

Financial crises in Indian economy during Covid 19

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Abstract: The COVID-19 pandemic provided fresh perspectives on the advantages and disadvantages of the institutional frameworks of many nations' health care systems. It also highlighted the challenges in defending the populace from the threats presented by the development of infectious illnesses. Finally, it emphasized the anti-infection tactics that worked the best and drew a number of significant lessons and conclusions.

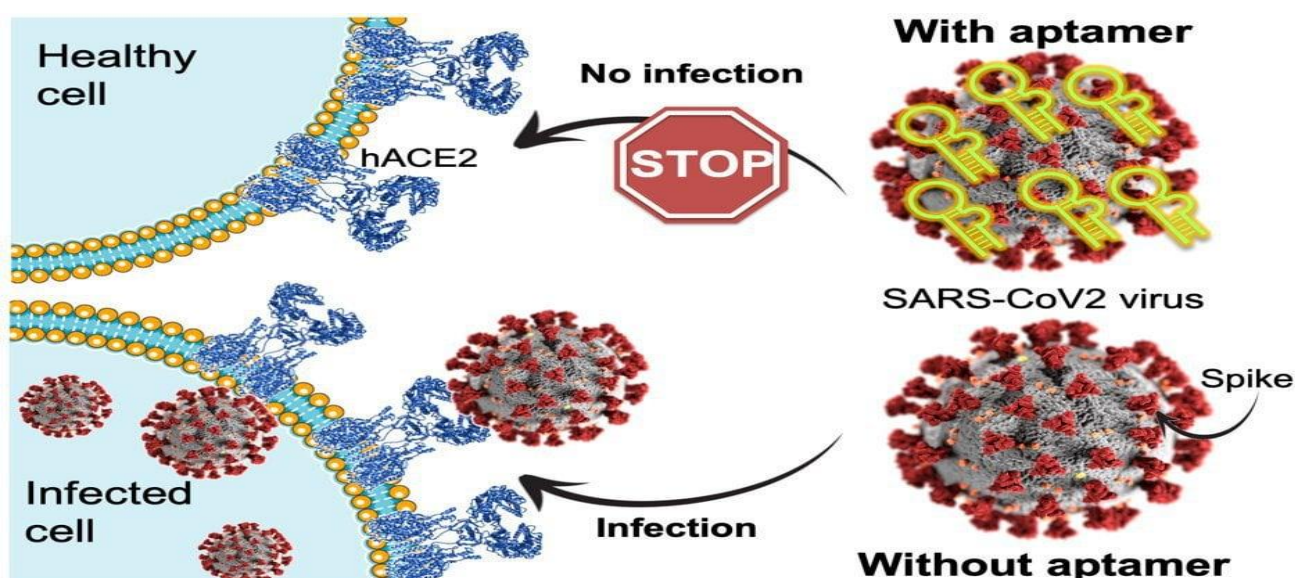
The primary results of a pandemic are the adoption of the concept that states should impose the most stringent regulations possible regarding quarantine, as well as the mobilization of medical personnel, the provision of adequate space, medications, reagents, apparatus and devices, personal protective equipment, the development of population immunity, and vaccinations. In addition, a pandemic results in the adoption of the idea that states should impose the strictest quarantine regulations possible. The following is an explanation of the ensuing effects.

Keywords: Pandemic, Corona Virus, Social distance, Double masking, Quarantine, Mobilization, Medical Personnel, Diagnostics, Treatment, Vaccination, Genomic Sequestration.

Introduction of the topic-

The Corona virus, also known as COVID-19, is now considered to be one of the most lethal viruses that are responsible for the deaths of people all over the world. From 2019 to 2022, it will be present in a number of nations as the most lethal virus with its many

diverse strains. In the beginning, coronavirus infections in India occurred more frequently owing to connections with other countries than as a result of transmission inside India itself. These viruses were first observed in the city of Wuhan in China, and since that time, they have spread to over 160 other nations.

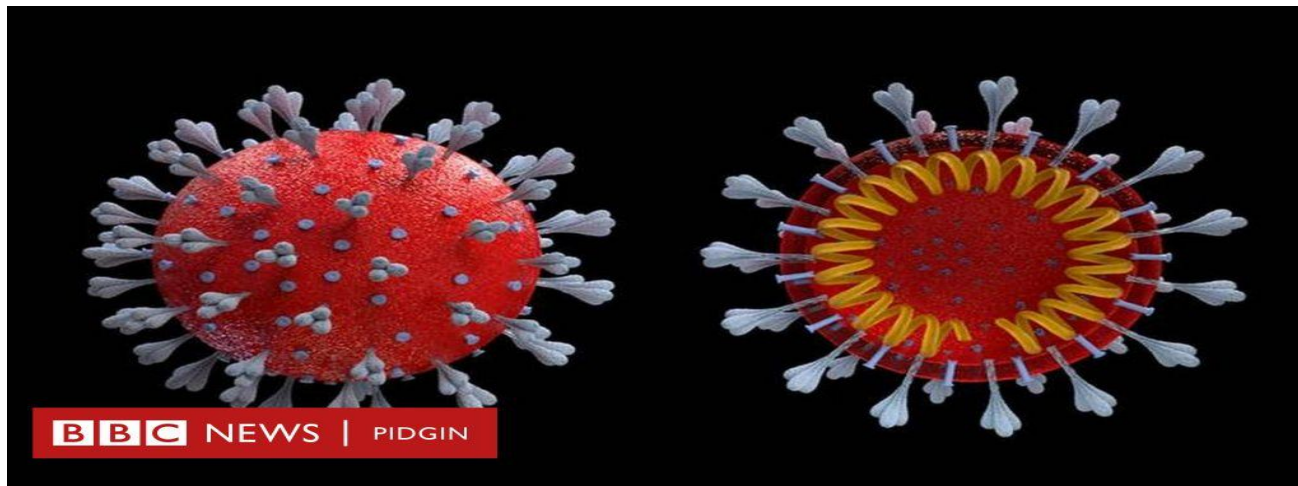


The World Health Organization (WHO) has declared that the Corona virus has reached pandemic proportions and spread

throughout the world. The COVID-19 virus, which is responsible for the pandemic, is a worldwide catastrophe that has struck on

several fronts throughout the whole planet. It has mushroomed into a widespread panic and is responsible for the deaths of thousands of people in a great number of nations, including China, Italy, Iran, Spain, the United States, and a great many more. This epidemic began on the 30th of January, 2020 in India, and it has since spread around the world, hurting not just individuals but also the economies of the nations it has spread through. In India, social segregation and lockdown regulations were implemented, which

