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*Research Article*



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## Impact and Policy Measures of India in Covid-19 Pandemic

**Sabeen Azam**

Department of International Relations, Greenwich University, Pakistan

### ABSTRACT

The Covid-19 pandemic has been hitting the globe. Almost every country is affected by this pandemic. The coronavirus epidemic has had a significant influence on India's economic activities as well as the loss of human life. With a few notable exceptions, almost all industries have been negatively impacted as domestic demand and exports have sharply decreased, with few notable exceptions where high growth has been witnessed. This study examines how the public health issue has impacted India's most important economic sectors. While the government has put in place certain mitigating measures, they are insufficient to combat the pandemic's effects. The study examines how a near-collapse of the Indian economy might affect the country's hybrid political structure, which is dominated by the elites. An attempt is made to assess the impact and potential remedies for a few significant industries. The impact and policy measures need to be more pro-active to be effect and implicated on ground measures.

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**CONTACT** Sabeen Azam, Department of International Relations, Greenwich University, Pakistan

Email: [cliquish.hansell786@gmail.com](mailto:cliquish.hansell786@gmail.com)

## INTRODUCTION

The Coronavirus Disease 2019 (COVID-19) pandemic has disrupted economic activity in India. Until mid-March 2020, the economy was mainly hit by disruptions in cross-border connections. For example, tourism arrivals in

India declined due to strict travel restrictions and some value chains were interrupted, especially with China. When COVID-19 started to spread in India through domestic contagion, the Indian authorities enacted a series of measures to combat the pandemic, including a national lockdown from March 25 onwards that strongly disrupted economic activity across the country. When

restrictions were stepwise eased in May, economic activity slowly recovered. Shutdowns and other non-pharmaceutical interventions to contain the spread of COVID-19 have high economic costs and consequently tend to be accompanied by policy responses to mitigate their economic impact. In line, both the Reserve Bank of India and the Government of India announced measures to assist individuals and companies that were negatively affected. Adjusting containment measures and policy responses to mitigate their economic impact require an assessment of the magnitude of the economic situation in near real-time. In addition, since the impact can vary at different locations, an assessment at high spatial granularity is needed.

### **Objective of the Study:**

To know the various affects Covid-19 in India.

## **METHODOLOGY OF THE STUDY**

The study is descriptive and analytical in nature. The information has been collected from secondary sources which contained Books, Journals, Newspapers, and Internet etc.

## **FINDINGS**

### **Impact on Indian Economy**

Indicators traditionally used to monitor the economic situation are available only with

substantial lags and often at the national level only, and hence provide little insights into the immediate effect of strong and sudden policy measures like a national lockdown. In response to such problems, economists have suggested different proxies that are available at a higher frequency and with shorter publication lags, as well as at a higher spatial granularity. Activities throughout the economy, from industrial production to commerce and household activity, so changes in consumption reveal information about these activities in real-time. About economic activity at high spatial granularity. Such proxies have become especially important during the COVID-19 pandemic, as it makes data collection through surveys, which are fundamental for the traditional estimation of gross value added, more difficult. In line, the Central Statistical Office noted that data collection challenges related to India's national lockdown will likely result in revisions to its growth estimate for the first quarter of 2020.

The economic impact of the lockdown was immediate. The weekly unemployment rate reported by the Centre for Monitoring Indian Economy (CMIE 2020) increased from 10 percent both in urban and rural areas in the week before the lockdown to 30 percent in the week thereafter in urban areas, and to 20 percent in rural areas. Different from developments in other countries, unemployment rates did not increase further after that and since then are hovering around 25 percent both in urban and rural areas. se in unemployment is evidence of a severe and sustained negative economic impact, which also manifests itself in other data. For example, cargo

traffic and rail freight declined, oil demand collapsed, and India's Purchase Manager Index dropped to an all-time low in April. An excellent discussion of the economic impact of COVID-19 on India's economy is provided by Dev and Sengupta (2020).

### Political Impact

The Covid-19 pandemic also affected the political system of India to a large extent. The outbreak of deadly Corona virus created many obstacles in political activities of India. Keeping in mind the increasing spread and threat of the pandemic, the Government of India invoked epidemic Act of 1897 and also postponed ongoing budget session of the state. Moreover, the Government also took several measures for containing the spread of Covid-19 in the state such as Lockdown, Home or institutional quarantine and social distancing etc. Keeping in view the rapid spread of Corona virus, the Government of India also passed several regulations to combat the pandemic such as The India Covid-19 Regulations 2020 and The India Covid-19 Containment Regulations 2020 etc.

Beside that the Government of India also constituted some task force at both state and district level in order to ensure the effective implementation of Corona containment measures. Because of this global pandemic, the Government of India is facing several criticisms from the people of India as well as leaders of opposition party. A lot of people strongly criticized the Government's sudden decision of lockdown and said that they have been suffering

a lot due to this. Some leaders of opposition party have alleged that the Government is doing politics on the Covid-19.

