, supply disruptions, policy decisions, international relations. a comprehensive plan to tackle this issue is presented below.

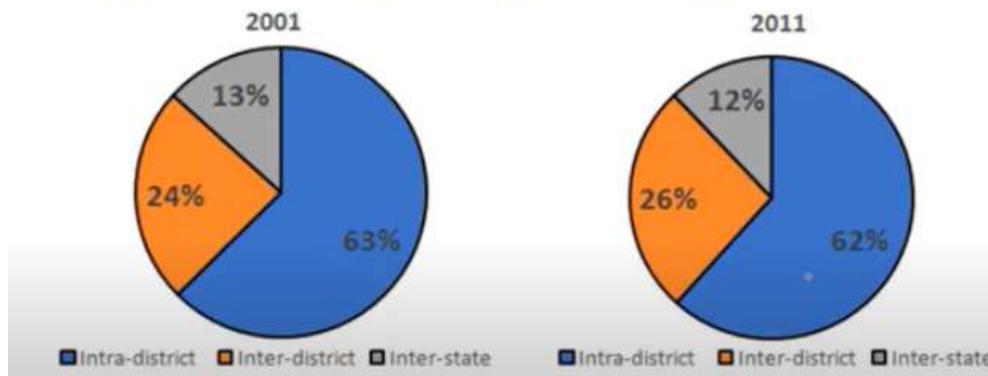
Keywords: NPA, GDP, banks, vaccine, unemployment, International relations, MSMEs, Fake News, PR, Media, Graduates.

Strategies to tackle the falling GDP growth rate of India and Bounce Back from the Crisis to Avoid a Recession:

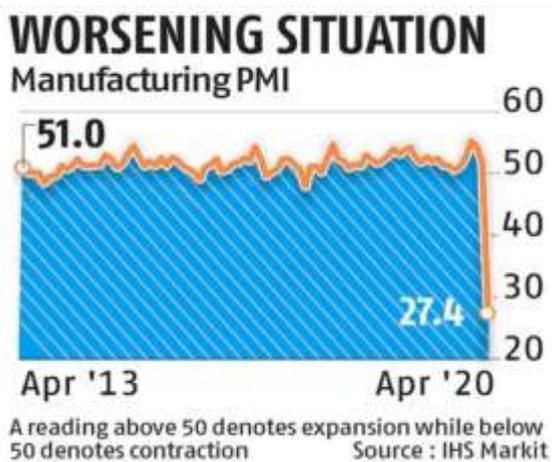
How to stimulate demand in the economy

- Similar to what the Federal Reserve did in the US after 2008, the Reserve Bank of India should engage in quantitative easing by reducing the interest rates from the current bracket of 11-30% to 8-25% and providing discounted loans. This can be done since the repo rate and reverse repo rates by the RBI has also been reduced 4.40% to 3.75% resp. Banks must also extend moratoriums from June to September and revise the payment agreements and restructure loans to reduce NPAs. This might give rise to inflation, which is accelerating but it could help get loans flowing through the economy again. Modi's government can also help by creating a so-called bad bank to absorb troubled loans.
- In normal circumstances a textbook strategy to combat recession is to buy back government bonds and infuse money in the economy. However currently there is a severe demand shock and infusing money in the economy won't directly increase aggregate demand. Hence a reverse strategy of selling as many govt bonds as possible should be adopted. The stock market is very volatile and many investors may consider a stable source and will invest in the government bonds even if they are grad B bonds. Moreover, with more bonds being issued the supply of bonds goes up, the prices of bonds go down and the yield rate goes up, this is another reason why bonds would be attractive. These funds can be deployed by the government to support the MSME sectors and provide relief to the daily wage earners thus increasing government spending (being 1 of the components of aggregate demand). Direct monetisation can be done from RBI as well however inflation needs to be kept under check.
- Due to subdued tax revenue performance, India may have to rely largely on expanded borrowing and non-tax revenue sources in order to work out reasonably sized stimulus packages.
- We should first start with the migrants—who remain one of the most put-upon people—who are probably not going to be covered by most schemes so let's put this new scheme for them which is a temporary scheme funded by local government.
- The government needs to spend 50,000 crores to provide financial aid to migrant and daily wage labourers by providing them with free food grains (PDS needs to be activated), cash transfers and shelter for a course for at least end of June till the situation comes back to normal. The help of NGOs can be used for this cause to put less strain on the financial assets of the government. If this isn't done then a large exodus of migrant labourers can bring a 2nd wave of covid 19 cases which will become very hard to control. The poor may die of disease later but they will die from starvation today itself. The figure below shows a breakdown of the migrant workers.

Figure 2: Distribution of internal migrants by type of movement



- As issued by the ministry of labour and employment the cess fund should be used for the welfare of the construction workers and construction workers can also be used in building the medical infrastructure of the country as a large amount of construction workers will remain idle due to low real estate demands from the household sector.
- According to Abhijit Banerjee, Nobel-winning economist suggested that the government shed all concerns regarding macroeconomic instability and go for printing money to tide over a limited fiscal space these liquidity injections can surely kickstart the economy. Liquidity infusions of 25,000 Cr can be given to NBFC sector in the form of TLTRO (targeted long-term repo operation) with at least 50% of this amount going to micro finance institutions, (mutual funds as mentioned above). Go ahead with increased spending by way of fiscal easing. The Manufacturing PMI of April 2020, published on 5th May 2020 was at a record low of 27.4 this shows the level of fall in the manufacturing in the month of April itself to boost the PMI first we need to boost the demand and production will increase with it with the relaxations of lockdowns. For this as mentioned above government spending is important and use the opportunity to welcome US MNCs to increase manufacturing.



How to stimulate supply in the economy

- Government can advise RBI to lower the CRR and SLR requirements from 3% and 18.5% to 1% and 15% respectively. This is because of the demand slump the withdrawal limits as such would be less and

there is no need to lock in more than required liquid cash with banks. Each bank must also have a quick response team that can get in touch with RBI in case of serious issues faced by any bank before the situations goes out of hands.

- Urbanisation is a driver of growth. Moving people from farms to cities would help alleviate India's low agricultural productivity, because the same land would be farmed by fewer workers and preventing disguised unemployment. If the new urban residents get jobs in labour-intensive manufacturing, incomes would rise very quickly, so India should couple urbanisation with a drive to absorb some of the manufacturing jobs that are leaving China as a result of the trade war and coronavirus outbreak.
- The government can focus on India's demographic advantage will a population of 600 million young students to *promote start up culture in India*. Large amounts of jobs lost and many budding graduates who have lost hope of getting any jobs and companies finding it difficult to retain their employees let alone employing new candidates. Advertisements to promote start up in India can lead to a new sense of hope among the youth. To encourage start-ups, ease in loans for start-up must be provided and the earlier 3-year tax exemption should be pushed to 5 years given the current situation of the economy.
- Promoting digitalisation as much as possible across as many sectors as possible, strengthen the technology base, especially in the education sector and promoting more companies like Byjus so that this time can be used productivity. Moreover, massive overhaul of students needs to be done to understand the skills lacking and upskilling them which not will help boost confidence in one's abilities and further promote start up but also ensure that candidates match the skill set requirement and less jobs are lost. Even banking sector can be fully digitalised and payments bank and e wallets can cash on this opportunity, healthcare sector can also exploit digitalisation.
- As shown in the table below to promote more digitalisation we need to improve the Internet and facilities and also focus towards better connectivity. Another important initiative needed for digitalisation is to ensure better electricity and minimal power cut. For both these projects the government is bringing up a package of 25,000 to improve both electricity connection and internet connectivity. Even though complete digitalisation PAN India cannot be achieved immediately, this step will lay and important foundation to make India more digital going forward in the next few years.

State	rural		urban		rural+urban	
	computer	internet facility	computer	internet facility	computer	internet facility
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Andhra Pradesh	1.5	10.4	11.6	29.5	4.8	16.6
Assam	3.7	12.1	30.8	46.9	7.5	17.0
Bihar	2.7	12.5	20.0	38.6	4.6	15.4
Chhattisgarh	3.2	10.6	22.0	34.6	6.9	15.2
Delhi			34.7	55.8	34.9	55.7
Gujarat	4.4	21.1	20.1	49.1	11.2	33.2
Haryana	5.9	37.1	29.5	55.4	14.7	43.9
Himachal Pradesh	10.5	48.6	28.3	70.6	12.9	51.5
Jammu & Kashmir	3.5	28.7	16.0	57.7	6.6	35.8
Jharkhand	1.3	11.9	15.6	40.2	4.4	18.0
Karnataka	2.0	8.3	22.9	33.5	10.7	18.8
Kerala	20.1	46.9	27.5	56.4	23.5	51.3
Madhya Pradesh	2.3	9.7	17.2	35.4	6.1	16.3
Maharashtra	3.3	18.5	27.4	52.0	14.3	33.7
Odisha	1.8	5.8	17.2	31.2	4.3	10.0
Punjab	9.4	39.4	26.7	57.1	16.2	46.4
Rajasthan	6.4	18.5	26.6	49.9	11.7	26.7
Tamil Nadu	11.6	14.4	24.7	24.8	18.1	19.6
Telangana	1.6	9.9	17.6	41.9	9.1	24.9
Uttarakhand	7.0	35.2	32.5	64.3	14.3	43.5
Uttar Pradesh	4.0	11.6	22.3	41.0	8.2	18.4
West Bengal	3.3	7.9	23.0	36.0	9.4	16.5
all-India	4.4	14.9	23.4	42.0	10.7	23.8

Note: Figures for rural Delhi is not presented separately. However, 'rural + urban' for Delhi includes 'rural' also

- The central government also needs to simplify GST norms and suspend GST collections from MSMEs for at least 6 months and no interest, late fee or penalties charged for GST for the next 3 months aiding MSMEs. MSMEs are one of the worst affected sectors and according to a report by deloitte out of 11Cr workers employed in the MSME sector close to 4Cr workers have lost their jobs. A fiscal stimulus package of 3,75,000 Cr by the government must be provided to aid the MSME sector.
- SIDBI, along with the government will have to perform a major role in providing bank guarantees and reassurance on the first loss of incremental bank loans made to MSEs so that banks don't have the fear of NPAs.
- IBC approval for Initiation of bankruptcy which was previously extended from 1 lakh to 1cr should be temporarily waived of till end September. According to the ministry of corporate affairs the necessary board meeting to be held once in 4 months should be held digitally now. The companies must be exempted from the rule that at least 1 director of the company should be present in the country for at least 182 days. Other legal obligation can be met through the portal MCA21 (released by the ministry of corporate affairs)
- 2 lakh Cr needs to spent to improve the medical infrastructure of the country and rapidly increase testing speed and random testing in Green zones, setting more govt laboratories and even import testing kits from abroad, doctor training etc. The rate of testing needs to be increased many folds to quarantine the infected people as soon as possible. R and D will also require huge investments to come up with vaccines or to bring modifications in partial vaccines like hydroxychloroquine, plasma therapies, getting more ventilators, government laboratories etc. Moreover, integrated disease surveillance portal can also help identify positive cases. Huge amounts would be required to spend in robotics in the health sector to

reduce the risk of covid 19 to doctors following America's model to use robotics in health industry. Follow the south Korean model to fight covid 19 this consists of 3 Ts – trace, test and treat.