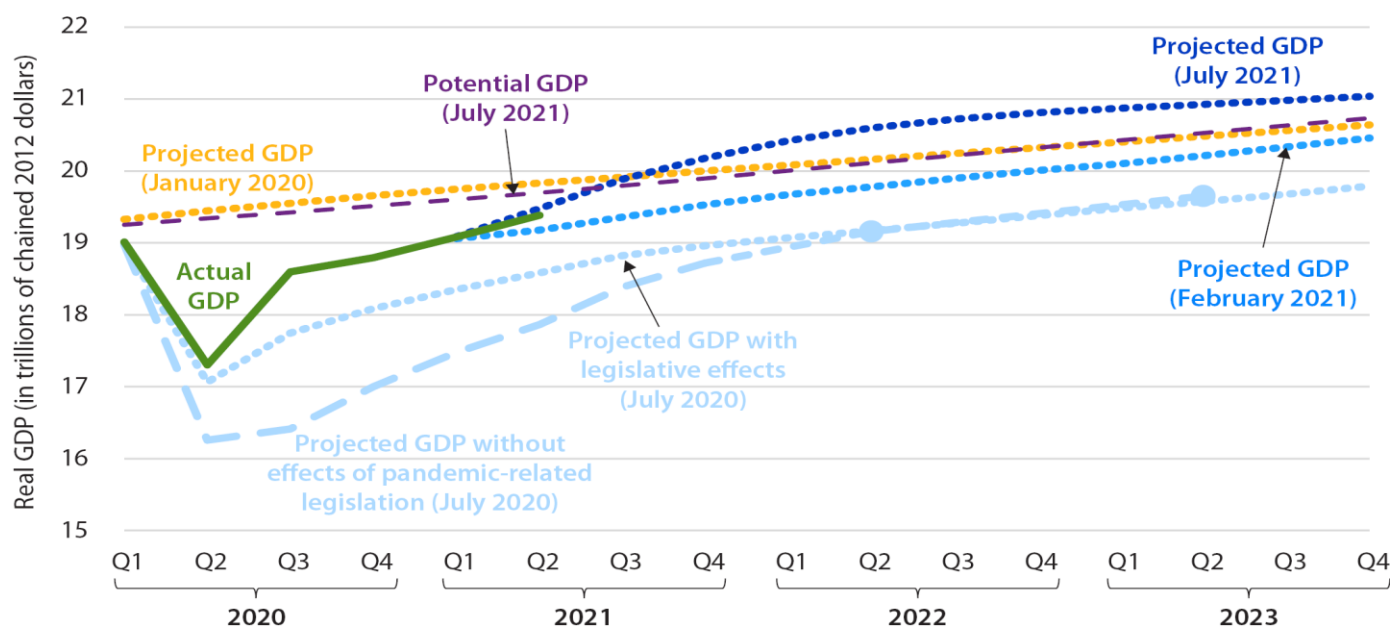
had the unintended consequence of having a secondary influence on the country's economy, standard of living, and natural environment. When it came to the economy and human life, there was a negative influence seen; nevertheless, there was a good impact on the environment. How India responded with each of these three variables during and after the COVID-19 incident, as well as how it may potentially continue to do so in the future.



COVID-19 symptoms include fever (not usually), dyspnea, headache, myalgia, sore throat, coughing, and conjunctivitis (also present in certain cases). As such, distinguishing this sickness from other respiratory ailments is a laborious and challenging effort that will never get easier.

The COVID-19 pandemic has resulted in a worldwide economic downturn, which is referred to as the COVID-19 recession. The majority of nations experienced the beginning of the recession in February of 2020.

FIGURE 1.
Revisions to CBO's Economic Projections since January 2020



Source: Bureau of Economic Analysis (BEA) 2021a; Congressional Budget Office (CBO) 2020a, 2020b, 2020c, 2021a, and 2021b.

Note: Actual GDP is real GDP as reported by the Bureau of Economic Analysis through the first quarter of 2021. Projected GDP (Jan. 2020) is the real GDP projection from the Congressional Budget Office, January 2020. Other projections from CBO are similarly released at the dates in parentheses with one exception. Projected GDP Without Effects of Pandemic-Related Legislation (Jul. 2020) was published by CBO in September 2020 but showed the agency's projection of real GDP as of July 2020 excluding the effects of pandemic-related legislation since March 2020. CBO released quarterly projections for 2020 and 2021 and annual averages for 2022 and 2023.

Symptoms

After an exposure, symptoms of Corona Virus disease 2019 (COVID-19) might show anywhere between 2 and 14 days later. The length of time that passes after an exposure but before symptoms appear is known as the incubation period. It is still possible for you to spread COVID-19 before experiencing any symptoms. We refer to this kind of transmission as presymptomatic transmission. Here are a few instances of typical symptoms:

- Fever.
- Cough.
- Tiredness.

One of the initial symptoms of a COVID-19 infection is loss of taste or smell.

Some signs and symptoms might be:

- Shortness of breath or difficulty breathing.
- Muscle aches.
- Chills.
- Sore throat.
- Runny nose.
- Headache.

- Chest pain.
- Pink eye (conjunctivitis).
- Nausea.
- Vomiting.
- Diarrhea.
- Rash

Some things are missing from this list. Children often have a mild condition with symptoms similar to those experienced in adults. The intensity of the symptoms brought on by COVID-19 can differ widely, ranging from being quite minor to being severe. It's possible that only a few symptoms will present themselves in certain people. There is a possibility that some individuals will be infected with the illness but will display no symptoms whatsoever. We refer to this kind of transfer as asymptomatic transmission.

Some people may have a worsening of their current symptoms, such as pneumonia and shortness of breath, around one week after the first signs and symptoms appear. Some individuals suffer symptoms for an extra two to four weeks after being diagnosed with COVID-19. "Post-COVID-19 conditions" are an occasional term used to describe these health issues.

COVID-19 SYMPTOMS



Fever



Cough



Difficulty breathing



**Sore throat,
trouble swallowing**



Runny nose



**Loss of taste or
smell**



Not feeling well



**Nausea, vomiting,
diarrhea**

The world economy entered a crisis in early 2020 as a result of the COVID-19 lockdowns and other precautions implemented, following a year of stable economic growth and consumer spending. This came after a year during which economic growth

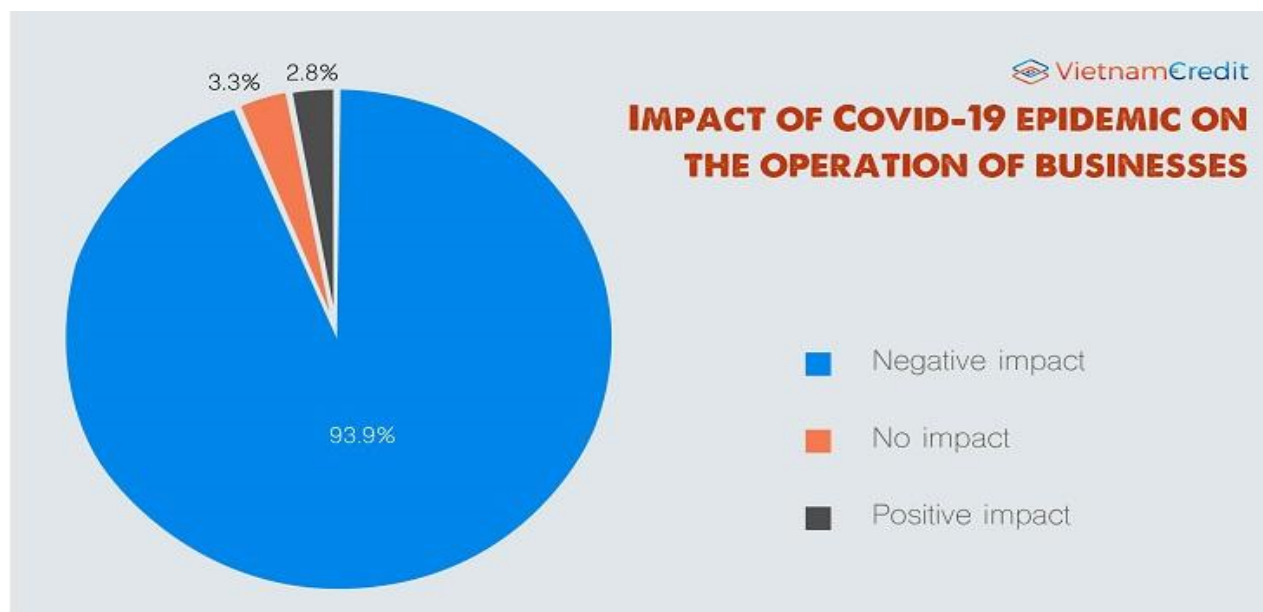
was stable. Seven months was all it took for every advanced economy to enter a recession.



