

Impact of Covid during Lockdown Period – An Overview Based On Surveys

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ABSTRACT:

The economic impact of the 2020 coronavirus pandemic in India has been largely disruptive. India's growth in the fourth quarter of the fiscal year 2020 went down to 3.1% according to the Ministry of Statistics. The Chief Economic Adviser to the Government of India said that this drop is mainly due to the coronavirus pandemic effect on the Indian economy. Notably India had also been witnessing a pre-pandemic slowdown, and according to the World Bank, the current pandemic has "magnified pre-existing risks to India's economic outlook". Major companies in India such as Larsen & Toubro, Bharat Forge, UltraTech Cement, Grasim Industries, Aditya Birla Group, BHEL and Tata Motors have temporarily suspended or significantly reduced operations. Young startups have been impacted as funding has fallen. Fast-moving consumer goods companies in the country have significantly reduced operations and are focusing on essentials. Stock markets in India posted their worst loses in history on 23 March 2020.

KEYWORDS: *Beyond the lockdown bend, Lift the lockdown & open up and Corona Virus Impact on India*

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I. BEYOND THE LOCKDOWN BEND:

As India approaches the end of its second lockdown phase on May 3, it is clear that there are no good choices. We can only hope to make the best of a bad one. It is heartening to note that the public continues to support the lockdown at tremendous personal cost. About 89% of the respondents of a National Council of Applied Economic Research (NCAER) National Data Innovation Centre survey, conducted in urban and rural households in Delhi-National Capital Region (NCR), expressed some degree of support for an extension of lockdown by another two weeks, if required. Two telephonic surveys were carried out in April. The first, Delhi NCR Coronavirus Telephone Survey (DCVTS-1), conducted on April 3-6, interviewed 1,750 individuals from as many households. The second (DCVTS-2), conducted on April 23-26, interviewed 1,885 individuals from a different randomly selected set of households from the same areas sampled in DCVTS-1. In both surveys, respondents were asked whether they would support continuation of lockdown for an additional two weeks. In early April, 62% strongly supported continuation of the 21-day lockdown, and 24% expressed some support. In late April, 60% strongly supported continuation of the 40-day lockdown, and 28% supported it somewhat. However, this should not imply continuation of status quo, since the aggregate figures mask several positive and negative developments.

The society has adjusted, at least somewhat, to this new normal. Although economic activities remain shut, the proportion of respondents who claimed that their incomes were affected very much fell modestly from 55% to 49%. Supply shortages more prevalent immediately after the lockdown seem to have improved somewhat. About 29% households reported supply shortages for essential items in DCVTS-1, dropping sharply to 9% in DCVTS-2. Despite this, a large number of challenges remain. About 82% households have experienced income declines, with the negative impact concentrated among the poor, most of whom are employed in the informal economy. Although the support for the lockdown is more or less similar in the two surveys, it is a combination of two trends — increasing support among individuals who did not experience income decline, and decreasing support among those who did.

LIFT THE LOCKDOWN & OPEN UP

To ensure that the medical crisis due to the Covid-19 pandemic does not snowball into a devastating economic crisis, GoI will have to restart the economy after May 3 with adequate safeguards and surveillance. If we are unable to bring the economy back on track, India could lose 30-40 million jobs by end-2020. So far, India has done a phenomenal job of 'flattening the curve', and current data indicate that the country is entering into a safe zone. As of April 24, the Indian Council of Medical Research (ICMR) reported a test positivity rate

(TPR) of 4.4% (i.e., 1 in 23 people tested were positive. Compared to India, the US had a TPR of 19.3%, Spain 18.2%, Italy 13.2% and Japan 8.8%. However, there is a caveat: TPRs are not accurate projections of infection rates as it all depends on testing rates. Perhaps India's TPR could be even lower. If we look at the mortality rate, India is much better than the western world due to the latter's ageing population. The world over, about 80% deaths have been reported among people 60 and above. India has a demographic advantage with 90% of its population being under-60.