- 75,000 Cr package must be given to the pharma industry to encourage domestic production of API (active pharmaceutical ingredient) and reduce dependence of raw material on china. Other sources for import of raw material may be explored from countries other than China. India can do this because in early 1990s India was domestically producing its own APIs for pharmaceuticals. India also has an opportunity to produce these APIs on large scale and can also import it to other countries that are looking for an alternative from china. This can greatly increase our export of not only finished pharma products but also raw materials and can give India a huge advantage in the pharma industry on a global level. It can be the pharmacy of the world.
- All the above strategies would require a large amount of expenditure by the government and as mentioned by Honourable ex RBI Governor, the fiscal deficit figures will look ugly. However, the government can benefit from the falling oil prices leading to lower oil import bills (India is the 3rd largest importer of oil in the world and imports 85% of its oil from abroad) by 26 March 2020, brent and WTI crude oil prices had fallen to US\$23.55/bbl. and US\$16.60/bbl. respectively furthermore, it reduces the pressure on both CPI and WPI inflation and corona fee on liquor, funds collected from PM cares funds, SAARC fund, it can also explore IMF bailout packages with moratorium extensions, loans from High net worth Indians like Mukesh Ambani. Mr. Ambani will 3 big deals in less than 2 weeks with Vista, Facebook and Silverlake along with RIL selling a 4.9% stake in Asian pains, would be in a comfortable position to lend a handsome loan to the government of India on humanitarian basis. This is the biggest CSR activity RIL can carry out.
- The government can use the revenues from the sale of alcohol, with 70% corona fee the government can earn a good sum of money from liquor sales as well. Another reason for liquor sales is that in some states the drinkers are facing medical issues because of absence of liquor. The state wise contribution to government revenue by liquor sales is given below. However, the home delivery of liquor can be allowed to avoid the problem of long lines outside liquor stores. The revenue collection from excise on liquor throughout India in the year 2019-20 was 1.75 lakh Cr. This figure shows how important liquor excise collections are for the government.

State	Alcohol-Related Excise Earnings in FY'20 (Rs Crore)	State's own tax revenue in FY'20 (Rs Crore)	Alcohol excise as % of state's own tax revenue (FY'20)
Rajasthan	9,356	70,351	13.3%
Uttar Pradesh	29,403	1,27,670	23.0%
Haryana	6,700	47,842	13.9%
Punjab	5,676	33,739	16.8%
Delhi	5,500	39,550	13.9%
Assam	1,649	10,208	16.2%
Karnataka	20,948	1,01,740	20.6%
Maharashtra	16,567	1,99,534	8.3%
Andhra Pradesh*	5,711	58,125	9.8%
Kerala*	11,026	46,459	23.7%
Tamil Nadu*	31,157	1,10,178	28.3%

- In totality the goal of the government is to raise a total of 18 Lakh Cr from different sources. To fight covid 19 and further revise its fiscal deficit from 5.5% to 7.75%.
- The government will also have to cut down and delay less important expenditure while refocussing on immediate needs, for eg a new parliament building as part of the Central Vista Project which was proposed to be build with a budget of 20,000 Cr should be rescheduled and this money should be saved for higher priority expenses for eg giving loans to MSEs.
- The government can ask SEBI to come up with measure to stabilise the stock market and make it less volatile and such announcement should be made public to instil a sense of confidence not only in the retail investors but also in FPI. Due to the covid 19 pandemic India has lost close to 1.18 lakh Cr as FP Investors have sold their stake and moved out. Stabilisation of the stock market with stricter circuit breakers and caps imposed, shortening trading hours can attract them back to Indian stock markets. This will compliment RBI's 50,000 Cr liquidity initiate to avoid mutual fund run (similar to bank run as in the case of Franklin Templeton)
- State governments will have to play an equally significant role in coping with the present health sector related crisis since that is primarily the responsibility of the state governments. For this purpose, their fiscal deficit limit of 3% of GSDP may also be relaxed up to 4% of GSDP in the first instance. Like the central government, the state governments are also heavily constrained in terms of their own tax revenues due to the ongoing economic slowdown. *Kerala, Tamil Nadu* and *Haryana* are 3 states that have done a great job to bring down the No. of active cases. District governments also need to work to identify and regularly update the hotspots and containment zones. It is possible that even inside orange zone there can be some containment zones.
- During the transition period the government also need to ensure strict law enforcement and a strict judicial system to ensure that rules set are properly followed. Another concern that needs to be taken care of is that during such unprecedented time will job losses a rise in crime rates can be seen so the law enforcement must be strong.

- USIBC is committed to working with India on positioning of a post pandemic opportunity to ensure that India continues to be a global services hub in sectors like pharmaceutical, among others. USIBC is committed to working with India on positioning for kind of a post pandemic opportunity to ensure it continues to be the pharmacy to the world and continues to build its economy to provide more opportunity and investment for India, but also allow India to become more and more integrated into a global supply chain, India will also have to make sure that it takes the steps that it needs to create more efficient opportunities for supply chains to be located in India, whether it's on economic incentives, whether it's on labour.
- The private sector banks have refused to accept foreign currency deposits from NRI due to the fear of covid 19 transmission. The government can ask RBI to take necessary steps to avoid covid 19 transmission despite collection of foreign currency deposits to prevent the loss of essential funds that can be used for credit creation.
- Foreign trade policies to be made more liberal to make up for the contracted exports by 4.8%. The weak rupee can be exploited to increase the exports in the short run. The rupee may further weaken up and augment exports by printing more money which can be used as a short run measure the increased exports can lead to higher GDP. However, in the long run the Currency swap carried out by RBI in exchange of dollars can be used to stabilise the rupee, RBI as on 28th February 2020 had a record high reserve of dollars i.e. 481.54 billion USD. These swaps will inject USD in the market thus strengthening the rupee against dollar. (rupee must not be kept weak for a long time as residents would be losing value).



Lockdown Exit Strategy (part of phase 1)

- A gradual opening up of the lockdown in a phased manner will be critical to avoid a second wave or peak in the viral spread. According to national sample survey, in India there are currently more than 300 districts with no covid 19 cases, 225 districts with less than 10 covid 19 cases with random testing both these categories can be opened up slowly. There are only 30 districts which are hotspots in the country and where the lockdown needs to be extended further and rapid testing in these areas needs to be done. Government labs need to be set up, unfortunately out of these 30 many districts are economic centres of

India eg Delhi Mumbai etc and therefore they need to be opened fast which can only be done when everyone in these districts is tested.

- This can be done by first opening supermarkets with essential items, large corporations with limits on the numbers of employees coming to work. Malls, gyms, entertainment centres, schools and universities should be the last in line to open up. India 's 50% of the population is less than 25 years of age and 65% of the population is less than 35 years of age hence our population is relatively young and has a much better chances against covid 19 compared to countries like Italy where the average age is 48 whereas in India it is 29 years.
- We need to draw up a negative list of activities that are prohibited in order to help ease the country out of the lockdown. The strategy is aimed at opening up a bigger share of the economy and preventing the kind of confusion that's allowed district administrations to be more restrictive than intended. lack of clarity over the guidelines has meant the impact of the relaxation has been much less on the ground than it should have been. This confusion has given too much power in the hands of local authorities and led to the return of an inspector raj that could derail the country's efforts to attract foreign investors looking to shift from China besides further crippling the economy. A negative list will clearly spell out what's not allowed, allowing other activities to resume. We need to have a negative list of five-six things and open up the rest completely. Once general public comes out of homes the advantage of low oil bills can also be exploited.
- Public transport is proposed to be opened with alternate seating, stringent distancing and regular disinfecting. Air travel could also be allowed with vacant middle seats and proper sanitisation. The ports need to reopen so that export and import can resume No gathering of more than 10 persons at the workplace and in public transport systems will be allowed. The new guidelines could also entail a 40-minute gap between shifts in factories with proper sanitisation to be carried out in this period. Besides, hand sanitisers will need to be placed in public places, on public transport and in government and private workplaces. The containment zones and hotspot areas will be sealed even after 17th may. Appointment based businesses (with fixed time allotments) can be opened to ensure no crowding of places. The travel of people above the age of 65 years, pregnant women, children below the age of 10 would be restricted especially in orange and red zones. According to the study conducted by Barclays the 3-week lockdown in India itself caused an economic loss of more than 90 billion USD (9000 Cr USD) and 120 billion USD (12000 Cr USD) till may 3rd. Moreover the total number of deaths by stats compared to car accidents or suicides for that matter exceed the no of death by covid 19 hence from a rational stand point to prevent the distress that daily wage labourers and migrant workers, MSMEs and large corporations are facing along with the problem of unemployment, country falling recession, the economy needs to start for all the right reasons.

- In corporations, calling the employees to work the “shifts strategy” should be applied for eg half the employees can come on specific days and the other half can come on other days. Elder people can work from home till a later date.
- While opening up the economy, India needs to learn from Japan which even though has the highest average age of citizens in the country is relatively much less affected compared to countries like US and Italy. Just like Japan we too need to restrict hand shakes as much as possible and can bow to greet our do namaste. We also need to promote *face mask culture* just like in Japan.
- The government can enforce the use of disinfectants in all public transports eg railways and aircrafts. Once the lockdown is lifted regular disinfectant baths can be provided in hotspots and red zones.
- The government must spread awareness about strict hygiene once the lockdown is lifted and must take stringent measures against irresponsible people. Random check must be carried out even after the lockdown and a close monitor must be kept.
- Self helps Group have also done a great job in this regard. In UP under the SRLM State Rural Livelihood Mission, the SHG called Prerna use ‘*Rangolis*’ and ‘*Markings*’ such as lines and circles to re-emphasise the need for social distancing. ‘*Wall paintings*’ are being used to spread key messages about covid 19 prevention. Other states and SHGs can be encouraged to take such measures.
- Prime Minister must address the fears of the youth and young graduates regarding job loss as this will help boost their morale. We saw how Prime Minister’s regular addressing the nation helped lifting their spirits during the lockdown.
- FDI policies need to be made more attractive, some steps already taken are providing more land for MNCs leaving China. Make in India should be Intensified for this golden opportunity. India is losing out opportunities to Vietnam. This is because of improve infrastructure in Vietnam compared to India and corporates find it easier to set production when there is better infrastructure. Money needs to be spent on developing infrastructure (especially in UP to welcome the 100 new US companies setting foot in India), this won’t only attract MNCs but also absorb the unemployed workers. Moreover, Vietnam is spending 7.5% of its GDP only on healthcare but India is spending 7% of its GDP on health and education combined.
- The cost of starting a business in India is one factor that is causing restriction on MNCs to come to India and it takes close to 27 days at an average to start business compared to 8 days in Vietnam.

Government thus proposes to simplify ease of doing business procedures and quick approvals and decreasing the complexity of procedures. This will attract more MNCs to India driving up the GDP of the country.

- Corruption with regard to FDI needs to be eliminated by setting up an autonomous body that ensures that quick approval for FDI is given by state governments and proper reasoning for rejection needs to be given for the same so that high administrative officials should not trouble MNCs on the basis of red tapism and bureaucracy. This body must be under the direct supervision of the central government.
- To protect Indian companies from opportunistic takeovers, FDI from countries sharing borders with India can invest only under government route. However, a modification is required for this rule. The government route for FDI investment need not be followed in case of *green field* and *brown field* investments. This needs to be done so that it should not discourage neighbouring countries from Make in India initiatives.
- The G-20 countries have announced a US\$5 trillion stimulus package to counter the social and economic impact of COVID-19. This is reminiscent of the coordinated policy action undertaken by the G-20 countries in response to the 2008 economic and financial crisis.