The Indian government is concerned that the country is getting closer to the exponential region of the epidemic curve, which indicates that there will be a significant increase in the number of cases. Because of this, unfavorable measures have been taken, such as the 'Janata Curfew' and the 21-day lockdown of the nation. When Prime Minister Narendra Modi first announced that the nation would be under lockdown for 21 days, he also issued a warning, saying that the lockdown would negatively affect the economy and that we would have to bear the consequences.

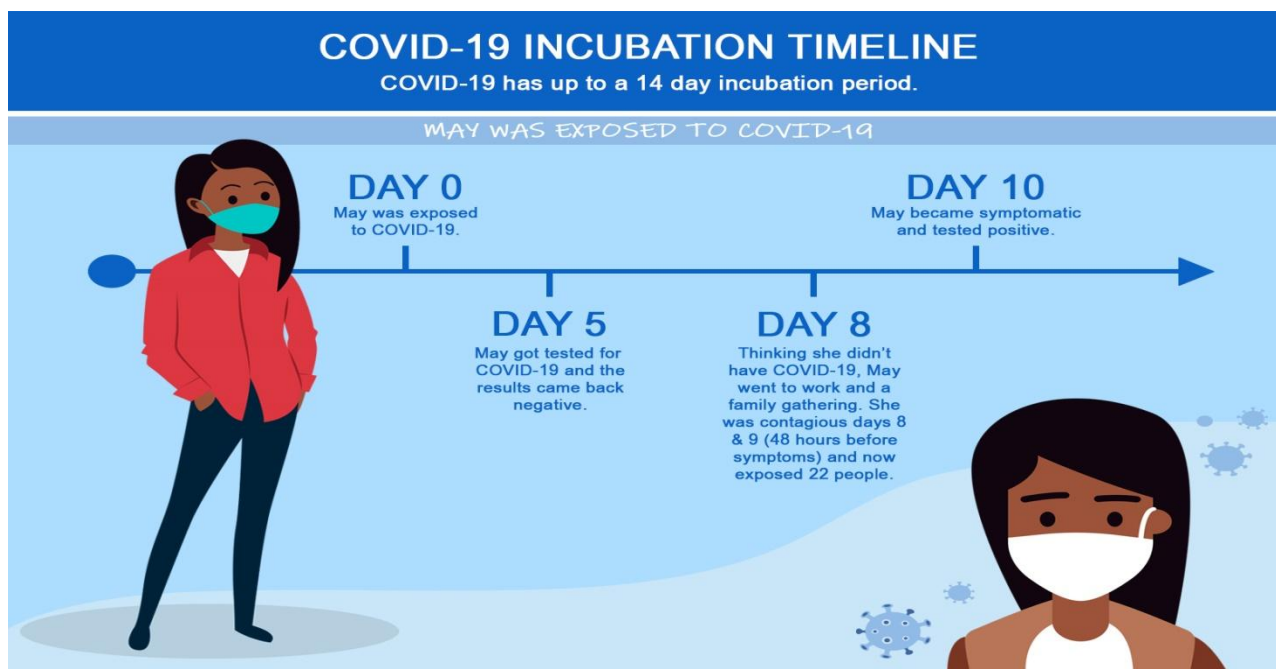
Closing businesses was vital to halt the disease's spread, with the exception of those offering essential services.

According to the findings of our survey, in addition to deaths, detrimental consequences on the economy have been identified as a direct result of the COVID-19 pandemic. The economic impacts of these measures and the COVID-19 pandemic, in general, we can say that a pandemic is a serial killer that may have disastrous consequences on humanity and the global economy. This is because a pandemic is a highly contagious disease.



The world is currently being ravaged by a pandemic that is being referred to as COVID-19, which stands for Coronavirus Disease 2019. In addition to the virus itself, COVID-19 claimed lives because of the mental and economic collapse that befell developing

countries, leaving them in a state of hunger and unemployment. India implemented a 68-day lockdown, starting on March 24 and concluding on May 31, in four phases to tackle COVID-19.



When to see a doctor

If you have COVID-19 symptoms or have been in contact with someone who has been diagnosed with the virus, you should get in touch with your healthcare team as soon as possible so that you can receive medical assistance.

It is possible that the medical expert who is assisting you will advise you to undergo testing for COVID-19.

Seek quick medical attention if you are experiencing emergency COVID-19 symptoms. Some of the signs of an emergency include:

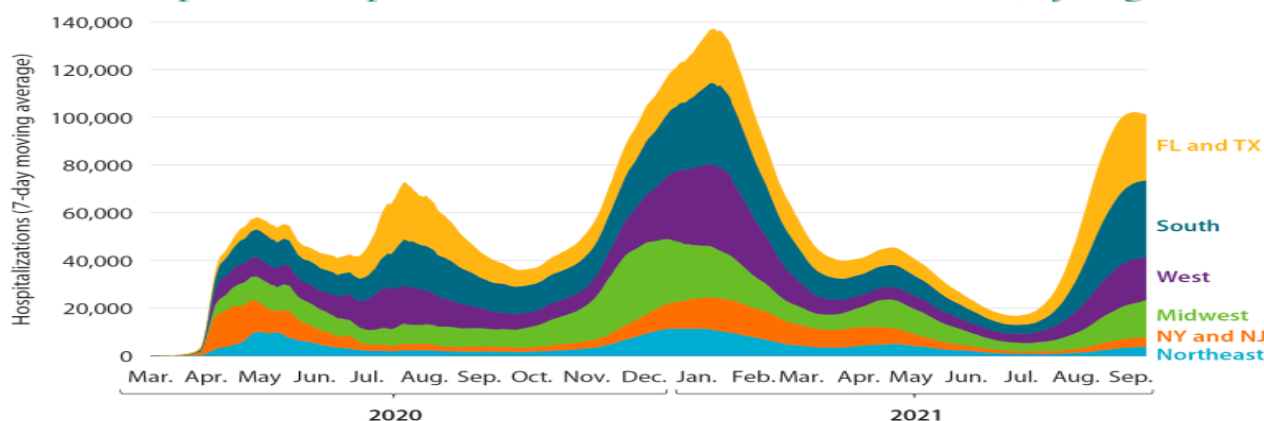
- Trouble breathing.
- Constant chest pain or pressure.
- Trouble staying awake.
- New confusion.
- Pale, gray or blue-coloured skin, lips or nail beds — depending on skin tone.