### Measures by Indian authorities to contain the pandemic

On March 22, 2020, India observed a 14-hour long curfew to combat the COVID-19 pandemic and assess the country's ability to implement containment measures. The government already ordered a lockdown in 75 districts where COVID-19 cases had occurred, as well as in all major cities. Further, on March 24, the government ordered a nationwide lockdown for 21 days, effective from March 25 until April 14, affecting the entire 1.3 billion population of India.<sup>7</sup> After the enactment of the national lockdown, nearly all public offices were closed, and public services suspended.<sup>8</sup> In addition, nearly all commercial and private establishments had to be closed and exceptions were only made for essential businesses like banks and insurance offices, internet and printing services, and shops selling food (which were encouraged to provide home delivery).

Industrial establishments were closed, and exceptions were only made for manufacturing units producing essential commodities. Such units required permission from the state governments to operate. Moreover, all but essential transport services – whether by air, rail, or roadways – were suspended and so were hospitality services. Finally, all educational institutions were closed as well. The lockdown, intended to end on April 14, was initially

extended until May 3. However, in areas where no new cases of COVID-19 arose until then, the government partially released restrictions from April 20 onwards. Agricultural activities were allowed again along with public works under the Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA).

In addition, industries operating in rural areas, Special Economic Zones (SEZs), industrial estates and industrial townships could operate again, if they had arrangements for workers to stay on the premises. And construction activity in rural areas could continue as well. On May 1, the Ministry of Home Affairs extended the lockdown for a period of two weeks from May 4 until May 17. However, many restrictions were relaxed or lifted. For example, the central government permitted again the inter-state movement of migrant workers, pilgrims, tourists and others that were stranded during the nationwide lockdown and the Ministry of Railways began to operate special trains with social distancing measures to facilitate movements. Based on risk profiling, India's authorities divided districts into green, orange, and red zones.

The profiling depends, among other things, on the number of COVID-19 cases, recovery rates, and the extent of testing and surveillance. As of April 30, there were 130 red zone districts, 284 orange zone districts and 319 green zone districts. In green zones, restrictions were eased strongly, and most economic activity could resume. In addition, all goods traffic was permitted again, and individuals could move freely again for non-essential activities from 7 AM to 7 PM. However,

air, rail, metro and inter-state road travel remained prohibited and educational institutions, hospitality services and places of large public gatherings (such as cinemas and malls) remained closed. In orange zones, restrictions were also relaxed, but some related to mobility remained.

In red zones, industrial establishments in urban areas remained prohibited from operating, except for those in Special Economic Zones and industrial estates/townships with access control. And while private offices could operate again even in red zones, a maximum of a third of the employees could be physically present in the office at the same time. Finally, construction remained mostly prohibited in red zones. On May 17, the lockdown was again extended but new relaxations were announced. For the first time, states were given authority to determine the specifics of the lockdown. In addition, two new zones (containment and buffer) were added to the red, orange, and green zones. The national lockdown enacted by the Indian authorities was successful in limiting mobility.

The Google Mobility Reports for India (Google 2020) to show how mobility declined after the lockdown was enacted. This data is based on tracking smartphones, which in India have a coverage of 27.7 percent. While this means that not everyone is tracked, the mobility data is still based on a very large sample and can hence be used to assess declines in mobility across the world (Maloney and Taskin 2020). The noticeable drop in workplace presence around March 10 was due to Holi. Shortly before the national lockdown was announced on March 24,

the presence at workplaces had already declined by over 10 percent and by a similar magnitude in retail and recreation locations. When the lockdown was implemented, the presence at the workplace dropped immediately by half and a few days later by an additional 20 percent. At the same time, residential places were frequented more often, confirming that Indians indeed stayed at home more due to the lockdown. Since mid-April, presence at workplaces slowly increased again but on May 16, presence at workplaces was still 40 percent below normal.

## CONCLUSION

Looking into the above discussion, it becomes quite clear that the wide spread global pandemic Covid-19 has made an adverse impact in the social, political and economic sector of India. The overall economic system of India has deteriorated due to this pandemic and it will greatly affect the social, political and economic aspect of the lives of the people of India in future. The Government of India is doing its level best with utmost effort to reduce the impact of Corona virus but still it has not been fully successful. Since this pandemic is affecting entire world, it is not possible for any state or country to defeat this pandemic alone and that is why all the nations and territories of the world have to fight unitedly with this deadly virus. Apart from this, at the national level, all states should unite and provide active cooperation to the central Government to palliate the effect of this devastating virus.

The people as well as the various socio-political organizations of the country should stop

criticizing the Government and provide full support to the Government to combat this pandemic because this is a humanitarian crisis and not a political one. India needs to rethink on its developmental paradigm. Equal access to Health and Education is an important condition for equitable development. An important lesson that the COVID-19 pandemic has taught the policymakers in India is to provide greater impetus to sectors which make better allocation of resources and reduce income inequalities. COVID-19 has also taught a lesson that in crisis the population returns to rely on the farm sector. India has a large arable land, but the farm sector has its own structural problems. However, directly or indirectly, 50 per cent of the households still depend on the farm sector. A greater support to MSMEs, higher public expenditure on health and education and making the labour force a formal employee in the economy are some of the milestones that the nation has to achieve.

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