



OPPORTUNITIES AND CHALLENGES IN POST COVID-19 IN INDIA: AN OVERVIEW

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Abstract: After COVID-19 pandemic the world shortly is sub-divided into two major phases, viz. pre and post-Covid era. The impact of this pandemic affects not just on the lives of people, but also on the economies across the globe and India is not an exception to this. The economy also tumbles of lockdown with thousands of people losing their jobs and struggling for a daily income. Hence, the challenges of the post-Covid-19 affect to the majority of people in India in the forms of lack of income, job loss and economic turmoil, etc. The study find out that despite the above challenges encounter by the pandemic, a lot of opportunities implant for real human and economic development for India. Through secondary research methodology this paper attempts to understand the impact of the post Covid-19 pandemic on Indian economy and the opportunities and challenges cause by the pandemic to entire economy. The study suggests to rise the basic income of the people of our country; Government needs to establish more and more formal and informal sectors to foster job opportunities, use of more digital weapons in every spheres of livelihood, improvement of health, education and IT sector services to enhance foreign earnings and proper management of financial institutions to foster the growth of the economy and to raise the standard of living of people of our country in future after incorporation of post pandemic challenges throughout the globe.

Keywords: Post Covid-19 Pandemic, Economic and Social Effects, Opportunities and Challenges, World Economic Outlook Projections by IMF and Policies and Programs to be framed by India Government.

INTRODUCTION

The post Covid-19 world is entirely different from the one we were living before the pandemic. It is much more complex, full of challenges and may bring opportunities in global economy. In addition, it is the younger generations who are severely impacted simply because they may use to an easy life, which is made simpler and faster by the intrusion of technology based digital weapons in daily life. To avoid falling into the trap of the global economic crisis, India must strategize its objectives, introduce many change policies and strengthen its cooperation with various countries to enhance the international relations. This pandemic affects the manufacturing and the services sectors, namely hospitality, tours and travels, healthcare, retail, banks, hotels, real estate, education, health, IT, recreation, media and others. As a once in 100-years pandemic, Covid-19 is severely changing and reshaping the world. In a global perspective, the world is witnessing rapid urbanization, with a significant portion of the global population migrating to cities in pursuit of economic opportunities and improving the

standard of living. However, persistent issues such as income inequality, access to education and healthcare disparities are the significant challenges; to eradicate this government needs to implement more inclusive social policies for the betterment of our economy. The emergence of new technologies, such as artificial intelligence and automation, reshapes industries and creates new economic opportunities in the world. Literature survey reveals that 588 million people may still live in extreme poverty level by 2030. The study highlights on the challenges and opportunities in post Covid-19 pandemic situation, economic and social impact, pre and post-pandemic growth trends sector-wise; the demand, output and prices of products in India for various years, the latest world economic outlook projections by IMF, policies and programs to be framed by India Government, etc. in support of growth and development of the economy.

LITERATURE REVIEW

So many studies have been conducted throughout the globe on the opportunities and challenges in Covid-19, some most valuable and reliable studies are as under:-

A. Sarkar (2020) studied the potential impact of the shock of Covid-19 on Indian economy and put forward a set of policy recommendations that have to be systematically implemented to revive the entire economy in future. India Government announces a variety of policy measures to tackle the situation, from food security and extra funds for healthcare, sector related incentives and tax deadline extensions, providing loans to business sector, direct transfer of subsidy to accounts, etc.

M. P. Joseph (2020), in the article “Three keys to success in the post covid world”, suggests the three mantras that will help people fight and come out of the crisis from post-covid era. He says that going slow and steady with integrity as the success mantra of business and earning low but sustainable profits will be the new success mantras for economy and businesses.

S. Saini (2020), in her article on “Covid-19 may double the poverty rate in India”, explained how a 25% fall in the income of the citizens in post-covid will make 354 million more people to become poor. And if the government wants to eradicate this using direct cash transfers, it will cost them Rs. 19,500 crore per month, which looks nothing more than a dream never come true.

A. Balajee, S. Tomar & G. Udupa (2020), explained how the INR 1.7 trillion fiscal packages announced by GoI will not change the face of the crisis the economy is facing as of now. They suggest that India can spend 2.2-4.8 % of its GDP, based on the global benchmark the current fiscal deficit at 8.4 % to 3.7%, after taking into consideration the entire tax and output shortfall. They explain how subsidy rationalization can only be the way forward for health expenditures and transfers while maintaining fiscal discipline.