What has made it easier or more challenging for people to stay safe during the Pandemic?

To slow down the virus's spread during the current coronavirus pandemic, a number of limitations and safety measures have been implemented. Even still, these limitations changed how we travel, work, shop, interact with one another, and do a host of other vital everyday activities—all of which were intended to stop the virus from spreading further and keep people safe.

There is data accessible on people's attitudes on the various policies and projects [8], but we do not have sufficient knowledge regarding the reasons people have for holding such ideas. In this part of the report, the variety and complexity of people's experiences are compiled in order to investigate the variables that have assisted and encouraged individuals to remain safe, as well as those that have made it more difficult for them to do so.

FIGURE A-1.
Level of Inpatient Hospitalizations of Patients with COVID-19, by Region



Source: U.S. Department of Health & Human Services; authors' calculations.

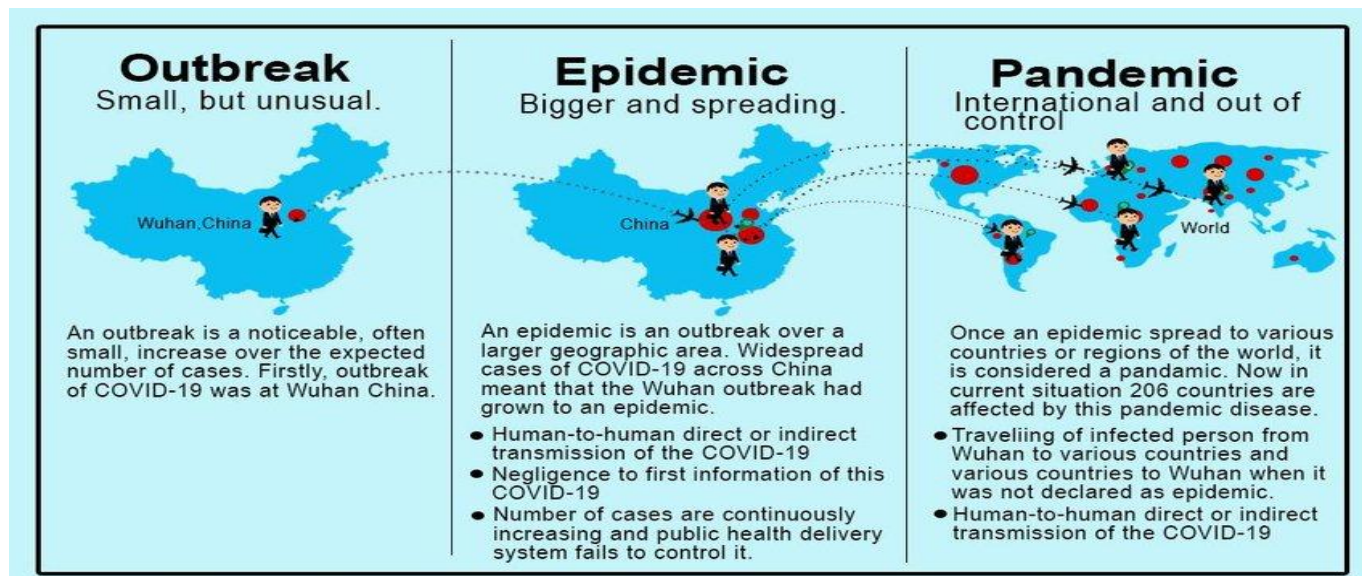
Note: Figure displays the reported number of beds occupied by patients with confirmed or suspected COVID-19. Daily hospitalizations data are aggregated by Census region and smoothed using a 7-day moving average. New York and New Jersey are separated out from the Northeast region while Florida and Texas are separated from the South region. Regions are ordered by share of hospitalizations at the most recent date.

THE HAMILTON
PROJECT
BROOKINGS

India's Economy and Covid-19 Pandemic

According to the official figures, the pandemic of COVID-19 that began in the previous year caused the economy of India to enter a technical recession by October of 2020. The gross domestic product (GDP), on the other hand, has been working toward an improvement ever since.

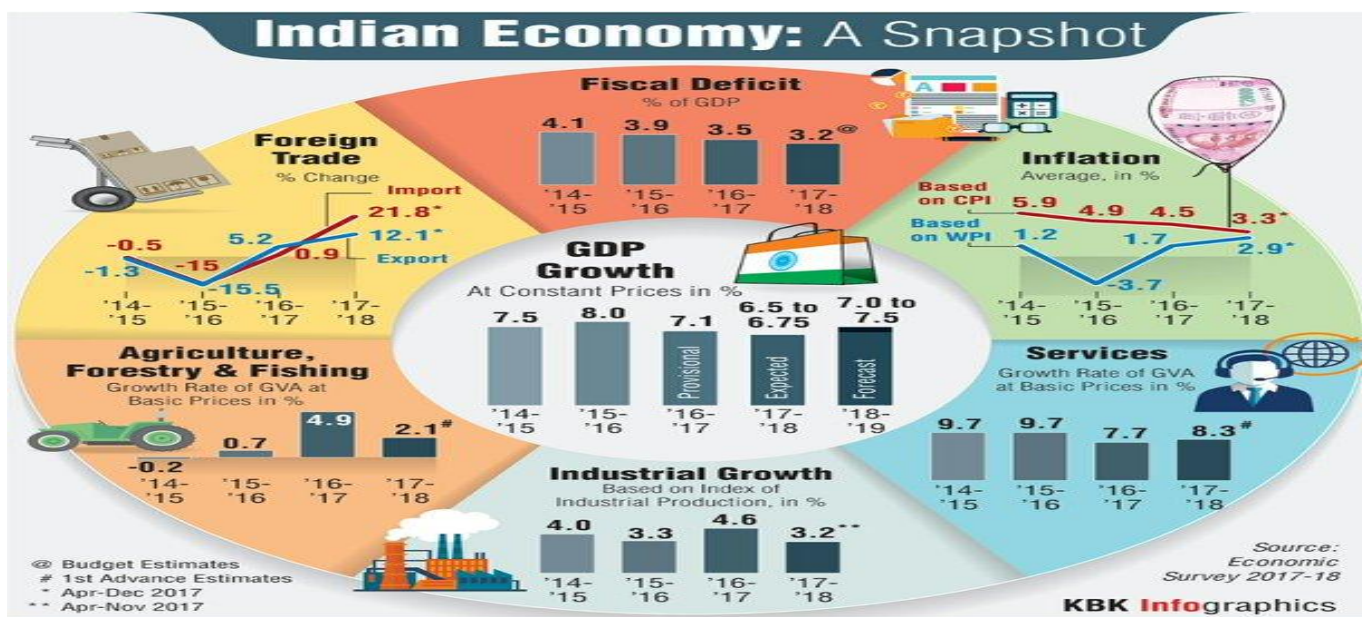
The world economy is presently in the worst downturn it has ever been in. The coronavirus is to blame for the general drop in GDP and has had a major detrimental impact on almost every country's economic development. Similar to other countries, India is also impacted by this virus, but not as much as other countries.



