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## PANDEMIC AND IT'S IMPACT ON INDIAN ECONOMY

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### Introduction

Pandemics are to be expected but be repeated events that can have severe repercussions on human economic wellbeing worldwide. The pandemic has not been vastly chronicled, partly because the war occupied the attention of the press. It is sometimes called 'the forgotten pandemic' or 'a global calamity that the world forgot'. However due to recent viral outbreaks, it has received renewed attention.

In India, full-fledged economic reforms started in 1991. Reforms came in the form of liberalization and globalization. In terms of economic well-being the average Indian is now much better off in comparison with the pre reform period. Also compared to 1991, when Indian economy is relatively better off. While the most immediate and dramatic economic effect of pandemic occurred in India, every market in today's Indian economy was at some point impacted directly or indirectly by the pandemic. Its economic consequences could shape responses to future microbial threats.

Even before the covid-19 outbreak which led to a shutdown of the economy and made way for the worst construction of India's GDP in decades in the April-June quarter, the economy was already witnessing a slowdown. Decelebrating GDP growth, significant decrease in industrial output, fall in tax revenues and a massive reduction in power demand were all recorded well before the impact of the lockdown was recorded.

### Decline of Industrial Production

The corona virus outbreak has already brought considerable human suffering and major economic disruption. In India, containment efforts have involved quarantines and widespread restrictions on labour mobility and travel, resulting in unplanned delays in restarting factories after the lockdown and sharp cutbacks in many service sector activities. Indian trade also remains very weak. Industrial activity had also taken a hit well before the pandemic set in, with the output of the eight core sectors and the index of industrial production contracting between August and October 2019. Major industries suspended a majority of operations. Vehicle manufacturing industries put a stop to production till further notice.

### Low Public Revenue

A spread of covid-19 has shaken Indian people's lives in an extraordinary way, threatening health, disrupting economic activity, and hurting wellbeing and jobs. Since out last Economic outlook update, in early March virus outbreaks evolved into a global pandemic. Economic impact of the outbreak could have been considerably worse due to the pandemic lockdown, the **labourers** left with no income. The transportations also stopped. Migrant workers situation and revenue became worsen.

### Immobility of agricultural products

The prospects for raising the incomes of farmers by increasing the share that agriculture draws from the national income are not favourable. Although the incomes of farmers as a whole are low, the range is very wide. Large farmers can be making considerable profits while some small farmers are earning less than the lowest-paid employees. Smaller farmers cannot benefit as well as larger ones from economies of scale and they have less flexibility in the choice of farming systems. The agricultural labour demand is the main problem in this pandemic time. In this time, food wastage increased due to affected supply chains, affecting small farmers.

### Scarcity of agricultural products

The pandemic has disrupted India's food supplies and is causing labour shortage in agriculture. Panic buying by shoppers cleared supermarket shelves of staples and prepared for lockdowns. The farmers struggled to shift supplies from farms to the markets, creating the perception of shortages for consumers. The transportation shortages are disrupting deliveries of food, lack of labour is affecting planting and harvesting and could cause shortages and rising prices for staple crops in a throwback to the food crises that shook the nation a decade ago. More wide-scale crop losses are looming in India, where a lockdown has sent masses of workers home, **leaving** farms and markets short of hands as staple crops like wheat, paddy and other grains near harvest.



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## Unemployment

The unemployment may have many causes. A majority of Indians do not have a real job but only a series of short-term work engagements. Nearly one year into the shutdown, India has witnessed a sharp decline in the number of employments in the formal sector. Unemployment in India had been a problem since 2017-18. India lost 2.1 crore salaried jobs by the end of August, down from 8.6 crore in 2019-20 to 6.5 crore. 21 million salaried job losses cannot be confined to only of the support staff among salaried employees. The damage is likely to be deeper, among industrial workers and also white-collar workers.

## Disintegration of small-scale industries

The small-scale industries in India have continued to remain a source of substantive contribution to the growth of the domestic economy. The progress of industrialization in India, a labour-surplus and a vast domestic market-based economy, has affirmed the dominance of micro and small enterprises, in terms of their contribution to job generation and addressing regional disparities in growth. These industries are facing lot of difficulties due to the pandemic lockdown. Around 110 million Indians involving the small-scale business for their livelihood.

## Conclusion

The pandemic (covid-19) outbreak has already brought considerable human suffering and major economic disruption. According, annual global GDP growth is projected to drop to 2.4% in 2020 as a whole, from an already weak 2.9 in 2019 with growth possible even being negative in the first quarter of 2020. The adverse impact on confidence, financial markets, the travel sector and disruption to supply chains contributes to the downward revisions in Indian economies in 2020.

Indian Government need to ensure effective and well-resourced public health measures to prevent infection and contagion and implement well-targeted policies to support health care systems and workers, and protect the incomes of vulnerable social groups and business during the virus outbreak. Supportive macroeconomic policies can help to restore confidence and aid the recovery of demand as virus outbreaks ease, but cannot offset the immediate disruptions that result from enforced shutdowns and travel restrictions.

Financial inclusion helps poor people save in forms less vulnerable to natural hazards than in-kind savings like livestock, which diversifies risk. It also enables the poor to access credit thereby accelerating and improving recovery and reconstruction. But improving poor people's access to formal financial instruments is a long-term challenge in India and is insufficient for large shocks.

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