A. Sarkar (2020) made an attempt to study the impact of covid-19 on education sector in India. The study designed to understand the central and state government’s initiatives taken and have to be taken in future to boost the online learning.

Kumar & Bhooshan (2020) studied for entrepreneurs, dealing with uncertainty and failure is a normal part of the business even if the uncertainty is brought in by the covid-19 pandemic, fragmented supply chains and the lack of local-level infrastructure to sustain production and procuring, grading, sorting, packaging and delivering of essential commodities like vegetables, fruits, milk and eggs and other grocery items put local administrations under tremendous pressure.

Meahjohn & Persad (2020) examined that the pandemic brought significant disruption to economies and entrepreneurship globally and posed several unprecedented challenges; however, the absolute impact remains unclear, as more in-depth longitudinal studies are required to better investigate this issue.

RESEARCH OBJECTIVES

1. To understand the overall scenario in post Covid-19 pandemic.
2. To assess the challenges countenance by Indian economy.
3. To evaluate the opportunities can avail by all the stakeholders in our country.
4. To suggest the appropriate policies and programs to be undertaken by the India government to control the post pandemic situations in the economy.

SIGNIFICANCE OF THE STUDY

The study will be supportive and valuable for the government, business entities, researchers, general public and all the stakeholders to take relevant decision on challenges effect by covid-19 pandemic throughout the globe. It also highlights the opportunities could achieve for the sustainable growth and economic development and assess the policies and programs to be framed by India government to control the post pandemic situation.

RESEARCH METHODOLOGY AND DATA BASE OF THE STUDY

The study is based on secondary sources of information available time to time in various reputed journals, books, conference proceedings, newspapers, internet, etc. Simple study is done on the challenges and opportunities in post-Covid-19 pandemic, economic and social impact, sector-wise pre and post-pandemic growth trends; the demand, output and prices of products in India for various years, the latest world economic outlook projections by IMF, policies and programs to be framed by India Government for the wellbeing of the general health of our country, etc.

ECONOMIC AND SOCIAL EFFECTS OF THE POST COVID-19 PANDEMIC - The pandemic unleash a seismic wave of economic and social disruptions on a global scale, reshaping the fabric of societies and economies in profound ways grappled with the dual challenges of safeguarding public health and mitigating the far-reaching consequences on livelihoods and socio-economic structure associate to growth and development of Indian economy. The labor market witnesses a rapid increase in unemployment rates, with millions of workers furlough or lay off and the informal sector comprising a significant portion of the global workforce, face acute vulnerabilities as many workers lack job security and social safety in their daily lives. Government responds with stimulus packages and relief measures to mitigate the financial hardships face by individuals, businesses and economy at large. On the positive side, the pandemic catalyze rapid innovation and technology based digital aids to adopt in every sphere of our lives. E-commerce and digital services experience a surge in demand, transforming consumer behavior and business models. Industries that bore the brunt of lockdowns and restrictions face the challenges of rebuilding with a focus on resilience and adaptability in post pandemic situations. Small businesses, often the lifeblood of communities, face the arduous tasks of rebuilding or reinventing themselves to survive and sustain in the global economy.

EFFECTS OF COVID-19 ON THE INDIAN ECONOMY- According to International Management Consulting Firm, The Indian economy suffers enormously due to Covid-19 up to 135 million jobs in danger of losses and more than 120 million people push into poverty. The worst consequence of pandemic feel by India's most vulnerable people in the forms of job losses, increasing poverty levels and reduction of per-capita income. Overall, it expects to cause a steep decline in India's annual GDP rate and have a long-term effect on people's lives in various ways. Some estimates suggest that the decline of India's economic activities during the post pandemic situation cost about 34,000 crores daily, affecting jobs and incomes in major sectors of our country. The important industries that impact heavily due to the post pandemic are agriculture, auto, hospitality, travel, micro, small and medium enterprises, restaurant, and real estate, etc. It also causes rising unemployment and revealing the drawbacks of globalization and the adverse effects of New Industrial policy-1991 implemented in the economy by the Government of India. The table-2 shows a sharp fall in the economic growth rate at the global level in production, output and price dynamics in pre and post pandemic circumstances. India's fiscal deficit for 2020-21 comprises to 9.5% of GDP as against 3.5% projected earlier. Our finance minister promises to achieve a fiscal deficit of 4.5% of GDP by 2025-26 by increasing the tax revenues as well as asset monetization in coming years. According to the medium-term fiscal policy statement presents by the government in February 2020, the fiscal deficit for 2021-22 and 2022-23 are at 3.3% and 3.1% respectively.