Through the strategies proposed above the government of India aims to bring India towards a V shaped recovery if everything goes smoothly, if not V we can expect a U-shaped recovery or a Tick shaped recovery. However, under no circumstances can we allow the economy to go into an L shaped or a W shaped recovery. So far India has done a great job to contain the virus and statistically in India the number of deaths per 1,00,000 people is 8.5 whereas this figure is 4040 in UK and 1930 in US.

Phase Wise Implementation

PHASE 1 (coming 3 months)

India should engage in quantitative easing by reducing the interest rates from the current bracket of 11-30% to 8-25% and providing discounted loans. Extension of moratoriums and revised payment agreements. Creating a bad bank to absorb troubled loans

Reverse strategy of selling govt bonds and increasing government spending.

Spending 50,000 Cr to aid migrant labourers

Liquidity injection in the NBFC sector in the form of TLTROs and increased govt spending (continued to 2nd and 3rd phases)

1,00,000 Cr needs to spent to improve the medical infrastructure of the country

25,000 Cr on the pharma industry

Lowering CRR and SLR

FDI policies need to be made more attractive, some steps already taken are providing more land for MNCs leaving China.

Ensuring strict law enforcement to keep crime rates under control

The entire lockdown exit strategy is part of phase 1

PHASE 2 (3rd to 6th month)

Brining CRR and SLR requirements up

Ensuring strict law enforcement to keep crime rates under control

50,000 Cr needs to spent to improve the medical infrastructure of the country

Providing bank guarantees

25,000 Cr on the pharma industry

Foreign trade policies to be made more liberal

PHASE 3 (6th to 9th month)

Brining CRR and SLR requirements up

25,000 Cr on the pharma industry

PHASE 4 (9th to 12th month)

50,000 Cr needs to spent to improve the medical infrastructure of the country

PHASE 5 (Long Term i.e in the coming 1 to 2 years)

Starting the pending Central Vista Project

Brining CRR and SLR requirements to normal rates

SOURCE AND APPLICATION OF FUNDS (refer to excel)

SOURCES	in Cr	APPLICATIONS	in Cr	
	AMOUNT		AMOUNT	
Gareeb Kalyaan Yojana (in March)	1,70,000	Free grains to migrant workers	50,000	3%
PM cares fund	70,000	Direct cash transfers (PM kisan scheme)	1,00,000	5%
RBI liquidity measures (rate cuts etc)	6,50,000	Pensions (old age, widows, disability)	20,000	1%
Direct monetisation from RBI	2,60,000	Medcial Industry (comprehensive)	2,00,000	10%
Indirect monetisation (government Bonds)	7,00,000	Pharrma Industry	75,000	4%
Special Drawing Rights (Loan from IMF)	1,50,000	Construction and Infrastrucuture	4,50,000	23%
		Paycheck protection programme	1,50,000	8%
		Kuzarbeit Scheme	75,000	4%
		NBFC support (TLTRO)	25,000	1%
		MSME support	3,50,000	18%
		Aviation package	20,000	1%
		NRLM (National Rural Livelyhood Mission)	30,000	2%
		Boost for Mutual Funds by RBI	50,000	3%
		State Disaster Response Fund	11,000	1%
		Automobile Sector	50,000	3%
		Textile Sector	50,000	3%
		Administrative cost for setting up new bodies	10,000	1%
		Taxes and Excise Forgone	2,50,000	13%
		Misc	34,000	2%
			20,00,00	100
TOTAL	20,00,000	TOTAL	0	%

Loan Repayment Schedule:

Refer to the excel sheet for the Loan Repayment Schedule

How to tackle supply disruptions (divided into phased action plan)

COVID-19 being *the black swan event* has finally forced many companies, and entire industries, to rethink and transform their global supply chain model. It is clear that the pandemic has already exposed the vulnerabilities of many organizations, especially those who have a high dependence on China to fulfil their need for finished products or raw materials.



China's dominant role as the "world's factory" means that any major disruption puts global supply chains at risk. Highlighting this is the fact that more than 200 of the Fortune Global 500 firms have a presence in Wuhan, the highly industrialized province where the outbreak originated, and which has been hit the hardest. Companies whose supply chain is reliant on China are likely to experience significant disruption, even if, according to the most optimistic reports, conditions approach normalcy in China by April.

One major problem is that India like many other countries is largely dependent on china for import of raw materials and finished goods. The supply chain ecosystem and production lines take years to build and set up and that cannot be substituted overnight. China took 30 years to make itself the manufacturing hub, what China did in 30 years can any other country do it immediately? Moreover, many large corporations depend on other countries apart from china eg Korea, Taiwan, etc and these countries also depend on China so supply disruptions will be caused from those countries as well. China has had a monopoly of being the production hub of the world and no other country can match with the abundance of labour that China has. Hence it is almost inevitable to depend on China at least in the short run and meanwhile discovering alternative sources for supply and even localisation which will take time and can only be done in the long run.



Even if Indian companies plan to leave China or Domestic companies plan to substitute China for supplies, they cannot possibly substitute all those countries that provide components part to domestic countries by sourcing their raw materials from China or indirectly depending on China. If at all

companies plan to leave all the countries which supply components parts must do that together which is difficult to plan and execute in the short run. To solve this,

- The essential supplies from China can be continued but all components parts and raw material entering India from China must go through a *72 Hour quarantine period and disinfectant baths* before they are taken to the factories. (phase 1)
- In case due to the lockdown, particular supplies are not available, the production of certain products or particular segments can be temporarily be halted or closed down in order to avoid fixed cost overrun.

According to a report by deloitte companies like India that are dependent on China for their supply chain can take the following measures:

- Enhance focus on workforce/labour planning
 - Focus on Tier 1 supplier risk
 - Understand and activate alternate sources of supply
 - Update inventory policy and planning parameters
 - Digitizing records will make supply chains more resilient to future shocks.
 - Enhance inbound materials visibility
 - Focus on production scheduling agility
 - Evaluate alternative outbound logistics options and secure capacity
 - Conduct global scenario planning
-
- Since manufacturers need to activate their entire supply chains to resume production, they should be encouraged to plan on how the entire supply chain we reopen. For eg Maruti depends on a lot of suppliers for its component parts such as tyres, engine, etc. Many of these are outsourced from abroad. Therefore, it is very important to preplan the supply. Moreover, the administrative structure to approve these plans and facilitate movement for those approved should be quick and effective. (phase 1 and 2)
 - Substitutes need to be searched in case there is dependence on china if any country is providing close substitutes for the supply coming from Chins the imports can be shifted even if it comes at a slightly

high cost because the opportunity cost of halting production will be far greater than the added expense of importing essential components from a slightly expensive country. (phase 3,4,5)

- Localisation must be encouraged to reduce dependence on outside nations as far as possible. In case raw materials can be produced even at a slightly larger cost it should be done keeping in mind the rising uncertainty with respect to lockdown of borders by other countries. Focus should be towards self-reliance and government will urge the nation to use products and raw material produced at home. Just like govt did at the time of khadi. (phase 2,3,4,5)
- Just like the SAARC emergency meeting and the G20 meeting an emergency meeting amongst such nations should be conducted to discuss an alternate source for the supply disruptions caused due to China. Many countries would be waiting to capitlise on the opportunity to act as a stable supply source after china and such countries should be given a chance. Countries like India, Bangladesh, Nepal, Sri Lanka, Vietnam etc which have relatively lower cost of labour compared to other countries should come together to discuss how to use this opportunity and which country can take up the responsibility for an essential raw material. (phase 2,3,4,5)
- Special focus needs to be given towards the seamless supply of medical equipment, drugs and raw material even after the lockdown has been lifted. Under no circumstances can the distribution of these essential commodities be compromised. Appointment of district level disease surveillance officers to ensure no supply disruptions of the essential commodities in different districts and smooth inter district distribution. (Phase 1, 2 and 3)
- Diversify supply base. Like an investment portfolio, a little diversification in suppliers can be a good thing. By setting up your supply chain so that you have suppliers in different places, you can ensure that you'll always be able to get at least some goods amidst any disruption. (phase 3,4,5)
- Government can urge corporates facing serious supply chain disruptions to develop different level of contingencies. If a firm's supply chain has a global footprint. They must strategize a backup contingent plan. A Supply Crisis Management Team needs to be set up by the government that will ensure end to end visibility of the supplies, create open lines of communication, carry out supply chain vulnerability audit, prioritise the most important supplies and look for alternative ways of its acquisition. Eg local production, close substitute, import from another country, etc. (phase 1)
- Urge the corporates to stay ahead of demand. Demand can be unpredictable during a crisis, and you have to be able to track and analyse it in real time. The demand cycle lags supply disruption, so keep a close eye on current trends, and follow consumer behaviour so you can redirect product levels quickly based on changes. (phase 1)
- It is equally important to ensure that there are no intra country supply disruptions and with government assurances, ecommerce platforms such as Flipkart and Amazon must continue smooth delivery of groceries and essentials amidst the shutdown. The home ministry has set up a control room to monitor

the situation, while states were asked to allow the movement of goods and staff so that essentials reached consumers. States will draw up standard operating procedures and start helplines. Phase 1,2,3)

- There are no two ways about the fact that each day is worse than the previous day in terms of number of cases across the globe. With rising cases across the globe each day we are at a higher risk than the previous. For industries that work on non-perishables supplies, they must bulk order and spend on warehousing or proper storage of additional supplies rather than ordering in sufficient quantities from time to time as each successive lot will carry more risk than the other. This way they can also tackle the proper of irregular demand. (phase 1,2,3)

The global financial markets will see less fluctuation once the supply disruptions have been controlled. Hence not only from production point of view but also to attract more FPI and stabilising the stock markets, supply chain is of prime importance.

Strategies to Lessen the Impact of Covid 19 on the Hardest Hit Sectors (along with detailed action plan divided into phases)

Coronavirus is having a negative impact on various sectors on the economy and a lot of industries and sectors are take a strong hit. Aviation, Hospitality (Hotels, Restaurants, Tourism, etc), MSME, Automobile and Transport, Entertainment, Real Estate, Pharma Industry etc. leading to fall in the business confidence and thus business investment. The negative sentiment and the fear that has gripped the economy will take a toll on each and every sector and business, owing to which even the stock markets have seen as record fall and have even plummeted to their all-time lows. With the highly volatile stock markets, supply chain disruptions, lockdowns, and slump in demand it is very difficult for a lot of sector to get back. The wounds cause by covid 19 on these industries will take time however the following strategies can help lessen the impact and hasten the recovery.

- Pharmaceutical industry – amongst so many industries, pharma industry is also taking a big hit due to the covid 19 supply disruptions. This can be attributed to a single major reason of supply disruptions from China. As mentioned above, India imports most of its medicine raw material in the form of API (active pharmaceutical ingredient) from China this figure is close to 3.5 billion USD every year. Due to the supply disruptions Indian Pharma industry has a huge challenge to produce the medicines. However, India fortunately in 1990s used to produce its own API and therefore has huge potential will respect to domestic manufacture of APIs.