The number of units sold and the amount of money brought in has decreased across nearly all market segments. The growth rate of India's gross domestic product was 4.7% in the third quarter of 2020. Even before the Covid-19 outbreak, the Indian economy had already entered one of its worst periods in history.

Two of the biggest players in the food delivery industry, Swiggy and Zomato, have already started to fire employees. Previously, each of them was in charge of handling more than a million orders per day across more than 400 cities. It was also predicted that

seventy percent of employment in the tourism sector would go. Similar to this, the structure of the Indian economy means that a sizeable section of the populace depends on their daily wages. These workers include delivery boys, carpenters, autorickshaw drivers, domestic helpers, tea ladies, vegetable vendors, scrap or garbage collectors, and waiters. Due to limited lockdown circumstances and the absence of knowledge regarding the conclusion of the COVID-19 pandemic, the process of returning to pre-lockdown status will be gradual.



What kind of impact would the COVID-19 epidemic have on the economy of India?

The number of people who have been diagnosed with the COVID-19 pandemic is steadily rising over the entirety of India, with an average growth rate of 23%. The Indian government is concerned that the country is getting closer to the exponential region of the epidemic curve, which indicates that there will be a significant increase in the number of cases. As a result, unfavorable measures such as the "Janata Curfew," the 21-day lockdown of the country, and the shutdown of businesses with the exception of those providing critical services were necessary in order to control the disease's spread.

The COVID-19 epidemic, in general, is going to have broad and considerably harsher consequences on the economy, and these steps are going to make those effects even worse.

I will now explain how the epidemic may affect the economy of India.

In the wake of the pandemic, non-essential enterprises should brace themselves for a significant economic impact. It is possible that retail centers, multiplex theaters, and restaurants would be closed for more than a month, which will have a significant financial impact on these businesses.

The effect will most likely be felt by smaller and less robust companies, who are more likely to find themselves in a liquidity constraint as a result. Even while necessary services are still being provided, it is anticipated that the manufacturing sector of non-essential goods would be severely impacted owing to disruptions in supply chains and a lack of supplies.

In 2022, unemployment will be the most significant obstacle for both the economy of India and the decision-makers there. According to a poll conducted by the FICCI in March, up to 53% of firms in India have stated a particular amount of damage that shutdowns caused owing to coronavirus will have on operations. As of the 24th of April, the national unemployment rate had reached 26%, representing an increase of approximately 19% over the previous month.



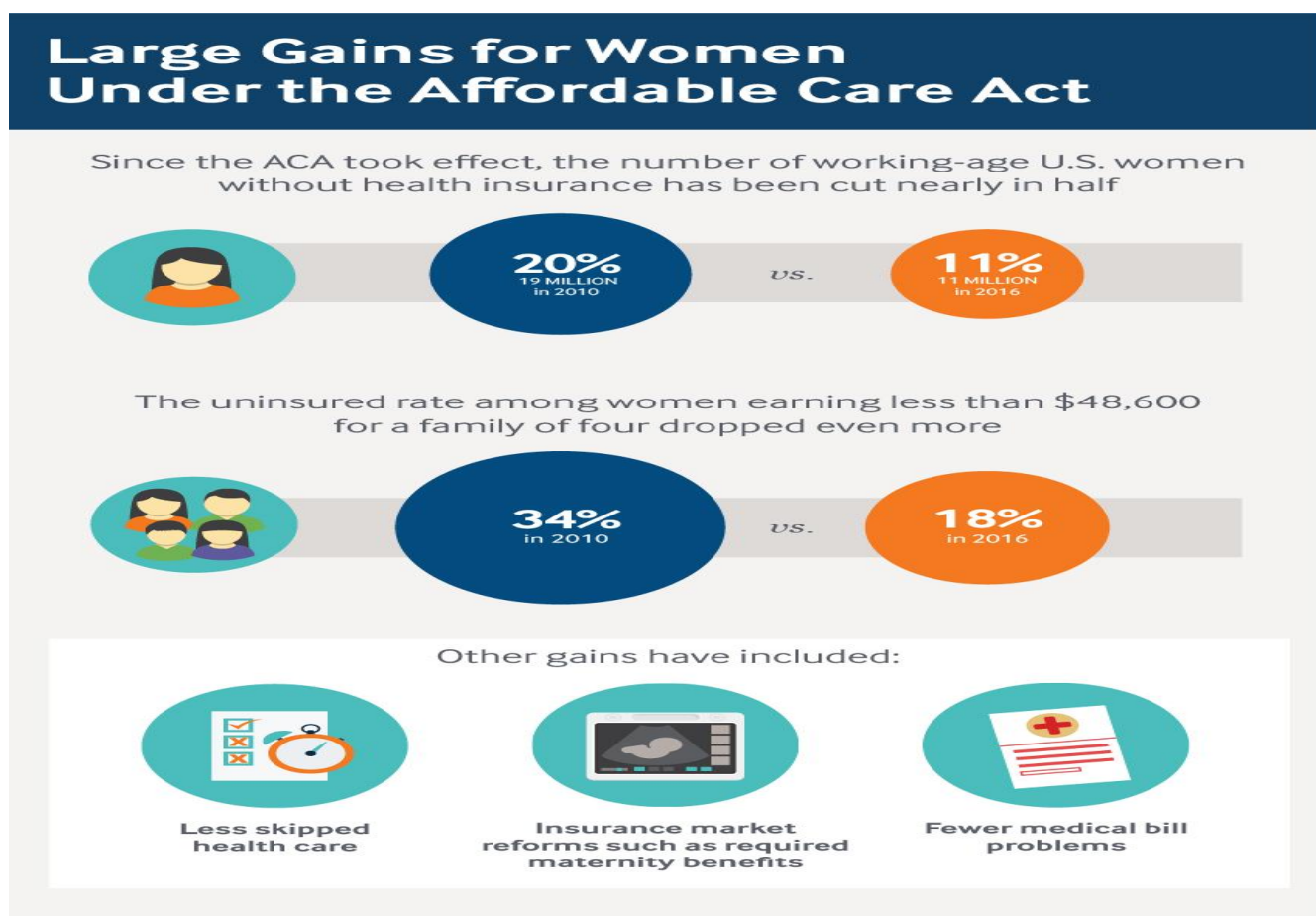
'Centre for Monitoring Indian Economy' claims this to be the case. During the shutdown, there was a loss of work for around 140,000,000 (140 million) people in India. When compared to the previous year, more than forty-five percent of families across the country reported a decrease in income. Several types of companies, including hotels and airlines, reduced employee pay and eliminated positions entirely.

The revenue of transportation businesses such as Ola Cabs dropped by roughly 95% between March and April, which resulted in the termination of 1,400 employees.