Therefore, after the lockdown is eased, our focus should be on protecting the vulnerable sections, especially those over-60. Those under-50 should be allowed to go back to work to sustain the economy. Opening up the lockdown needs some lifestyle changes. The government(s) should continue to enforce social distancing measures and prohibit large public gatherings. Malls, cinemas and restaurants should remain closed, and big sporting events not permitted. Wearing of masks, regular sanitization of public places, disinfection of common surfaces and temperature-screening in public places should be mandatory. Testing should also be scaled up to include general public, especially asymptomatic cases. Today, India is in a position to negotiate as equal partners with the US, EU or Japan. We must rise to the occasion, lift the lockdown to revive the economy in a calibrated manner. We have done a great job in saving lives, now we must work towards saving jobs and livelihood. The International Monetary Fund (IMF) expects India's FY2021 GDP to grow 1.9%, making it the fastest-growing major economy in a recession hit world. It forecasts a 7.4% growth for India in FY2022, assuming the pandemic is brought under control, significant monetary and fiscal stimuli are announced, and a tailwind gained from lower oil prices.

Coronavirus: Is there an alternative to lockdowns

If social distancing remains protracted, large parts of the economy would shut down. There would be a huge cost. To avoid this cost, should India as a nation try another strategy? Take the risk of allowing the epidemic to spread and treating those who fall ill? After all, only about a fifth of those who fall ill require hospitalization. Can India afford to experiment with a different way to deal with the Covid19 pandemic? The Wall Street Journal urges, in an editorial, a rethink of prolonged lockdown as the strategy to counter the pandemic in the US, given the economic loss it entails, including the loss of livelihoods. Is there an alternative strategy?

The Spanish Flu of 1918 killed off 18 million Indians, about 6-7% of the population. About 7% of Iran's population was wiped out, about 5% of Mexico's. Since estimates of the total victims of the flu range from 50 million to 100 million, it is difficult to say what the mortality rate was. The rate varied across the world, but the average is supposed to be 2.5%. It had to be substantially higher in India. Because India's population was probably just around 26 crore. Between the 1911 Census and the 1921 Census, India's population actually declined by about 1 million, whereas the population had grown by about 6% in the previous decade and would grow 11% over the 1921-1931 decade.

Corona virus impact on India

ICRA Ratings on Tuesday sharply cut the country's GDP forecast amid the COVID-19 crisis and expects the economy to grow at just 2 per cent in the current fiscal. It said the nationwide lockdown announced to contain the coronavirus outbreak has impacted industries and their operations have come to a standstill. It said the concerns on account of Covid-19 have morphed from the impact of imports from China on domestic supply chains, into a domestic and external demand shock, with social distancing and lockdowns leading to production shutdowns and job losses in some sectors. The rating agency's vice president and sector head (corporate ratings) Shamsheer Dewan said, "Amid uncertainty as to when the situation will normalize, we expect a sharp downturn in various indicators of the manufacturing and services sectors from March 2020 onwards."

This primarily includes the discretionary activities like travel, tourism and hospitality; labour intensive sectors like construction, transport and manufacturing of non-essential items; exports; and supporting sectors like electricity, he said. Domestically, the impact of the coronavirus pandemic could lead to slowdown in domestic demand, erosion of purchasing power due to job losses or pay cuts and trickle-down effect of demand deferral will have a longer-lasting impact on some other sectors, especially where demand is discretionary in nature, it said. Global economic slowdown and lockouts is likely to impact sectors with high dependence on global demand especially that of key impacted markets like Europe, North America and South-East Asia, the rating agency said.

II. CONCLUSION

The most important thing to know about coronavirus on surfaces is that they can easily be cleaned with common household disinfectants that will kill the virus. Studies have shown that the COVID-19 virus can survive for up to 72 hours on plastic and stainless steel, less than 4 hours on copper and less than 24 hours on cardboard. As, always cleaning our hands with an alcohol-based hand rub or wash them with soap and water.

Avoid of touching our eyes, mouth, or nose. While initial investigations suggest the virus may be present in faeces in some cases, to date, there have not been reports of faecal-oral transmission of COVID-19. Additionally, there is no evidence to date on the survival of the COVID-19 virus in water or sewage. WHO is assessing ongoing research on the ways COVID-19 is spread and will continue to share new findings on this topic.

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