Table-1: Pre and Post-Pandemic Sectoral Growth Trends (%) in India

Sectors	Trend Growth Pre-Pandemic		Growth Post-Pandemic Period	
	2012-2017	2017-2020	2020-2021	2021-2022
Agriculture, forestry, and fishing	3.6	5.2	3.3	6.7
Mining and Quarrying	2.4	2.4	-8.6	2.9
Manufacturing	6.8	5	-0.6	9.8
Electricity, gas, water supply and other utility services	6	7.5	-3.6	3.9
Construction	4.2	4.6	-7.3	1.9
Financial, real estate and professional services	8.2	5.4	6.3	6.6
Public Administration, defense and other services	6.5	7.0	-9.2	6.4

Source: RBI (2022)

Table-2 highlights the demand, output and prices of products in India for the period from 2018 to 2022

India	2017 INR	2018	2019	2020	2021	2022
G.D.P. in market prices	170.9	6.5	4.0	-7.7	9.9	8.2
Government Consumption	18.4	6.3	7.9	-1.9	9.8	3.9
Private Consumption	100.4	7.6	5.5	-10.5	9.3	7.0
Gross fixed capital formation	48.2	9.9	5.4	-14.0	16.3	16.4
Final domestic demand	166.9	8.1	5.8	-10.7	11.2	9.3
Stock building	9.4	0.4	-0.7	-1.1	0.0	0.0
Total Domestic demand	176.3	5.9	4.4	-9.8	12.2	9.6
Exports of goods and services	32.1	12.3	-3.3	-6.9	14.9	6.5
Imports of goods and services	37.5	8.6	-0.8	-16.5	25.7	13.0
Net Exports	-5.4	0.4	-0.5	2.4	-2.4	-1.7
GDP Deflator	-	3.7	3.6	3.6	3.9	5.2

Consumer price index	-	3.4	4.8	6.5	5.4	4.8
Wholesale price index	-	4.3	1.7	0.6	4.0	3.7
General government financial balance (% of GDP)	-	-5.5	-6.5	-10.5	-9.6	-7.0
Current account balance (% of GDP)	-	-2.1	-0.9	1.4	-0.4	-1.4

Source: The Organization for Economic Cooperation and Development (OECD, 2021)

Table-3 reflects the latest Projection of GDP Rate by IMF in World Economy

Sl. No	Region	2022	2023
1	World Output	3.2	2.7
2	Advanced economies	2.4	1.1
3	US	1.6	1.0
4	Euro Area	3.1	0.5
5	Japan	1.7	1.6
6	UK	3.6	0.3
7	Canada	3.3	1.5
8	Emerging market and developing economies	3.7	3.7
9	China	3.2	4.4
10	India	6.8	6.1
11	Brazil	2.8	1.0
12	Emerging market and middle income countries	3.6	3.6

Source: International Monetary Fund (IMF, 2023)

In 2022 the Reserve Bank of India (RBI) expects the Indian economy to take another 13 years to recover after the post covid-19 situation. The data and narratives present above mean that all the countries across the world will suffer due to the pandemic outbreak. To tackle the pandemic-induced problems, India announces several policy measures. The thrust areas of the policy correspond to the following five Pillars:

1. **Economy**- it requires quantum jump rather than incremental change.
2. **Infrastructure**- its development should become the identity of modern India
3. **Our System**- to avoid the past century's practices, the system should implement technology-induce policies to meet the needs of 21st century's dream.
4. **Our Demography**- India's vibrant demography is the strength of the world's largest democracy, so we should make use the skills and competencies of heterogeneous people.
5. **Demand**- India should strengthen its supply and demand-side chains to meet the needs of population and thus develop the entire nation.

CHALLENGES OF POST COVID-19 PANDEMIC IN INDIA

The following key challenges encounter in post Covid-19 pandemic in India:-

Weak Demand: Due to sudden job losses and financial difficulties, demand for various commodities has gone down. This leads negative impact on the net investment. Demand for only essential items are little stable in comparison to others and for non-essential commodities shows drastic decline.