For the months of March and April alone, it is anticipated that the damage to the tourist sector will amount to 15,000 crore (or around \$2.0 billion). According to estimates provided by CII,

ASSOCHAM, and FAITH, a sizeable portion of the workers in the tourist industry in the nation is currently unemployed. It is projected that the live events business had a loss of 3,000 crore (or \$400 million).

As a result of the decrease in investment, there have been a few fledgling businesses that have been negatively affected. In comparison to the previous quarter, the total amount of capital for growth-stage companies in the form of Series A rounds has decreased by 45%, according to a research by Data Labs. According to a survey by KPMG, the amount of venture capital invested in Indian start-ups dropped by more than 50 percent between the fourth quarter of 2019 and the first quarter of 2020.



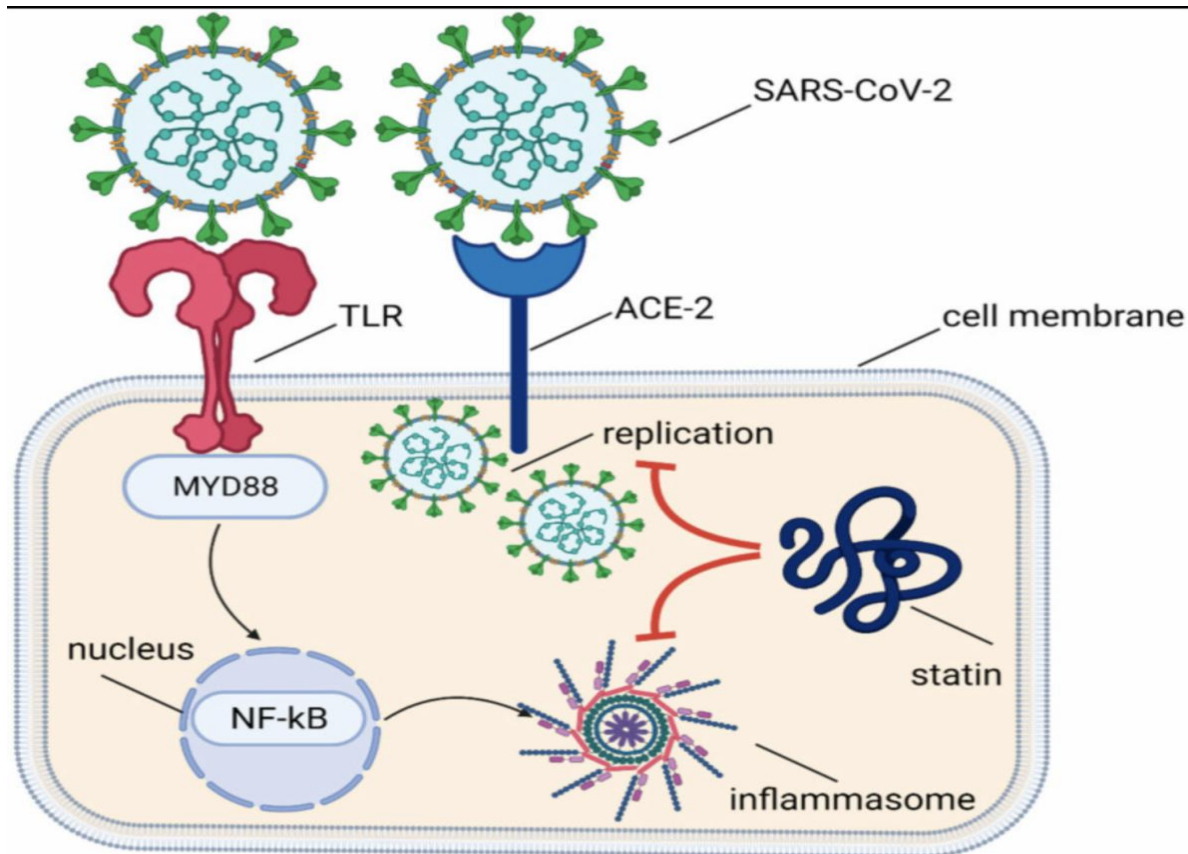
Source: M. Z. Gunja, S. R. Collins, M. M. Doty, and S. Beutel, *How the Affordable Care Act Has Helped Women Gain Insurance and Improved Their Ability to Get Health Care*, The Commonwealth Fund, August 2017.



The Commonwealth Fund

- The growth of the GDP has been on a downward trend for the past eight quarters. In March of 2018, GDP was at 8.2%; by March of 2020, it had dropped to 3.1%.
- Even before the epidemic began, both private consumption and investment had begun to plummet.
- The increase of the nominal GDP in 2019-20 was just 7.2%, which is the lowest level seen since 1975-1976.
- The amount of gross tax income collected in 2019-20 was 81.6% of the budget predictions, the lowest amount since 2000-01, according to information supplied by the Controller General of Accounts. Continuing where the epidemic left off:
- In September of 2020, the Indian economy was on the verge of entering a recession due to the widespread loss of jobs and the rising number of instances of covid-19.

- The first quarter of the 2020 fiscal year saw the economy post the biggest quarterly GDP decrease (23.9%), compared to any other quarter in the previous financial year.
 - The decline in economic activity in the manufacturing sector was 39.3%, and the decline in the construction sector was 50.3%, while the total decline in economic activity in the services sector was 20.6%.
 - As the economy begins to regain its footing, it has begun to recover from the pandemic-related downturn.
- slow down as a result of the many steps taken by the government, and it is anticipated that this momentum will continue.



Having the capability and the opportunity

A person's capacity may be broken down into three categories: their knowledge, their talents, and their physical ability. For instance, following instructions for measures that were seen as being under the individual's direct control made things simpler.

Isolation from others, hiding behind masks, and limiting one's engagement in social activities are all symptoms of social phobia. I have full control over each one of them, despite the fact that they are all rather easy to carry out. (Women between the ages of 35 and 44). The respondents were aware that their capability and opportunity to take the precautions depended on a variety of elements, including their geographical surroundings, their financial status, career, living circumstances, and their understanding of the risk.

"Mask wearing, handwashing, distancing, and socializing outside are all easy, but I live in a rural town, where there is space, the pavements aren't crowded, and I don't live in a building with common stairs or entrances." [Citation needed] "Mask wearing, handwashing, distancing, and socializing outside are all easy, but I live in a rural town."

Data collection

On January 24, a free-text online survey was made available to participants, and it continued for a total of three weeks, concluding on February 13, 2022.

Questions such as "how do you feel at this point in the pandemic?", "what type of aid would enable you to feel safer and more supported?", and "what measures have you found easier or harder to follow? (and why)" were asked. Both the methodology and the

whole collection of questions may be found in Annex B. Please refer to Annex A for further information.

The survey was made available to the general public on the website of the Scottish Government, and it was also advertised on the Facebook page associated with the Scottish Government.

In addition, a link to the poll was sent to around thirty other public and charity organizations separately.

The fact that participants in the study gave their informed consent makes it impossible to generalize the findings of the survey to the population of Scotland as a whole. This is the most significant shortcoming of this kind of research.

