



# Impact of COVID-19 in India : Issues, Challenges and Opportunities

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## Abstract

There is no denying that India is equally hard-hit by the pandemic, COVID-19, more in economic than in terms of human toll-comprising deaths, infected and suspected. India had also been witnessing a pre-pandemic slowdown and unprecedented shock. The economic impact of the COVID-19 pandemic in India has been largely disruptive. India was bound to be affected not only because of its domestic slowdown but also because of its international recession. The Central Government of India has announced a variety of measures to tackle from this pandemic from healthcare, food security, tax deadline extensions, sector related incentives and many more. This study describes the impact of this pandemic on various sector and revealed various opportunities for India to arrive on the international stage afresh and assert itself as a global power in its own right.

Key Words : COVID-19, Pandemic, Indian Economy, Impacts.

## Introduction

In the history of mankind, there have been several pandemics from the Justinian plague in the 6<sup>th</sup> century to the Spanish Flu (HINI influenza) in 1918. The 21<sup>st</sup> century remarkably has already seen three corona virus- related outbreaks – the Severe acute Respiratory Syndrome (Sars) in 2002 which claimed 800 lives, the Middle East Respiratory Syndrome (Mers) in 2012 (862 deaths), and now the corona virus disease (COVID-19). Despite advancements in medical sciences, it is impossible to predict when the next infectious disease will take place. So, we need to be on full alert.

The disease caused by the novel corona virus first identified in Wuhan, China, has been named corona virus disease 2019 (COVID-19) – ‘CO’ stands for corona, ‘VI’ for virus and ‘D’ for disease. Formerly, the disease was referred to as ‘2019 novel corona virus’ or ‘2019-nCoV’. The COVID-19 virus is a new virus linked to the same family of viruses as Severe Acute Respiratory Syndrome (SARS) and some type of common cold. The virus is transmitted through direct contact with respiratory droplets of an infected person (generated through coughing and sneezing), and touching surfaces contaminated with the virus. The COVID-19 virus may survive on surfaces for several hours, but simple disinfections can kill it. The COVID-19 symptoms are similar to the flu (influenza) or the common cold, which are a lot more common than COVID-19. Symptoms can include fever, cough and shortness of breath. In more severe cases, infection can cause pneumonia or breathing difficulties. More rarely, the disease can be fatal.

The COVID-19 pandemic in India is a part the worldwide pandemic of corona virus disease 2019 (COVID-19) caused by severe acute respiratory syndrome corona virus 2 (SARS-COV-2). The first case of COVID-19 in India, which originated from China, was reported on 30 January 2020. As of 8 June 2020, the Government has confirmed a total of 2,56,611 cases, 1,24,430 recoveries and 7,200 deaths in the country. India currently has the largest number of confirmed cases in Asia, with the number of total confirmed cases breaching the 1,00,000 mark on 19 May and 2,00,000 on 3 June. India’s case fatality rate is relatively lower at 2.80%, against the global 6.13% as of 3 June. Six cities account for around half all reported cases in the country – Mumbai, Delhi, Ahmedabad, Chennai. Pune and Kolkata. As of 24 May 2020, Lakshadweep is the only region which has not reported a case.

On 22 March, India observed a 14-hour voluntary public curfew at the instance of the prime minister Narendra Modi. It was followed by mandatory lockdown in COVID-19 hotspots and all major cities. Further, on 24 March, the prime minister ordered a nationwide lockdown for 21 days, affecting the entire 1.3 billion population in India. on 14 April, the PM extended the nationwide lockdown till 3 May which was followed by two week extensions starting 3 and 17 May with substantial relaxations. Beginning 1 June the government has started unlocking the country (barring containment Zones) in three unlock phases.

Table no. – 01

## COVID-19 State wise Status of India (As on 10 June 2020)

Sr. no.	State Name	Total Confirmed	Discharged / Migrated	Death
1.	Andaman and Nicobar	33	33	0
2.	Andhra Pradesh	5070	2802	77
3.	Arunachal Pradesh	57	1	0
4.	Assam	2937	1085	4
5.	Bihar	5459	2864	32
6.	Chandigarh	323	286	5
7.	Chhattisgarh	1240	386	6
8.	Dadra and Nagar Haveli	22	2	0
9.	Daman and Diu	0	0	0
10.	Delhi	31309	11861	905
11.	Goa	359	67	0
12.	Gujarat	21014	14365	1313
13.	Haryana	5209	2134	45
14.	Himachal Pradesh	445	249	5
15.	Jammu and Kashmir	4346	1506	48
16.	Jharkhand	1411	559	8
17.	Karnataka	5921	2604	66
18.	Kerala	2096	848	16
19.	Ladakh	108	52	1
20.	Lakshadweep	0	0	0
21.	Maharashtra	90787	42638	3289
22.	Manipur	304	61	0
23.	Meghalaya	43	13	1
24.	Mizoram	88	1	0
25.	Madhya Pradesh	9849	6729	420
26.	Nagaland	127	10	0
27.	Odisha	3140	2133	9
28.	Puducherry	127	52	0
29.	Punjab	2719	2167	55