Rise of Unemployment: Unemployment is increasing at rapid rate and there are many who are going to suffer severe long term problems of unemployment. Majority of the population from lower segment is pushed below poverty line and the situation is worsening in 2021 onwards. The large percentage of unemployment exists in young and skilled workers. The daily wage earners and casual laborers are affected badly in terms of livelihood.

Lack of Fiscal Stimulus: Pandemic leads to increase the public expenditure on health and other facilities on the side of government. On the other side, government revenue reduce due to reduction in GST collection, less income tax collection, less duties, loan waver, EMI deferment, etc.

Rising Inflation: Due to increase in expenditure, most of the firms somehow trying to cover the cost by increasing price of the products or by laying off employees.

Transportation: This section contributes greatly to India's GDP and is the lifeblood of all economic operations; its importance to the economy cannot be overshadowed. Moving passengers, goods and services with safety and security is the fundamental objective and top priority of every government.

Labour Force: Most small business in the country is ill equipped to handle the crisis of this pandemic as they are predominantly focused on survival. In fact, investigations reveal that teeming job losses are recorded and many earning significantly low incomes are subjected to half salaries.

Security Challenge: The rise and boldness of bandits and criminals pose a serious security challenge in our country today. The ill train and ill equip nature of India Police Force worsen the security challenges in our country.

Tax Payment: The Covid-19 pandemic sees small business crushing and the unemployment rate increasing to meet that fundamental need of survival. Business and individuals are observing social distancing and self isolation due to the pandemic, meeting obligations to pay tax is extremely hard.

Increase borrowing and Foreign Reserves: The harsh realities of the time mean that increase borrowing and reserve depletion are inevitable. This is a serious threat to our corporate existence.

Infringement on our Fundamental Human Rights: As the spread of Covid-19 continue to increase, various measures are taken towards its containment. A mandatory stay at home order was also declared in most states. Unfortunately, this has violated our fundamental human rights.

Lack of Cash Transfer Policy: The central and state governments of India develop sustainable cash transfer policy to support the vulnerable segment of the population to pull through the difficult period.

Healthcare Challenge: There is structural neglect of healthcare infrastructure across our country. As a result of ill-equipped medical facilities the pandemic is coming at a time that the country is ill-prepared to handle the major health crisis.

Leadership Failure: There is a serious challenge that affects our fight for the containment and practically demonstrates by the way our leaders corruptly handled the evil effects of the Covid-19 pandemic.

IMPLICATIONS OF POLICY AND PROGRAMME FRAMED BY GOVERNMENT OF INDIA

The pandemic demands coordinate fiscal and monetary policy measures to deal with it. The government declares a relief package of ₹1,700 billion, it will be useful to make cash transfers to the poor and vulnerable sections of the society to create more of demands of products. The sectors that affect mostly, i.e., the MSMEs and farms; government announces another relief package in support of them. Tourism and its allied sectors which integrate with global supply chains also require financial support from government. Tax revenues drop due to recession. Fiscal receipts drop by at least 2 per cent of GDP. All these fiscal measures increase fiscal deficit by 1–1.5 percent, which is currently at 3.2 per cent, as predicted by economists. The crisis emerging from this severe pandemic pulls down investment and demands of consumable goods. Conventionally, the demand side components of GDP account for 72.1 percent consumption, out of which government consumption is approximately 11.9 percent, which is very negligible. Government needs to increase the spending in order to boost the demands. Support to different sectors to be given as a measure to boost the investment. Repo Rate

reduces by 75 basis points, as part of a loose monetary policy. The Federal Reserve cuts its interest rate by 1 percent and decides to keep it in the range of 0–0.25 percent. Monetary policy is less effective in dealing with the evil effects of pandemic because the problem is not liquidity alone.

OPPORTUNITIES ASSOCIATED WITH POST COVID-19 PANDEMIC IN INDIA

Every problem brings an opportunity, so during this pandemic although there are many sectors which are adversely affected but on the other hand there are innovators or entrepreneurs, who have converted this period into profitable one for the wellbeing of national economy. But there are lots of hopes as governments all across the globe are joining to put their hands against the pandemic to revive and sustain in the global competitive market in future. One constructive way to fight the crisis is to focus on how covid-19 creates opportunities in different sectors, instead of focusing the negative impacts on the economy. Some of the opportunities discuss as under:-

Online Grocery: After the post covid-19, people are moving towards more of online mode of buying things, even for grocery. There are many new apps introduced to grocery shopping and they are earning quite good revenue.