As explained in the GDP growth strategies section, 75,000 Cr package must be given to the pharma industry to encourage domestic production of API (active pharmaceutical ingredient) and reduce dependence of raw material on china. Other sources for import of raw material may be explored from countries other than China. India can also import APIs to other countries that are looking for an alternative from china. This can greatly increase our export of not only finished pharma products but also raw materials and can give India a huge advantage in the pharma industry on a global level. It can be the pharmacy of the world. (Phase1,2,3 - 25,000 Cr spending for each phase)

It may be difficult to suddenly shift to domestic production of APIs but it will surely take less time compared to domestic production of other raw material owing to the fact that they were already being produced at home. In the meantime, India will look for alternative sources for import of API to buy us some buffer time or in worst case import from China and follow the 72-hour quarantine strategy explained in supply disruption section. (phase 1- short term next 3 months)

- Construction and Real Estate Sector – In the first wave the daily wage earners are the worst hit as all the construction and manufacturing is closed. Many of the informal workers work in the construction sector however the employment in real estate construction will be impacted because housing demand will fall if people are unemployed and don't have enough money. As a result, there may not be many projects for real estates and therefore employment opportunities in construction will fall.



To revive the construction sector government will be spending huge amounts on infrastructure building (especially the medical infrastructure which is the need of the hour) govt has to set up thousands of laboratories across the nation. Moreover, outsourcing large government projects to private corporation can help lift this sector. This will also lift the cement industry. With many US MNCs entering India, it is one of the top priorities to focus on infrastructure which will in the coming months boost the construction industry. (phase 2,3,4,5 – after extension of lockdown long terms projects extending till the 5th phase i.e 2-3 years will be undertaken)

The land reforms will be improved and proper coordination and communication between the central and state government will be ensured. Approval processes will be streamlined. The dividend distribution tax on Real Estate Investment Trust will be scrapped to attract investors.

- Automobile Sector – Probably the worst hit sector out of all is this one amidst the lockdown It accounts for 7.1 % of India's GDP and 41% of India manufacturing GDP. Even before the covid 19 situation the

automobile sector had seen a downfall but after covid 19 the situation has worsened this is because due to enormous pay cuts and job losses the 2 wheelers and 4 wheelers have become a luxury commodity for which the general public doesn't have enough funds. Moreover, amidst the lockdown no one is using their automobile and thus the demand for this quarter has been plummeting. China supplies 27% of the component auto parts to India.



To revive this sector the only way is to stimulate demand, the rate cuts as mentioned in the GDP strategy also with the efforts to lift the banking sector and NBFC sector will eventually lead to greater liquidity and find its way into the hands of the consumer which will stimulate demand. Liquidity infusions of 25,000 Cr to NBFC sector in the form of TLTRO (targeted long-term repo operation) will help the auto sector as well. The demand for 2-wheeler will be higher than that of 4 wheelers initially. A silver lining for the auto sector can be brought by reducing the VAT duties by the states and some temporary relief on the GST front. This can help increase the demand (due to the law of complimentary good in economics). The suppliers and dealers engaged in the auto sector will have to play a more supportive role as well. (phase 1, 2 after the first 6 months auto sector will be back to normal)

A re-priming of these automotive segments will require bringing significant focus back to the core sectors of the economy. Money and capital will also need to flow back into the infrastructure sector, particularly for settling existing contractor dues and re-oiling supply chains.

Revival of the auto industry leads to the revival of freight, which further leads to the revival of the truck industry and all these revivals will lead the revival of jobs which will lead to the revival of consumption.

- Aviation Sector – The aviation sector around 600,000 ground and support roles on contract are at risk. Moreover, the maintenance costs and the cost of leasing the planes are very high which are not being covered as amidst the lockdown the demand for travel has slumped. Many flights had to be cancelled and fixed cost overrun and pay cuts is choking this industry as well.



One way to give slight respite to the sector is by including private airlines like Indigo, Vistara, SpiceJet as part of the Vande Bharat Mission which will be the largest evacuation mission. Since in the coming months large no. of flights are needed to bring more than 1.9 lakh Indian back home. This operation in itself can give them some business. However, the flights will have to bear huge economic costs if flights go empty 1 way and to tackle that is with the strategy of sending foreigners or NRI abroad who want to go to their countries (a detailed explanation of this strategy is given in the International Relations Section). The main revival of this sector will only take place after flight operations resume when the lockdowns are lifted. The government will allow the flight operations to resume with vacant middle seats after lockdown 3 ends.

The aviation industry can also take the advantage of low oil prices can government temporarily will have to reduce their excise collections from oil. With low oil prices the aviation sector will recover fast. (Phase 1 and 2)

The sanitation cost of airlines will definitely increase in the aviation sector to ensure high levels of sanitation not only in the flights but also at all the airports for which the government will to provide 20,000 Cr to the aviation sector to cope with these rising costs.

The civil aviation ministry will work on a project will commercial airline to develop seats each in the form of a small compartment and replacing those seats in commercial airlines. This will provide a better flight experience, privacy and a room for airlines to charge more. This operation will be tested on an experimental basis in a few flight and based on the response further steps will be taken.

- Textile Industry – 18 million workers are directly employed in this sector (let alone indirectly) even textiles to some extent is seen as a luxury good and the current situation may see a slump in demand in the textiles especially some expensive textiles like leather, silk etc. the export consignments for leather are also stuck due to problem with logistics.



Committees will be set up by the union textile ministry to come up with suggestions on how the textile and clothing industry could be revived post the COVID-19 crisis. The committees, with representation from the industry and the Ministry, will come out with suggestions in a week. (phase 1)

In a bid to contain the adverse economic fallout of COVID-19, the government will provide wage support to the workers this, by far is one of the most direct means of reaching government assistance

to those who need it the most. This will be part of the 50,000 Cr package for migrant and daily wage workers explained in the GDP growth section. (phase 1)

- MSMEs – They contribute to 29% of India's GDP and 40% of the exports it is the backbone of the economy.



The big problem faced in the MSME sector

As shown in the 4th chart below close to 99.5% of the MSME are part of micro enterprises. This means that such businesses are so small that they are not registered anywhere. Moreover, they do not qualify in the GST threshold category and thus do not qualify to pay taxes. Most of the MSMEs in order to save their cost do not maintain any proper accounts and norms and regulations are not properly followed. Thus, the problem is that they are not considered a part of the formal economy. This constrains the government's ability to help them. The second problem is that 2/3rd of the financing of these MSMEs is done through the informal sources and only 1/3rd of the amounts are borrowed from the formal sources. As seen in the chart 5 (source world bank report 2018) below only 10.9 lakh Cr out of 36.7 lakh Cr is borrowed from formal sources. Third problem is that even if RBI gives money to banks, the banks dither from giving loans to the MSMEs due to their high ratio of bad loans, this can be seen in the graph below. The fourth big issue is that there are frequent delays in the payments to MSMEs be it from their buyers or in the form of GST refunds.

According to a recent survey only 7% of the MSMEs claimed that they will be able to survive for more than 3 months with their cash in hand if their businesses were closed. What does that say about the remaining 93%?

CHART 2: ESTIMATED NUMBER OF MSMEs (IN LAKH)

Activity category	Rural	Urban	Total	Share
Manufacturing	114.14	82.50	196.65	31%
Trade	108.71	121.64	230.35	36%
Other services	102.00	104.85	206.85	33%
Electricity*	0.03	0.01	0.03	—
All	324.88	309.00	633.88	100%

*Non-captive electricity generation and transmission

CHART 3: ESTIMATED EMPLOYMENT IN MSME SECTOR (IN LAKH)

Broad activity category	Rural	Urban	Total	Share
Manufacturing	186.56	173.86	360.41	32%
Trade	160.64	226.54	387.18	35%
Other services	150.53	211.69	362.22	33%
Electricity*	0.06	0.02	0.07	—
All	497.78	612.10	1109.89	100%

CHART 4: DISTRIBUTION OF ENTERPRISES CATEGORY-WISE (IN LAKH)

Sector	Micro	Small	Medium	Total	Share
Rural	324.09	0.78	0.01	324.88	51%
Urban	396.43	2.53	0.04	309.00	49%
All	630.52	3.31	0.05	633.88	100%

CHART 5: POTENTIALLY ADDRESSABLE CREDIT GAP IN THE MSME SECTOR (IN RUPEES TRILLION)

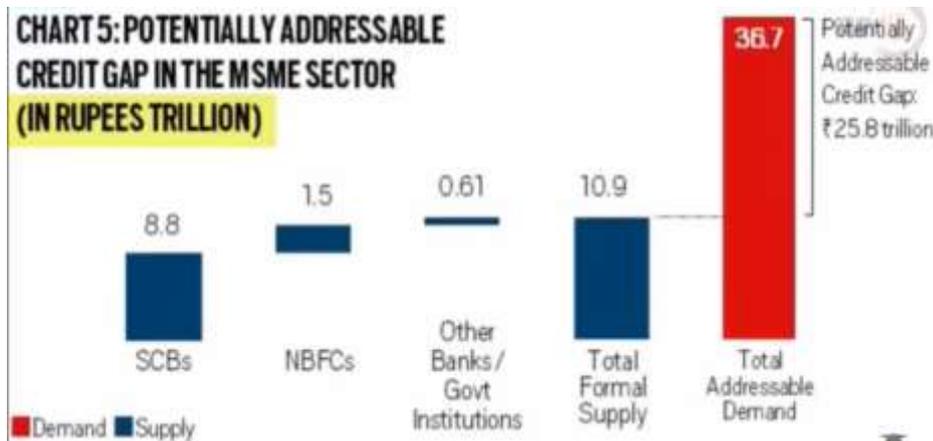


CHART 6: SEGMENT-WISE NPA



Solution –

- The central government also needs to simplify GST norms and suspend GST collections from MSMEs for at least 6 months and no interest, late fee or penalties charged for GST for the next 3 months aiding MSMEs. MSMEs are one of the worst affected sectors and according to a report by deloitte out of 11Cr workers employed in the MSME sector close to 4Cr workers have lost their jobs. A fiscal stimulus package

of 50,000 Cr by the government must be provided to aid the MSME sector. (phase 1 and 2 the GST relations may be lifted after the end of the 2nd phase)

- The government should be quick in providing GST refunds and payment for their purchases to MSMEs. (phase 1 and 2)
- Provide liquidity to rural India in the form of schemes like PM Kisan to boost demand for the MSME products. This is because the survival of MSMEs depends on the demand. If there is no demand in rural India then MSMEs will cut down production and face cash crunch and losses. The demand will ensure that they have enough cash in hand and continuous production. (phase 1)
- Loans to MSMEs are mostly given against property as collateral but in times of crisis property values have fallen and that inhibits the extension of new loans. A major aid that government can provide to MSMEs can come in the form of credit guarantee this can help assure the banks that its loan will be repaid by the government in case the MSMEs falter. (phase 1)
- State survey stats show that 7 states account for more than 50% of the MSMEs in India these include UP (14%), West Bengal (14%), Tamil Nadu (8%), Maharashtra (8%), Karnataka (6%), Bihar (5%) and Andhra Pradesh (5%). Thus, the central government must discuss with the respective CMs of the states in the implementation and additional aid that can be provided.
- At the grassroots level the district government can also help identify the informal MSMEs and their sources of Financing so that through the aids of the state government, the same can be forwarded to the MSMEs. Thus, this creates a link from central to district govts. (phase 1 and 2)

- Service Sector (hospitality, entertainment tourism etc)– India is largely dependent on service sector for its GDP growth and close to 31% of the Indian population employed is working in the service sector. Service sector is also taking a hit, this includes trade, finance & banking, real estate, insurance, social and personal services, hotels, transport, storage communication, hospitality etc. a large hit due to lockdown in sectors like tourism and because of this even the flower industry is taking a bad hit because maximum flowers are used in the decoration of hotels and marriages. The creative and entertainment industry employs 10 million people who are also vulnerable.