Gender

- 70% female
- 24% male
- 0.7% non-binary

Age (years)

- 29% 45-54
- 25% 55-64
- 22% 35-44
- 8% 25-34
- 8% 65-69
- 5% 70 plus
- 2% under 24

Ethnic group

- 93% white
- 2% other ethnic group

Long-standing physical or mental impairments, illness or disability

- 67% no
- 26% yes

Unpaid carer

- 71% no
- 22% yes

Employment status

- 46% employed full-time
- 14% employed part-time
- 15% retired
- 8.5% self-employed
- 3% not working due to illness
- 2% studying
- 1% unemployed

Financial status

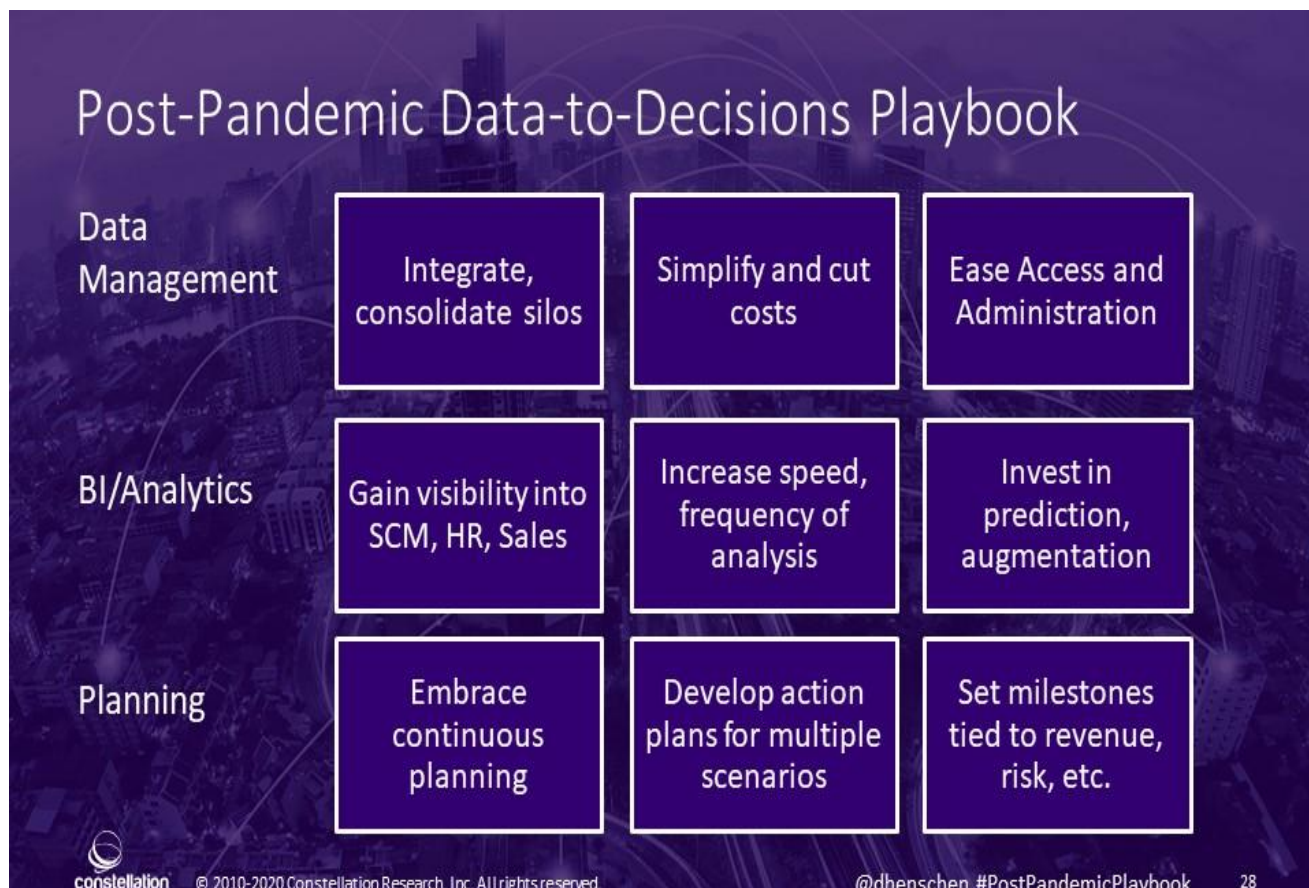
- 40% managing very/quite well
- 36% managing alright

- 14% not managing very well/some financial difficulties
- 2% deep financial trouble

Indicators of Recovery Post Pandemic

Although there are some signs of economic recovery in the post-pandemic period, the pandemic appears to be beginning another phase of soaring infections as of April 2021. Despite this, there are a few hints of economic recovery. To claim that we have entered the post-pandemic era in the traditional sense would be an overstatement at this point.

- The following is a discussion of some of the stimulus packages that have been issued by the government.
- In March of 2020, the minister of finance made an announcement on a relief package of 1.7 trillion INR.
- In May of 2020, the Prime Minister of India announced a COVID assistance package with a total value of INR 20 trillion. The initiative was known as the Atmanirbhar Bharat Abhiyan. The total package amounts to about ten percent of the GDP when calculated out. The economy, infrastructure, population growth, technologically-driven processes, and demand make up the five pillars that support this program.
- Banking, Micro, Small, and Medium-Sized Businesses, as well as the Agriculture Sector, are Going to Benefit Significantly from This Initiative. The program is expected to benefit 500 million people in the field of medicine.
- In November of 2020, the Minister of Finance made the announcement of an all-encompassing stimulus program costing 2.65 lakh crore INR.