30.	Rajasthan	11245	8328	255
31.	Sikkim	13	0	0
32.	Tamil Nadu	34914	18325	307
33.	Telangana	3920	1809	148
34.	Tripura	864	192	1
35.	Uttar Pradesh	11335	6669	301
36.	Uttarakhand	1537	755	13
37.	West Bengal	8985	3620	415

Source : [www.mygov.in](http://www.mygov.in)

The United Nations (UN) and the World Health Organization (WHO) have praised India's response to the pandemic as 'Comprehensive and robust', terming the lockdown restrictions as aggressive but vital for containing the spread and building necessary healthcare infrastructure. The Oxford COVID-19 Government Response Tracker noted the government's swift and stringent actions, emergency policy making, emergency investment in healthcare, fiscal stimulus, investment in vaccine and drug R&D. It gave India a score of 100 for its strict response. Michael Ryan, chief executive director of the WHO's health emergencies programme noted that India had tremendous capacity to deal with the outbreak owing to its vast experience in eradicating smallpox and polio. Other commentators have also raised concerns about economic fallout arising as a result of the pandemic and preventive restrictions.

## Closedown and Curfews

Over the month of March, multiple states across the country began shutting down schools, colleges, public facilities such as malls, gyms, cinema halls and other public places to contain the spread.

- On 15 March, Ministry of Culture closed all monuments and museums under Archaeological Survey of India.
- On 22 March, the Government of India announced complete lockdown in 82 districts in 22 states and Union Territories of country where confirmed cases were reported. Some states sealed their borders barring inter-state movement.
- On 23 March, Chief Minister of Maharashtra ordered a statewide curfew and closure of state borders.
- On 24 March, PM Shri Narendra Modi Ji announced a complete 21 day national lockdown to the pandemic.
- On 11 April, PM Shri Narendra Modi Ji announced lockdown extension till 3 May in his address to nation on 14 April, with conditional relaxations in areas with lower spread from 20 April.
- On 1 May, the Government of India extended nationwide lockdown further by two weeks until 17 May. On 17 May, NDMA extended the lockdown till 31 May in all Indian states.

- On 30 May, the MHA announced that the ongoing lockdown would be further extended till 30 June in containment Zones, with services resuming in a phased manner, starting from 8 June, in other Zones. It is termed as “Unlock 1” and is stated to “have an economic focus”.

## Zonal Classification

The Government divided the entire nation into three zones – Green Zone, Red Zone, Orange Zone. Relaxation will be allowed accordingly.

- **Red zone (Hotspots)** – Districts with high doubling rate and high number of active cases.
- **Orange zone (Non-hotspots)** – Districts with fewer cases.
- **Green zone** – Districts without confirmed cases or without new cases in last 21 days.

## Objectives

The major objectives of this study are:

1. To understand the pandemic COVID-19.
2. To understand the impact of COVID-19 on Indian economy.
3. To find out the challenges for different sectors in Indian economy.
4. To find out the various opportunities.

## Research Methodology

The research method adopted for this study is descriptive and based on secondary data. Secondary data have been collected from the previous research work and studies in the related study area. Under this we also use Government reports, Websites, Articles, News papers.

## Finding and Discussion

### Challenges are many

COVID-19 has affected education, transport, manufacturing, healthcare and almost every other sector of the society. This crisis has exposed limitations of small vendors in providing continuity to their partner and hence the services have been affected due to lack of work from home infrastructure by these small vendors. Worldwide supply chain has been badly hit by this pandemic and this outbreak is affecting supply chains and disrupting manufacturing operations around the world.

Slowdown and closing the economy is an issue. The nation's economy was already in bed shape, the COVID-19 crisis has worsened it. The world bank and rating agencies has revised India's growth for FY 2020 with the lowest figures India has seen in three decades since India's economic liberalization in the 1990s. India's GDP were downgraded even more to negative figures, signaling a deep recession. On 26 May, CRISIL announced that this will perhaps be India's worst recession since independence. State bank of India research estimates a contraction of over 40 % in the GDP in Q1 FY 21. The Indian economy was expected to lose over RS 32,000 crore every day during the first 21 days of complete lockdown. The slowdown in demand, closure of production, fall in the global price of crude oil, bar on foreign trade, price decrease in the commodities, restrictions on the industry as also on tourism etc, are bound to exert downward pressure on the inflation, thus adversely affecting the economy chart. It is believed that India's aggressive lockdown could being the country's growth down to 2.5% from 4.5%. However as per a statement released by chief India economist on 09.04.20, the economic growth of India has been estimated at a low figure of 1.6% only.