Focus on the Change in customer experience: During the epidemic, measures to avoid cross contamination through food, containers or human touch, have suspended the “culture of sharing”. Moreover, due to restricted motion during the epidemic, the hotel industry will have to prepare for a significant increase in tourism demand after the epidemic. How hotels coordinate their resources and adapt to this sudden increase while guaranteeing service quality is critical to their survival. (phase 1,2,3,4,5 as this is the way forward it will be the new normal)

Due to the uncertainty of the changes in customer needs after the epidemic, hotels need to review their existing service offerings so as to adapt to the changes in customer experience. Restaurants in hotels may start presenting personal serving spoons when delivering a shared dish, promoting contactless delivery for in-room-dining, and designing menus in single portions rather than a sharing size. What’s more, to cope with the sudden increase in demand without sacrificing service quality, hotels can plan ahead for manpower scheduling, assess bottleneck in service delivery, allocate resources and maintain cash flow through pre-sales. (phase 1,2,3,4,5)

In response to the change in consumer-thinking, hotels need to make adjustments in a timely manner, e.g. a return to the basics of hotel standards, strictly follow HACCP, and promote the importance of hygiene within the organization. With high hygiene standards in place, hotels can promote their reliability in choosing raw materials and create a “safe” image of the hotel’s F&B offerings compared to stand-alone restaurants. This helps to instil greater acceptance from the neighbourhood and generate more F&B revenue from the local community in addition to hotel guests. (phase 1,2,3,4,5)

Attract Millennials! – According to the New York Post, millennials are the most eager to get back out and explore the world after the coronavirus ends. Sure, they are worried about the outcome of the COVID-19 pandemic. Yet, they are more fearless and more desiring of unique experiences right here right now. As of now, they are taking advantage of the crazy low prices showing no fear of the virus. (phase 1 and 2)

What's more, millennials are expected to be the first to start traveling once the restrictions are relaxed. Thus, we recommend considering the exact ways how to attract them and include them as an essential step in the business recovery plan.

How to Tackle the Problem of Fake News and Steps Government Can Take to Provide Credible News to the Public:

Fake news impact

The authenticity of Information has become a longstanding issue affecting businesses and society, both for printed and digital media. On social networks, the reach and effects of information spread occur at such a fast pace and so amplified that distorted, inaccurate or false information acquires a tremendous potential to cause real world impacts, within minutes, for millions of users. The proliferation of fake information about Covid-19, is spreading faster than the virus itself (and arguably causing more harm)



The Misinformation of US President Mr. Donald Trump threatening India over Hydroxychloroquine:

It was very important for the Ministry of External Affairs spokesperson, Mr. Anurag Srivastava to clear the controversy of US threatening India over HQC. He said that India had revised its position on export of critical drugs. He claimed that a section of the media was trying to “create unnecessary controversy” over covid 19 drugs. This controversy was on the politization of drugs.

The reporter had asked Mr. trump two questions. The first one being that since the US had frozen the export of medical equipment due to paucity of the same in US and if their will be retaliation against “the freeze of these exports” and not the exports that India will not send them (which never was the case) in the video shown all over media the video was edited to show that Trump was talking about retaliation coming from the stop of export from India to US. The other thing that the reporter said was that India has said that they will not supply hydroxychloroquine to India to which Mr trump said that he didn’t get to know any such update from India’s PM and he hopes that was not the case

- Thus, when fake news like this is spread the appropriate ministry can clarify it at a national level. By posting relevant comments on social media like twitter etc. just like in the case mentioned above when such clarifications come from the government itself they are more reliable and clear any form of controversy whatsoever.



The misinformation regarding the conspiracy theories of coronavirus being a bioweapon also brimmed the internet. Again, the claims about coronavirus being a biological weapon are unsubstantiated and there is no conclusive proof for the same. And the Chinese government clarified this misinformation.

Government to Encourage SHGs In Rural Areas to Prevent the spread of Fake News

Women self help groups have done a commendable role in preventing the spread of fake news. Women members of 63 lakh self-help groups are doing their part to fight covid 19 under the Deendayal Antyodaya Yojana – National Rural Livelihood Mission have done an important contribution.

All the State Rural Livelihood Missions (SRLMs) have been made aware of the various aspects of the disease including the need to maintain personal hygiene, social distancing, etc. through Audio Visual Information, Education and Communication (IEC) material and advisories.

The SRLMs are using all the information to ensure that the correct message is communicated by various means like telephone calls, wall writings, pamphlets, social media, etc. This needs to be done across all districts because there are many underprivileged people and the illiteracy levels are high in rural areas. Such people easily believe any information including fake news. SRLMs act as the correct channel of communication and by providing the right information.

SHG in Bihar called 'Jeevika' is utilising the mobile vaani platform to spread awareness among the community through voice messages and answering queries on covid 19.

Mobile Vaani is a mobile- based voice media platform for underserved areas in India where the internet penetration is less or where the telephone connections may not be adequate whereby users generate content in their own local dialect through an Interactive Voice Response System (IVRS)

In Jharkhand the SRLM initiated Didi helpline, this helps migrant labourers by providing them with verified information 24 by 7.

The Kerala SRLM has dispelled the widespread fake news causing panic through WhatsApp groups and propagating only the right information.

The government will be investing 30,000 Cr for NRLM (national rural livelihood mission) to over 7 Cr rural poor households across 600 districts and 6000 blocks, 2.5 lakh gram panchayats and 6 lakh villages in the country. An activity map will be built to facilitate convergence in different areas between the NRLM institutions and PRIs (Panchayati raj institutions) and this will be disseminated to all the SRLMs. Through self-managed SHGs and institutions and support them in carrying out these initiatives across the entire nation in all rural areas.

How to Report Fake News on TikTok

TikTok was already going viral before the [coronavirus pandemic](#) hit the world. Now, according to a report by Sensor Tower, the short video platform has been downloaded over two billion times globally. The report states that the app was downloaded 315 million times this quarter alone in both the [Apple](#) App Store and the [Google](#) Play Store combined, a clear sign that more users are signing up thanks to the lockdown.

With this huge growth, the platform has also seen a fair share of users trying to spread fake news on the coronavirus pandemic. To manage and curb the spread of fake news on its platform, the company has introduced a new feature, which lets users report suspicious videos for the brand to check out and determine, if they are spreading misinformation or not.

If you use TikTok and get to see a fake news video related to the [COVID-19](#) outbreak or regarding any other topic. Here's how you can report it to the platform:

- Browse to the video you feel is spreading fake news.
 - Tap on the Share located on the bottom right corner.
 - Tap on the report button that appears in the new sub-window that opens up.
 - Now select the 'Misleading Information' option.
 - Select the COVID-19 option and then fill up the description as to why you feel the video is spreading fake news.
 - After you are done tap submit to send the video to TikTok to review.
-
- Another measure that can be taken to tackle the fake news is by developing a government monitored news app (just like the government developed Aaragya Setu app) to ensure that 100% authentic news reaches the public.
 - Advertisements warning people against fake news can be issued in public interest (just like daily hunt add) and as much awareness should be created as possible including WhatsApp forwards. It is essentially a battle to beat the fake news creators and the fact that a news is fake must reach a large section of the society to curb such fake news.

- The government must heavily fine those agencies or people or groups forwarding fake news. There is a fine line between giving one's opinion on something and publishing fake news. In case of opinions no action needs to be taken to protect democracy and freedom of speech but such opinions must be clearly stated and not given the form of news. The suspension of a journalist's accreditation can be done for publishing fake news.
- Government under the IT act must create or amend a law against fake news to. Punishment under such violations will also be decided. A separate law against this will help the government to solve this problem to a great extent.
- Even on WhatsApp a great feature which mentions "forwarded" on forwarded messages along with the no. of times the message is forwarded is given. This can be really effective in detecting fake news. WhatsApp's efforts to reduce the spread of fake news has included limiting of the number of forwards to five. Study suggests the 'doubt' feature may help the platform cut the spread of misinformation on WhatsApp. Adding a simple "button" to express doubt in reference to claims made on WhatsApp posts, or enabling users to easily flag statements as problematic, unreliable, or groundless may help the platform cut the spread of misinformation
- Lack of regulation is a major reason for the floating fake news, the mainstream media though is regulated, the online platforms do not come under any proper regulation system. The government must set up a body, this body will work with NBA (New Broadcasting Association) to identify fake cyber news revolving on social media and catching the source of fake news and taking disciplinary action against the violators.
- Public opinions can be mobilised by addressing the weaknesses that allow the fake news narrative. Replace such narratives with a different narrative based on facts. The government can urge the general public to verify information at their personal level (self-censorship) by cross checking with other credible sources. Once they have verified the sanctity of a news, they should protect others around them from falling prey to fake news by clarifying the same to them. Check before you share!
- Social media companies and government can together fight the spread of misinformation through a joint effort. Social media companies have information about user behaviour that the government doesn't have; third-party researchers have information about how information moves across the ecosystem that neither has. We all have a few pieces of the puzzle and must cooperate and share information and alert each other to evidence of manipulative campaigns
- Government can spread these pointers to public in the form of pamphlets and through social media to help the general public understand how to gauge which news is fake.
- Avoid websites that end in ".lo" ex: Newslo. These sites take pieces of accurate information and then packaging that information with other false or misleading "facts"
- Watch out for websites that end in ".com.co" as they are often fake versions of real news sources

- Watch out if known/reputable news sites are not also reporting on the story. Sometimes lack of coverage is the result of corporate media bias and other factors, but there should typically be more than one source reporting on a topic or event.
- Bad web design and use of ALL CAPS can also be a sign that the source you're looking at should be verified and/or read in conjunction with other sources.
- If the story makes you really angry it's probably a good idea to keep reading about the topic via other sources to make sure the story you read wasn't purposefully trying to make you angry (with potentially misleading or false information).
- If the website you're reading encourages you to DOX (researching and broadcasting private or identifiable information about an individual or organization), it's unlikely to be a legitimate source of news.
- Last but not the least, it's always best to read multiple sources of information to get a variety of viewpoints.
- Fake news when revolving in the social media can still be tackled but when it enters the news media it becomes extremely difficult to tackle. Hence it is very important that news channels must do a proper study before publishing a story and in case they were a prey to fake news, they must on moral grounds, clarify that themselves. However, prevention is better than cure and senior news reporters must train the newcomers to be very sensitive and carefully while selecting stories and displaying the accurate facts.

“Our republic and its press will rise and fall together” ~ J. Pulitzer.

Using the Power of Media, Journalism and PR to Instil Confidence in All Stakeholders of the Country:

Impact of covid 19 coupled with the Lockdown

Human beings are social beings. Due to the national lockdown there are no social contacts and the number of people with whom we have an interaction has come down. This has caused detrimental effects on both mental and physical health. For eg many people have started getting depressed, obesity because of sitting at home and lack of movement and working, fitness has taken a back seat. Human beings thrive on social engagements and are wired to stay connected. When these connections are threatened or unavailable the nervous system may go out of order and many negative impacts on the body.

Both loneliness and social isolation can trigger a cascade of stress hormones that produce physiological changes and increased heart rates, increased muscle tension and thickening of blood.

The media can certainly play a very powerful role in uplifting the spirits of all the stakeholders in the country that are filled with gloom. Some steps in the past have shown great results.