K- Shaped Recovery



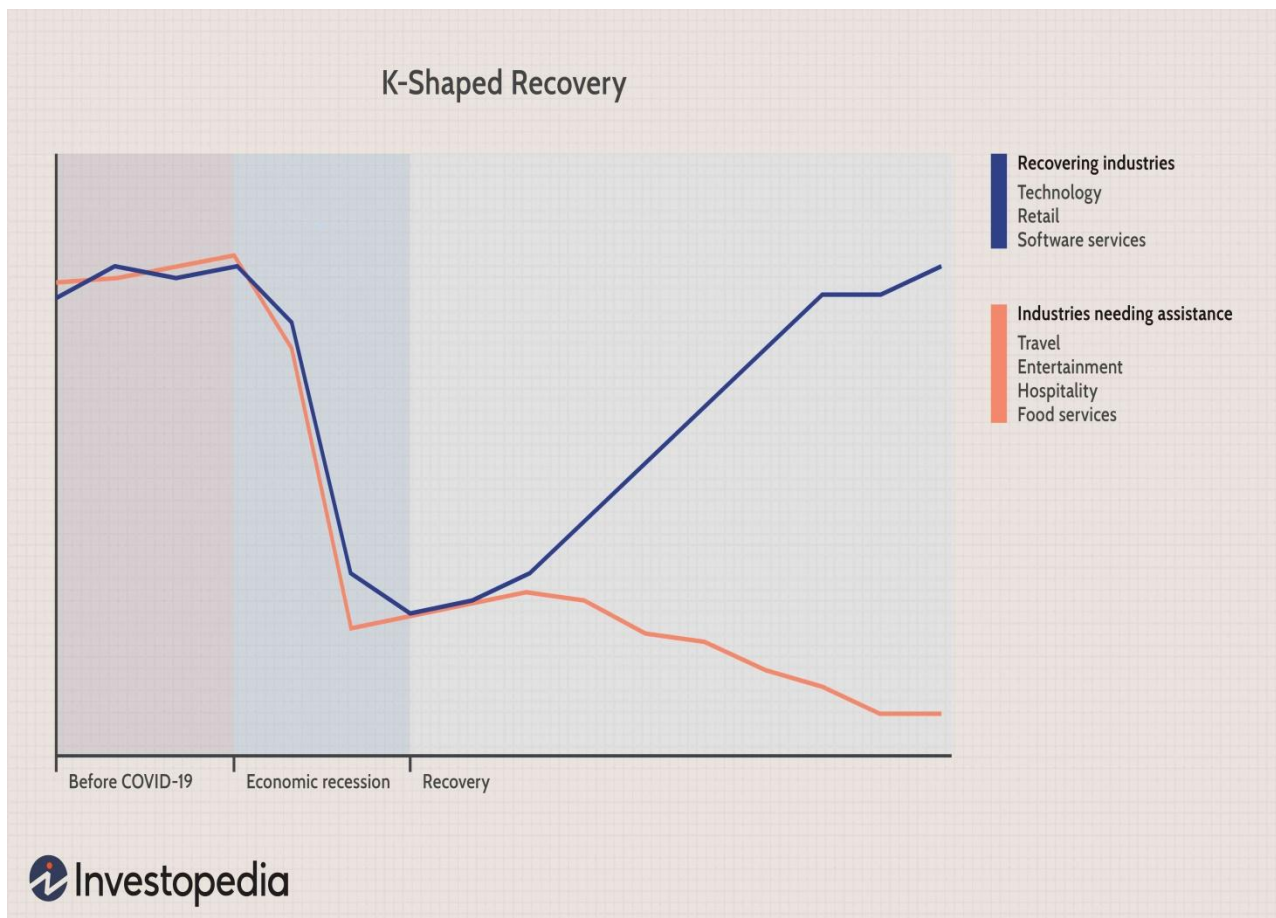
What is **K-Shaped** Economic Recovery?



The
K-Shaped
Recovery



- It is anticipated that India's economy would see a rebound in the form of a K. The K-shaped recovery was most noticeable during the quarter that began in September of 2020.
- It is anticipated that India's Gross Domestic Product would expand by 12.5% for the fiscal year beginning on April 1, 2021.
- Consumption as well as overall economic growth will suffer as a result of the growing inequality.

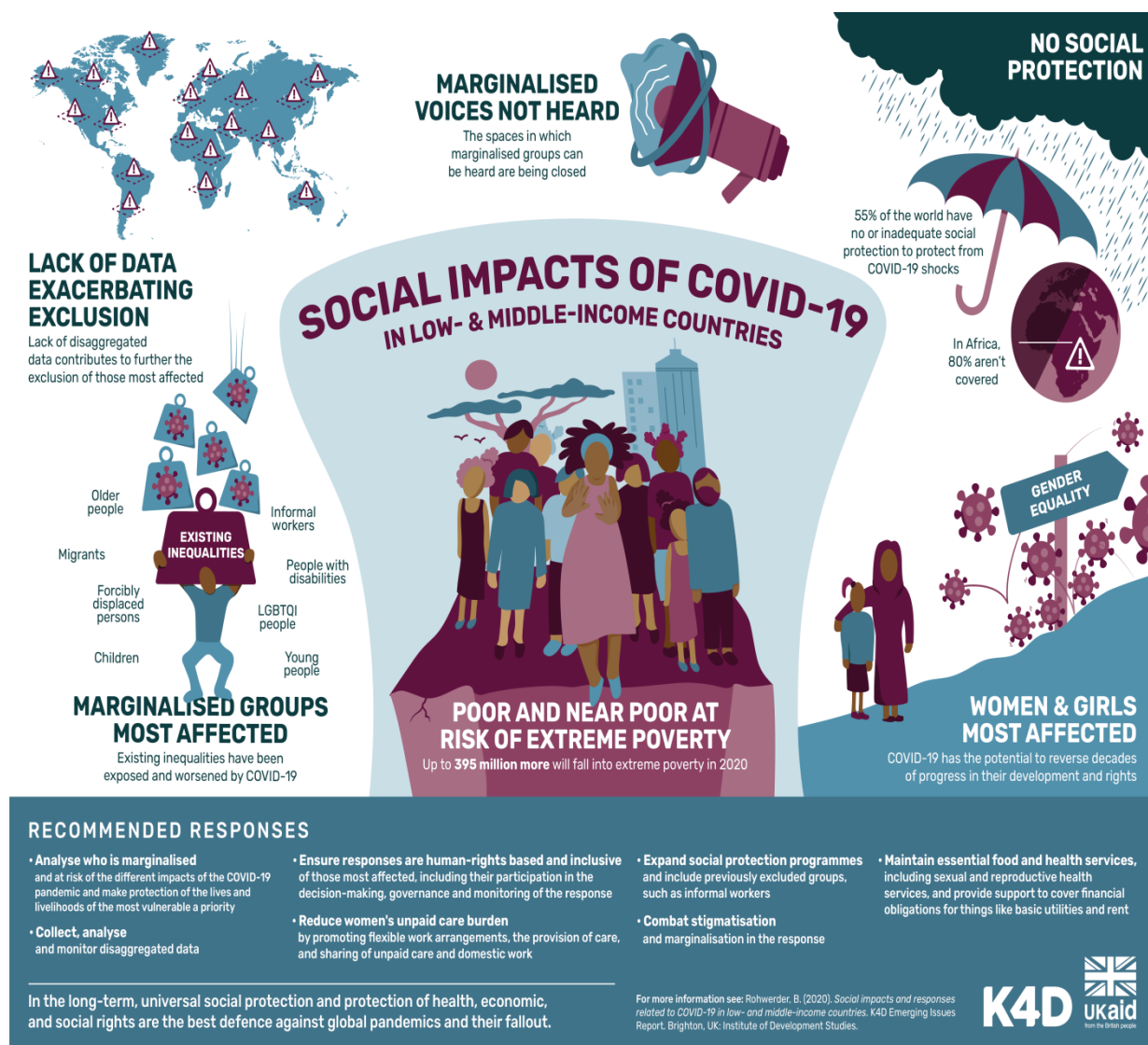


Conclusion

Not only has the pandemic had an effect on companies, but it has also had an impact on people's social lives and their health. Following the epidemic, the economy of India appears to be in far better health than was first anticipated. In order to address the slowdown in economic activity, many government actions,

including fiscal and social policies, have shown to be beneficial to the economy.

It is unavoidable that the pandemic of COVID-19 has altered the economic emotions and functioning in India, and it is anticipated that these changes would have some long-term implications.



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