COVID-19 has reached the community spread phase. Developed or underdeveloped, rich or poor, all countries are affected by COVID-19 today. COVID-19 created a bigger challenge to the Indian Healthcare System. Shortage in medical supplier and difficulty stopping its spread in different magnitudes. Developing countries across the globe are looking down quickly, after witnessing the helplessness of the US, UK and rest of Europe- though these are the countries with much stronger healthcare systems and much better availability of doctors. Indian healthcare infrastructure is incapable of dealing with this crisis today. Shortage in medical supplies and an inability to provide adequate testing, shortage in the availability of beds in the hospitals are some major issues.

To rescue the economy, India has announced a range of fiscal and monetary stimulus packages. The major aim of this stimulus is similar to the traditional Keynesian prescription of 'pump-priming', whereby income transfers to people having higher marginal propensity to spend can boost up the sagging demand.

## Opportunity

People at the moment are locked in homes, and therefore, are unable to spend or earn. First and foremost is to restore confidence in the economic system and the governance. For example, resume businesses on a selective basis in the permissible zone(S). Here, we need better coordinated responses by all stakeholders. We shall continue with the fiscal stimulus packages for sometime at least till the economy rebounds. Labour-intensive sectors need ,ore attention. Navigate the incentives to better support agriculture, MSMEs, logistic and transportation, exports and imports, health etc. Here, international cooperation may help



countries to minimise the overlaps by sharing information, encourage smart implementation and avoid the procyclical stimulus.

Insisting that the COVID-19 crisis should be turned into an opportunity to create an 'Atmanirbhar Bharat', Prime Minister Narendra Modi said this is the time to make bold decisions and investments. Addressing the 95<sup>th</sup> annual plenary session of the Indian Chamber of Commerce in Kolkata through video conference, he said, steps have to be taken to ensure that products imported from abroad are manufactured in the country. In the last five-six years, India's goal of self-reliance has been paramount in the policy and practice of the country. The COVID-19 crisis gave us lessons on how to speed up efforts in that direction. This is not the time for a conservative approach, this is time for bold decisions and investments. "This also is the time to move from command and control economy to plug and play and to build a competitive global supply chain.

"India is fighting multiple challenges along with COVID-19, including floods, locust attack, earthquakes. We have to turn crisis into opportunity for creating an Atmanirbhar (self-reliant) Bharat and take steps to ensure that products which we import from elsewhere are manufactured in India". The aftermath of the lockdown offers a unique opportunity. Due to lack of other economic activities, and lack of human traffic on roads, railways and airways, suddenly the infrastructure space has become efficient in terms of goods movement. During normal times, trucks are not allowed to ply in metros during the daytime. In addition to the delivery of goods by trucks and trains, the airlifting of goods and medical equipment can be expanded easily as airline slots are lying vacant. All this will help in faster movement of goods, and at the same time employing a major part of the informal sector workers.

For inter-state movement, it will be prudent to involve big corporate to manage the supply chain. The corporate can make use of these migrant workers, who have skills such as driving, speaking and negotiating in vernacular languages. Structural reforms are inevitable. Higher spending in food security, nutrition and livelihoods, public health, technology and innovation, strengthening international trade and capital flow, smart and green logistics, fighting poverty, enhancing the quality of human capital and education standards, strengthening institutions and governance, among others, merit attention. A comprehensive strategy addressing the impact of the current crisis may put the Indian economy back on a sustained growth path and strengthen the country's trade and foreign policy.

## Conclusion

COVID-19, a new and sometimes deadly respiratory illness that is believed to have originated in a live animal market in China, has spread rapidly throughout that country and the world. The virus spreading easily from person-to-person in many parts of that country. The novel corona virus infections were at first associated with travel from Wuhan, but the virus has now established itself in 177 countries and territories around the world in a rapidly expanding pandemic. Health officials in the United States and around the world are working to contain the spread of the virus through public health measures such as social distancing, contact tracing, testing, quarantines and travel restrictions. Scientists are working to find medications to treat the disease and to develop a vaccine. The global experience is teaching that containment measure and aggressive contract tracing are mandatory to keep the infection under control until an approved treatment or a vaccine is available to the global community. The government should also minimize economic burden of disease and improve understanding of disease mechanisms, health problems, disease emergence and reemergence to respond in a proportionate and timely manner. Country's structural reforms are must and should continue to focus on strengthening the country's economic fundamentals- only then can they contribute meaningfully towards a more robust and resilient Indian economy. This will help in detecting, preventing and combating future pandemics based on our experience from COVID-19 outbreaks. The implementation and development of the One Health collaborations on a global scale are critical in reducing the threat of emerging viruses.

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