One of the best ways to use the power of media is to ensure regularly address by the Honourable Prime Minister of the country Mr. Narendra Modi. When Mr. Modi addressed the nation on tapping spoons on steel plates (thalis) to acknowledge the efforts of covid warriors. His requesting the nation to light candles and lambs, etc show that all these gestures lift the spirits of the nation and people eagerly wait for Prime Minister to interact with the nation. Amidst the gloom of the lockdown there is also some form of excitement and curiosity related to PM's speech.

It is absolutely essential that PM must be engaged with and address all the fears that different sections of the society have. PM with the help of media can announce any upcoming important steps that the government will be taken and alert the nation in advance to be prepared for the same.

The PM must urge the public through media to do some form of fitness exercise, yoga or meditation to ensure mental and physical wellbeing. It is also very important not to watch news channel 24 by 7 as that too can lead to "information overload" and the regular hike can further bring down the spirits of the people. It is important to spend time with families and take care of elder's arounds us, play some form of games inside the house as such activities can keep us distracted and for some time get our attention away from the gloom caused by corona. People can sit in their balconies every evening and enjoy the fresh air with AQI at record lows.

We do not just require the media to inform. A wider glance of the Sunday press shows the power of creativity – guides on how to make the best in lockdown, smart thinking on keeping fit, helpful hints on keeping the kids entertained. All life – even in the perilous times of our lives that is COVID 19 – exists here.

For High School Students, Young Graduates and College Students:

Prime Minister must address the fears of the youth and young graduates regarding job loss. They should be encouraged to upskill themselves during these tough times and adapt themselves to the post corona world.

The government can focus on India's demographic advantage will a population of 600 million young students to *promote start up culture in India.*

Advertisements to promote start up in India can lead to a new sense of hope among the youth. To encourage start-ups, ease in loans for start-up must be provided and the earlier 3-year tax exemption should be pushed to 5 years given the current situation of the economy.

The media and the journalists must bring the latest updates with regard what decision is being taken to reschedule the exams and ensure that students who have already gone through so much mental distress must have favourable and flexible rescheduled exams.

For working professionals and labourers:

The bailout packages from the government and appropriate steps communicated by way of media and journalists can help bring confidence in the working professional.

It is equally important to ensure that Media and Journalists are communicating the concerns of all the sections of the society to make sure that the steps that the government is taking are satisfying the relevant sections of the society. Not only government but also society with the help of media can communicate their ideas to their fellow members of the society.

The media must communicate to the labourers the steps and aids that the government is granting them along with a detail explanation of how to exploit these benefits. The employers and privileged class can be urged to help the migrant labourers and workers in availing the government benefits.

The power of media, PR and journalist spreads across social media and through proper communication, coordination and clarification the problems of different sections of the society can be adequately addressed.

How to Tackle the problem of Unemployment and Save Jobs?

Status of unemployment in India before the pandemic:

According to a research by Centre for Monetary Indian Economy shows that in November 2019 the unemployment percentage in India is close to 8%. After Independence India's growth was mainly dependent on the agricultural sector. Most developed nations create a strong primary sector base to ensure employment in their country and the growth then shifts to secondary sector followed by the tertiary. In India we can see that industrial sector was more or less constant and India has directly jumped from the primary to tertiary sector. The industrial sector was never properly expanded and exploited.

Another fact to be noticed in the chart below is that in the industrial sector (especially in the manufacturing sector) for the passed 40 years has been constant (close to 16%) in its GDP contribution which means that in the last 4 decades we haven't increased our manufacturing to improve its contribution to the total GDP of the country.

Another problem faced is that in recent times the manufacturing sector is becoming more and more capital intensive and less labour intensive. The capital to labour ratio ratio is increasing as seen in the graph below

PROBLEM WITH INDIA'S GROWTH

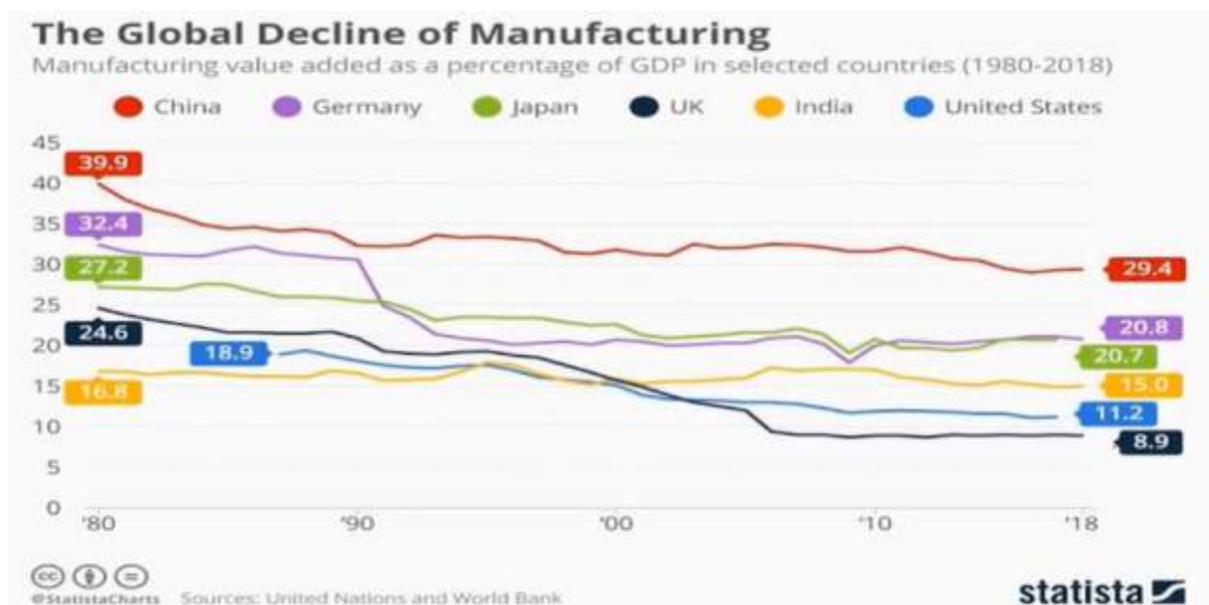
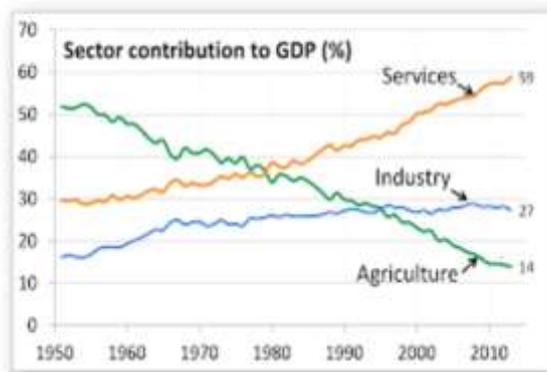
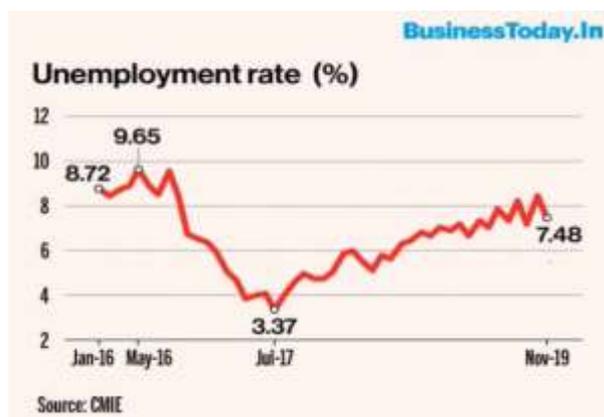


Table 1: Fixed Capital to Labour Ratio in organised manufacturing has been rising

Time period	Fixed Capita to Worker ratio
FY01 to FY05	7.3
FY06 to FY10	10.9
FY11 to FY15	20.5
FY16 to FY18	26.5

Source: Annual Survey of Industries, Ind-Ra

How things became worse due to the pandemic

In India due to the covid 19 pandemic there has been a total of 136 million non agricultural jobs are at immediate risk according to national sample survey and periodic labour force surveys. This includes not only the contractual and daily wage workers but also the regular salaried class who have to bear the brunt of pay cuts across almost all sectors. There could not have been a worse time for covid 19 to hit India. generally, every year India has to

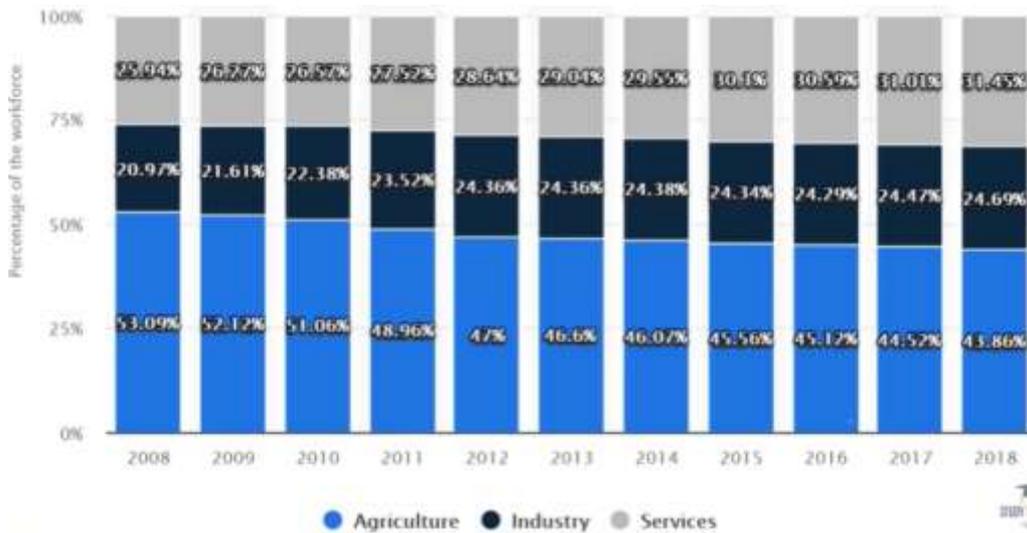
add 1 Cr jobs every year for those who are added to the working age population but rather 9 million jobs are lost only in the manufacturing sector according to live mint. India labour force as in 2018 is 495 million out of which 30 million are unemployed and most of the remaining 465 million worker work in the informal sector which is in more danger than formal sector jobs as they are not secured. Close to 217 million workers across service, manufacturing and non-manufacturing sectors are employed in informal sector. The biggest problem of informal sector is that there are no written contracts followed for employment. Overall a total of 136 million worker have no contracts and remain the most vulnerable.

A breakup of this 135 million is given in the graph below:



Solution

- *Boost the manufacturing Sector:* Studies show that any country which has to reduce its unemployment must boost its manufacturing sector. The manufacturing sector has the highest potential to absorb surplus labour in the economy. *Employment elasticity* is the highest for manufacturing sector.
- *Why not agricultural sector:* It would not be a good idea to boost the agriculture sector in India as already half of India's workforce is employed in this sector and more importantly this sector doesn't grow fast enough and it is not remunerative enough to provide gainful employment. As seen in the graph below it is indicative that more and more people want to come out of the agricultural sector as the no. of people employed has fallen from 53% to 44% in the last decade.



- To solve the problem of capital-intensive work, government will create more job opportunities in those manufacturing industries that are labour intensive eg textile and leather industries, mining and construction industries, food processing, furniture etc. A modification in the labour reforms will be done to attract more labour.