Online Streaming: As schools, colleges, educational institutions and most of business enterprises are using more of online streaming, video conferencing apps are more in demand, so it creates good opportunities for software companies in future.

Health Care: The post covid-19 situation grows the demand for self-care products as well the other health care app and facilities. As people are becoming more health conscious, these apps are helping them in self-assessment.

Commercial Cleaning Service: Sanitizing and other cleaning services are more in demand because of fear created by covid-19, so it creates more opportunities for the others to explore in this field.

Educational Toys and Games: The post covid-19 pandemic increases the demand for educational toys and games. Parents spend more amounts on such games even after completion of 3 years of pandemic to tackle stress, anxiety and other related issues of children.

Virtual Workout Classes/ Personal Training/ Online Coaching: To maintain healthy lifestyle, which is a need of hour; people are going for virtual session of physical and other training. In order to maintain the track of studies, educational institutions render their online teaching services through online mode.

Herbal Products/Bakery/Sanitizers: Many people started their small business by availing the loan from government and other financial institutions as a part of beneficial schemes introduced by government after pandemic. On the other side, the demand for these commodities increases to make them earn good revenues that will ultimately help to enhance the GDP rate of our country.

The Advancement of Technology: Telecommunication companies and the financial institutions viz., banks, insurance, mutual funds, finance companies, etc. facilitate digital transactions on day to day basis. Most of the companies also deploy the modern technologies to carry out their functions on random basis to survive and sustain with the global counterparts.

There are lots of opportunities created in organized and unorganized sectors of our economy. The startup really helps the Indian economy to cope up with the problems and challenges in post covid-19 arena. It's a difficult situation not only for Indian economy but also for world economy cope up with post pandemic evil situations of low demand, emergence of unemployment, decrease in the rates of GDPs and foreign earnings, per capita income, etc. Keeping in mind of these evil economic conditions, India government supports a lot through the benefits and other welfare schemes to the lower income people of the society to make them able to maintain their livelihood and to get through this situation.

CONCLUSION

Researchers and members of expert community predict that 21st century international relations would belong to India. There are many roadblocks in achieving this goal where India needs to tackle the major issues and concerns. First, Indian policymakers will have to implement reforms sector-wise. At present, India's prime focus is on privatizing various strategic areas, but it should not focus on the privatization of every sector. Second, India must invest more in education, research and development to become a key player in international relations. Since India is rich in natural resources and demographic patterns, it needs to utilize these resources

for maximum gain of our country. Three, India needs to focus on improving its manufacturing sector. Therefore, it would be justifiable to say that India could be offering this gigantic window of golden opportunities to become a key player in the international market. India should frame appropriate strategies to play the pivotal role in the global affairs which will focus on science and technology, artificial intelligence and digitalization in every sector of the economy to be competitive with the global counterparts. The risk of a global recession due to covid-19 in 2020 onward is extremely high, as it is observed that the shutdown of all economic activities, viz. production, consumption, industry, trade, commerce, etc. is primarily responsible for that economic meltdown globally. Government's assistance is of paramount important to recover the economy from this global recession caused by covid-19 pandemic. To recover the economy from this economic downturn India government frames and implements so many policies for the wellbeing of the general health of our country. However, every crisis brings about a unique opportunity to rethink on the path undertaken for the development of a human being, community and society at large. The pandemic has a clear message for the Indian economy to adopt sustainable development models, which are based on self-reliance, inclusive frameworks and environment friendly.

RECOMMENDATIONS

The following recommendations might not be the exact solution for the post pandemic situation, but it can be a possible framework of ways to be implemented to come out of the economic downturn:-

1. To rise the basic income of our economy by initiating various developmental government policies in future for sustainable economic growth of our country.
2. To create more of formal as well as informal sector job opportunities in the society to shorten the unemployment rate of masses.
3. More and more initiatives to be taken for the adoption of digital weapons in every spheres of the economy to survive and sustain with the global counterparts in long run.
4. Improvement needs in health, education and IT sector services to enhance the foreign earnings that will ultimately help to enrich the GDP growth rate of the economy.
5. Proper management of financial services including financial institutions is to be carried out to foster the growth of standard of living of people in India.

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