During the pandemic not only India but many countries are facing the problem of unemployment and countries like US and Germany have come up with models to protect jobs. India can learn from these models, these are *PPP (paycheck protection programme)* model and *Kurzarbeit Scheme*.

Short Term Reliefs

- The US, out of their 2.2 trillion stimulus packages dished out 350 billion (that is 16%) under PPP for businesses that employed up to 500 people. It involves loans upto 10 million USD and the companies can use these funds to cover their payroll costs. The benefit for the companies is that they do not have to repay they loan unless the businesses have laid off workers or resorted to pay cuts.

Compared to US , in India since the proportion of employees working in businesses is relatively less, we can shell out 7.5% (not 16%) of our stimulus package (that is $7.5\% * 18 \text{ lakhs Cr} = 1,50,000 \text{ Cr}$) for this purpose. This will save a lot of jobs in the manufacturing and in the MSMEs and employers and businesses are adequately incentivised not to lay off workers as the money is not going out of their pockets. This will help the corporations retain employees till the lockdowns are slowly lifted.

However, this aid from the government will only be in the short term till end of July, it won't be feasible for the government to keep saving jobs for a long time.

- India can also borrow from Germany's Kurzarbeit model in which financially distressed companies can reduce the work hours and the government will take the responsibility for the worker's lost wages. All the companies that have reduced 10% of the work hours and the government also feel that they are financially

distressed, can apply for these funds. This model has been used in Germany in the past in 2008 when their GDP contracted by 5% and the unemployment by this scheme was brought down from 10% to 7.6%. there is no reason to believe that this model won't work in India in this situation.

- Another measure that the government is willing to explore is of '*attrition tax*' the attrition of the companies will be taxed just like corporate tax on the basis of predefined bracket. 2% tax for attrition less than 5%, 4% tax for attrition between 5-10%, 6% for attrition between 10-15%.

What Can be Done in the Long Term

- India is losing out opportunities to Vietnam. This is because of improve infrastructure in Vietnam compared to India and corporates find it easier to set production when there is better infrastructure. Money needs to be spent on developing infrastructure, this won't only attract MNCs but also create a lot of employment opportunities that the country is in dire need of.

The cost of starting a business in India is another factor that is causing restriction on MNCs to come to India and it takes close to 1 month at an average to start business compared to 1 week in Vietnam. Government thus proposes to simplify ease of doing business procedures and quick approvals and decreasing the complexity of procedures.

- The most important opportunity for India to protect the jobs and reduce unemployment is to capitalise on the opportunity given by large MNCs from US who are facing the problem of ABC that is – Anything But China. Since companies like Apple, Google, Microsoft are leaving China and coming to India. Moreover, India is freeing up land to provide to these MNCs these MNCs to a large extent can solve the problem of unemployment. Government has already planned many steps to attract these companies to India and exploit this opportunity. For eg the government has ensure adequate skilled labour for the 100 new US companies coming to UP, good water supply, capital and land subsidy.
- To further increase employment in the long run there should be gradual rate cuts and fall in interest rates in the long run and a stable inflation close to 3-4% along with expansionary monetary and fiscal policies and supply side policies. The industrial sector or the secondary sector has the maximum potential to absorb additional manpower and to do so India needs to spend on infrastructure building. This will also boost FDI and service/ tertiary sector which will bring more jobs to India in the long run.

Strategy Targeted Towards Solving the Problem Faced by India's Young Graduates

Impact of covid 19 on Graduates

With unemployment soaring during these tough times, recent graduates waiting in the wings and looking for their first job feel marooned. According to the [All India Survey of Higher Education](#) by the Ministry of Human Resource Development, India saw 32.9 lakh students graduate from the Arts, Commerce, Science and Humanities streams in 2019. Engineering and MBA graduates accounted for around 16 lakh graduates last year, and the numbers may be expected to be comparable for 2020. In an already [bleak job market](#) with [growing unemployment rates](#), a majority of these graduates are likely to find it extremely difficult, if not impossible, to secure employment. COVID-19 has not only altered our ways of life radically in the present, it has also thrown the future of lakhs into question.

For many, the prospect of employment after their education was crucial in their decision to pursue expensive courses. Many took out education loans to complete their studies and pinned hopes on the jobs they would get, to help them repay the loans and ease the financial burden on families.

Strategies:

- Because of the pandemic, at least in the short run there will be a slump in the no. of jobs available which may lead to forced entrepreneurship. So, the government might as well use this opportunity as mentioned above to promote a start up culture in India or Start up India. The government must urge on self-reliance and start-ups are as self-reliant as it gets.
- As part of the economic relief measures proposed by the Central Government, a three-month [moratorium on the payment of EMIs](#) for term loans, including education loans this will aid all those graduates whose families had taken an educational loan and who relied on a job to payback the debts.
- For all those who can afford, the government must urge them to pursue higher education. Higher education will turn graduates into post graduates and bring them in the corporate world after 2 extra years. Which will give the economy enough time to recover and absorb the students. The government will have to appeal to all the top MBA and B school across India to suspend work experience as a criterion for selection into the top B school for the batches 2019,2020 and maybe even 2021.
- The MHRD can issue a plea to all the companies not to withdraw their job offers who have recruited so far. The packages however can be renegotiated.
- The government of India can extend the PPP model even for the young graduates so that companies have less incentive to withdraw their applications.
- Reframing existing skills and adaptability will be the need of the hour. As the number of coronavirus positive cases began to rise in the country, educational institutions across the board were the first to be shuttered. This led to a vacuum, with students having nowhere to turn to for guidance and direction to support their learning process. In this time, digital learning has emerged as a viable alternative. Several ed-tech start-ups today are offering e-learning courses for free or on heavily discounted rates. Similarly, government e-learning portal SWAYAM has added a variety of new courses to their repository all available for free to help the students.

The current education system is insufficient to provide adequate exposure and skills to students and this problem predates the covid situation. To fill this gap the government can provide online courses for free that specifically provide the students the required skills. Moreover, the MHRD must ensure that colleges are maintaining the standards of education that the corporates require. Providing the students with the required skills and industry exposure.

An example to explain this can be Delhi University which comes under the Delhi government. The university has no minimum attendance requirements, no regular classes, the attendance of the faculties is also not under check. The infrastructure of some colleges is in pathetic condition. The MHRD and UGC needs to ensure that the curriculum must include compulsory internships, online, practical and industry related assignments, minimum attendance requirements etc.

- Covid 19 has shown the world that circumstances can change in an instant and render all previous situations useless. In the post covid 19 world the experience of employees already employed will be of little advantage and as a result the young graduates might just be an equally good proposition if not better as they won't even expect handsome packages. In the post covid world the existing employees might just need almost equal amount of training to adapt to the circumstances.

International Relations

A disease that could spark up in one area of one country could suddenly spread globally and literally shut down the entire international system. The virus is changing life as we know it on a daily basis. Covid 19 is rewriting our future. This pandemic made us realise how interconnected the world is.



- With US and other firms leaving China, a golden opportunity lies in front of china not only to be welcome them to start businesses in India and boost India's GDP which in turn will enable India take the centre stage in Asia and emerge as a superpower, but also to improve their international relations with a number of countries.
- India's biggest competitors in this regard that is Thailand, Vietnam and Taiwan are also looking to grab this opportunity. For India to emerge victorious as mentioned above it needs to improve its infrastructure

as Vietnam currently has better infrastructure than India which makes it easy for businesses to set up their businesses. We need to provide quality services such as healthcare, banking to welcome the MNCs. The cost of starting a business in India is another factor that is causing restriction on MNCs to come to India and it takes close to 27 days at an average to start business compared to 8 days in Vietnam. Government must simplify ease of doing business procedures and quick approvals and decreasing the complexity of procedures.

- Other factors that will welcome the MNCs to our nation will be ensure political stability, stable currency (RBI will have to play a pivotal role to endure that India currency should be stable which currently is not the case).
- India will also be offering large acres of land to US and other companies leaving china and ensure that land reforms are not very stringent. This too will be appreciated by the MNCs.
- Another positive step by the Indian government to improve international relations and cooperation among nations was the proposal of a SAARC fund to fight covid 19. Members of SAARC that is Afghanistan, Bangladesh, Bhutan, Sri Lanka, Nepal, Maldives, all appreciated this move. India was the first nation to add 10 million USD to it.
- The government is ensuring that the 100 US firms entering India in UP must have adequate supply of skilled labour, good water supply, capital and land subsidy etc. strengthening the ties between US and India.

Surely with all these efforts, India will be able to attract many MNCs and take the centre stage and slowly start becoming the world's factory.

- Not only the world's factory. India also has a great chance of becoming the *world's pharmacy*. The number of testing in India is increase on a rapid pace as seen in the graph below and Niti Aayog is taking steps to ramp up production of testing kits in India to expand diagnosis as well as exports. *China's failure is India's opportunity* Will the faulty testing kits of china another great opportunity lies in front of India which it is planning to fully capitalise by exporting it to nations that need it.
- As mentioned above the 75,000 Cr package for the pharma industry is to regenerate the production of API (active pharmaceutical ingredient). India relies on china for 75% to 80% import of the raw material for its medicines essentially in the form of APIs. However, in 1990s India was producing its own API. To go back to that state the API will be produced in India to reduce dependence on China. This will make India Completely Self Sufficient in the pharmaceutical industry and can act as the 'world's pharmacy'.
- A major milestone in strengthening the international relations was the *export of hydroxychloroquine* to US and many other nations. The MEA mentioned that India will provide paracetamol and hydroxychloroquine in appropriate quantities to all our neighbouring countries. India provides 70% of the world's HCQ supply and has ramped up its production from 20 Cr tablets per month to 20 Cr tablets per day. After US more than 30 countries requested India to export these medicines which led India to

take this decision. Through these exports we have helped Nepal, Bangladesh, Sri Lanka, Bhutan, Germany, France, UAE etc. Afghanistan was the first country to recognise the efforts of India. This action by India in itself speaks volumes about the positive international relations of India with other countries. Recently the Israeli PM and the Brazilian PM and US president all thanked PM Narendra Modi for this decision and Brazil's PM compared it to Hanuman bringing *sanjivni buty* for Laxman. Russia too thanked India and said they will remember India's kind gesture in the future and help them as well. Moreover, US and India have collaborated to find the vaccine of covid 19. The Serum Institute of India and the New York based Codagenix are jointly working on the mission to find the vaccine to novel coronavirus. This too shows good relations between these two countries.

- Vande Bharat mission, one of the largest evacuation missions since the 1990 Kuwait airlift, the government will operate 64 flights from 7th to 13th May to bring home thousands of Indian nationals stranded abroad due to lockdown. The schedule for the same is shown below. Air India and Air India express will have a major role in this and they will be operating special ferry flights from various Indian Cities. In the first week 14,800 stranded Indians from 12 countries are planned to return. Overall close to 1.9 Lakh Indian are expected to return in the coming weeks.
- All these planes are following the infection protocols and making sure that everything is properly sanitised. Moreover, The Indian Air Force has also prepared 30 aircrafts including the c17 globe master and c130J super Hercules for the mission.
- This is a great opportunity for India to further improve their international relations with other countries by not sending these flights empty 1 way. Not only will it lead to huge economic cost and wastage of resources 1 way and wastage of the taxpayer's money but also lead to a great opportunity missed to strengthen international relations. The Ministry of home affairs and external affairs must step in and allow all those foreign citizens who have an OCI card or held citizenship of a foreign country or held a valid visa of more than 1 year of that country or had the green card of that country to travel on the repatriation flight to leave India.
- A foreign person for whatever reason may want to go back to his home country (even if the situation is worse there) as one may feel lonely in a foreign country. Many tourists, working professionals etc never got a chance to go back to their home due to the sudden lockdown. In such extreme circumstances anyone would want to be in their own country.
- Thus, this Initiative by India will surely be appreciated by the countries whose citizens are being brought back to their home country thanks to India's efforts. Moreover, not only flights but also the ships that are being used as part of this operation for example operation Samudra Setu can be used to send foreigners to their respective countries. Thus, turning this 1-way operation to a two-way operation between many countries.

EVACUATION PLAN FOR AIR INDIA/AIR INDIA EXPRESS DURING 7 TH MAY TO 13 TH MAY 2020		
Sr. No	Country	Flights
1	UAE	10
2	QATAR	2
3	SAUDI ARABIA	5
4	UK	7
5	SINGAPORE	5
6	USA	7
7	PHILLIPINES	5
8	BANGLADESH	7
9	BAHRAIN	2
10	MALAYSIA	7
11	KUWAIT	5
12	OMAN	2
	TOTAL	64



- Operation Sanjeevani & Export of wheat to Lebanon and Afghanistan - another important mission to strengthen India's international ties. Maldives has a big transport issue due to fragmented islands and on humanitarian grounds sent 6.2 tonnes of medical assistance. In Lebanon and Afghanistan, food shortage can be a serious issue amidst the pandemic situation and that's why the GOI decided to export wheat to these nations. Such initiatives with other countries can also surely help build stronger bond between nations.

All the initiatives mentioned above will surely help improve India's global image and boost its GDP in the form of exports and also by attracting MNCs to India allowing it to be a dominant superpower occupying centre stage in Asia.

Extra deliverables

Social Recession Due to Covid 19

What is social recession? In most simple terms it means a collapse in the social contacts. Human beings are social beings. Due to the national lockdown there are no social contacts and the number of people with whom we have

an interaction has come down. This has caused detrimental effects on both mental and physical health. For eg many people have started getting depressed, obesity because of sitting at home and lack of movement and working, fitness has taken a back seat. Human beings thrive on social engagements and are wired to stay connected. When these connections are threatened or unavailable the nervous system may go out of order and many negative impacts on the body.

Both loneliness and social isolation can trigger a cascade of stress hormones that produce physiological changes and increased heart rates, increased muscle tension and thickening of blood. Together these physiological changes are called the flight or fight response. In response to stress the body's sympathetic nervous system is activated and stimulates the adrenal gland to trigger the release of adrenalin and noradrenalin. This makes the heart to beat faster. The glucose levels increase in the blood stream to deal with the emergency (stress). This is a survival response. A recent meta-analysis published in Neuroscience and biobehavioural reviews states that increased isolation causes imbalance in the CRP levels of the body which leads to inflammation in the body, thickening of blood and deteriorated physical and mental health. Lack of social connects can increase the mortality risk from 29% to 32%. This acts as an added reason why the lockdown must be lifted slowly.

Impact on the stock market

The sentiment in the stock markets across the world is gloomy. This is reflected in the frequent crashes in the share markets in all parts of the world. Financial markets in India are witnessing sharp volatility currently as a result of the fallout in global markets. The fall is in line with the global benchmark indices as the domestic market usually tracks the major global indices and the high volatility is likely to continue in the near future. Further, with overseas investors (FPIs) flying to the safety of dollar-backed assets from emerging markets has led to a sharp downfall in the Indian Stock Market. S&P BSE Sensex which was 42273 points on 20 January, 2020 is 29894 points on 08 April, 2020. The price to Earnings Ratio of Sensex is less than 18 (P/e is 17.81 on 31 March, 2020) which is far less than the historical range between 20-24. Markets across large, mid, and small caps have corrected sharply from their peaks. In the FY20 the mid-cap index fell by 26 per cent while the Sensex fell by 22 per cent.

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Impact on the Global Economy

The outbreak of pandemic Covid-19 all over the world has disturbed the political, social, economic, religious and financial structures of the whole world. World's topmost economies such as the US, China, UK, Germany, France, Italy, Japan and many others are at the verge of collapse. Besides, Stock Markets around the world have been pounded and oil prices have plunged to a record low. In just a week 3.3 million Americans applied for unemployment and a week later another 6.6 million people started searching for jobs. Many experts on economic and financial matters have warned about the worsening condition of global economic and financial structure. Such as the Managing Director of International Monetary Fund (IMF), Kristalina Georgieva, explained that "a recession as bad as during the Global Financial Crisis or worse". When it comes to the human cost of the Coronavirus pandemic it can't be measured therefore all countries need to work cohesively with cooperation and coordination to protect the human beings as well as limit the economic damages. For instance, the lockdown has restricted various businesses such as travelling to contain the virus consequently this business is coming to an abrupt halt globally.

Recently the UNCTAD has observed that the economic uncertainty will cost the global economy 1 trillion dollars. This observation is based on the world economic situation and prospects 2020 released by UNCTAD. The global GDP growth may be below 2%. In the worst-case scenario, the global GDP may even contract.

The staggering situation G-20 nations called an emergency meeting to discuss worsening conditions and prepare a strategy to combat Covid-19 as losses could be reduced. The spread of the epidemic is speeding up and causing more economic damages. It is stated by the U.S. official from federal reserves that American unemployment would be 30% and its economy would shrink by half. As for as the jobs of common people are concerned, there is also a real threat of losing their jobs because with business shutting down that shows that companies will be unable to pay to workers as a result, they have to lay off them. While when it comes to the stock market, it is severely damaged by Covid-19 such as the stock market of the United States is down about thirty percent. By looking over the existing condition of several businesses, most of the investors are removing its money from multiple businesses in this regard \$83 billion has already removed from emerging markets since the outbreak of

Covid-19. So, the impact of Covid-19 is severe on the economic structure of the world because people are not spending money and businesses are not getting revenue therefore most of the businesses are shutting up shops.

This is not the time of political point-scoring and fight with each other rather it is high time for states to cooperate, coordinate, and help each other to defeat this fatal pandemic first for saving the global economic and financial structure.

Covid 19 a Chinese Weapon or Accident? ... Pandemic or Plandemic? (E.g. of Fake News!)

As the Covid-19 pandemic continues its destructive course, two theories are being widely aired. One, that the coronavirus pandemic may have been the result of an [accident](#) at a biosafety level 4 laboratory in China's Wuhan city. Two, and this is more fanciful but not impossible, that China deliberately launched a [biological attack](#) in order to position itself as the single greatest superpower, while flattening its rivals' industrial and economic capacity.

Both theories have strong supporters armed with a battery of facts. The problem is not with data, though. It's China itself, with its habitual secrecy, big ambitions, and absolute disregard for life or the environment. Allied to that is the fact that bio labs everywhere have been a source of serious threats, with the big powers seeing them as potentially usable as weapons of mass destruction, proved by the large number of such facilities worldwide.

The Internet was brimming with conspiracies about the coronavirus, and, perhaps, one of the most prominent ones was that the virus could be a bioweapon. According to an [ET Prime report](#), a group of Chinese scientists in Canada were accused of spying and were stripped of their access to Canada's National Microbiology Lab (NML) which is known to work on some of the most deadly pathogens. The alleged 'policy breach', highlighted the bioweapon program of other countries including China. Dr Francis Boyle, the creator of Bio Weapons Act, also claims that 'the coronavirus is an offensive biological warfare weapon with DNA-genetic engineering'. Again, the claims about coronavirus being a biological weapon are *unsubstantiated*. Rather, there have been many convincing reports that the virus indeed was an accident. But china has a history of supressing news and views and not allowing its citizens to express their views freely. The fact that we are seeing the 6 that we are being made to see or the 9 that we should have seen is still a big question mark.

Coronavirus, A Way of Life?

The clock has been ticking for longer than most of us cared to acknowledge. Most of us knew we risked our futures with the relentlessness with which we were harming the planet. But grasping something intellectually is very different from understanding something emotionally.

Generations that have never experienced the hardship and horrors of war have, overnight, been suddenly and savagely shocked out of a rigid complacency. We have been forced onto our sofas and into recognising how vulnerable we are as individuals, as businesses, as political systems and as a species. Now that we can kill each other simply by breathing, the act that keeps us alive, we cannot ignore the risks we face. The suffering is unquantifiable. Try to imagine your way into homes across the country struck by illness, bereavement, fear, anxiety and depression, by hopes dashed, IVF treatment interrupted, businesses crushed and livelihoods wrecked.

We are remarkably adaptable. Already, communicating over FaceTime and other video calling apps – for those of us lucky enough to have access to them – has become the new norm. The prospect of meeting someone face to face for those of us who have been self-isolating for weeks, already seems almost alien. It isn't at all clear yet whether, when we leave lockdown, we will even be able to go back to normal. But, if we are, there is a risk that we will simply adapt back to how things were. And if we do that, we may be doomed.

Should we fail in our attempts to address the threats of climate breakdown, overpopulation, famine and antibiotic resistance, those of us who survive the consequences may look back on these weeks as our last, and perhaps most significant, missed opportunity to think again.

As pollution clears from our skies and fish return to the waterways of Venice, we can glimpse a different future. We have it in us to change. This virus has forced us apart physically, but it has also drawn us together psychologically and spiritually. If we abandon fear and rise, in our different ways, to this challenge with self-sacrifice, clear-sightedness and good will, we can still forge a better future.

All in all as honourable Prime Minister stated to fight Covid 19 the vowels of the new normal need to be followed (the A,E,I,O,U) model

1. **Adaptability:** the need of the hour is to think business and lifestyle models that are easily adaptable work should not be of the nature that it can only be done at workplace rather it should be done even from home. Embracing digital payments is a prime example of adaptability, another example is telemedicine we can think of business models that can further promote telemedicine across the world.

Moreover, history is a proof that India reforms during crisis be it 1991, 2008 or 2020. We have always emerged on top of the crisis and we will do it again. India unlike other countries is the master of 3Js namely, *Jugaad* (management skills), *Jubaan* (communication skills) and *Junoon* (passion) with the help of which we will surely emerge victorious.

2. **Efficiency:** perhaps this is the time we have to think how to reimagine what to refer to as being efficient. Efficiency cannot only be about how much time was spent in the office. We should think of productivity

that is we should focus on the task rather than how long it is taking to finish it. Especially during work from home no one can actually monitor is the person at home is doing the job in 2 hours or 10 hours.

3. Inclusivity: we need to develop business models that attach primacy to care for the poor, the most vulnerable as well as our planet. We have made major progress in combating climate change. We need to learn to do more with less and ensure health solution at low cost and large scale.
4. Opportunity: every crisis creates an opportunity Covid 19 is no different. Let us evaluate what might be the new opportunities/ growth areas that would emerge now. Rather than playing catch up, India must be ahead of the curve in the post covid 19 world. Let us think how our people, our skillsets, our capabilities can be used in doing so.
5. Universalism: Covid 19 doesn't see race, religion, colour, caste, creed, language or border before striking. Our response and conduct thereafter should attach primacy to unity and brotherhood. The next big idea from India should find global relevance and application. They should have the ability to drive a positive change not merely for india but for the entire mankind.

a famous economist Ruchir Sharma beautifully said that earlier the timeline was divided by BC (before Christ) and AD (anno domini) now the timeline can be divided as BC and AC i.e Before Coronavirus and After Coronavirus.

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