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Analysing Influence of COVID-19 on Indian Economy and its Employee Market

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A B S T R A C T

COVID-19 pandemic scenario is an outbreak for the entire world and their economies, but it has severely impacted our Indian economy due to either halt or slow-down across sectors and industries except a few.

The Governments at Central and various state levels have tried their level best to bring minimize the negative impact of COVID-19 on livelihood of the citizens. The means adopted were primarily focusing upon the food security to underprivileged people across the nation, dedicated extra COVID healthcare funds, development of health related infrastructure, arrangement of medical equipment's, medicines etc. with support of various ministries and defense forces, special incentives in health sector to boost their morale and recognize their committed efforts.

However, in totality when looked upon a deficit was observed in terms of supply in comparison to the demand for several goods and services. The core reasons being unavailability/ lack of labor, raw material, lock-down rules, situation of uncertainty etc., all this resulting in slowing down the economic affairs in India, severely impacting the financial economy, employees and employment at large.

The situation being so grim that either people were losing their lives due to Corona or due under tremendous pressure as a result of stress arising out of money and earnings, with many earning members no more alive or sitting idle with no employment.

With a nation of size of India, which stood tall against the so called first wave in the year 2020 was carving out path out of the crisis situation, encountered the vital second wave in year 2021 (April onwards in volume). Huge crisis of immediate supply of Oxygen and few medicines created a situation of Havoc across nation.

The current study attempted through secondary and primary data across sectors, to interpret the severity of impact of COVID-19 on overall Indian economy, with focus on analyzing aspects like use of virtual management system and employment scenario in specific.

Keywords: COVID-19, Indian Economy, Virtual Management, Employee Market

Introduction

With the second wave of COVID-19 pandemic coming in, its influence on the Indian economy has been largely disruptive. With concerns coming in from the Chief Economic Adviser (CEA) – Government of India, even bodies like World Bank state the situation as a potential cause to amplify dangers to India's Monetary Situation. State Bank of India has further reduced its prediction about GDP projections from 10.4 % to 7.9% for the year 2021. (Dhoot, 2021).

According to CMIE (Centre for Monitoring Indian Economy) data, unemployment rate in India rose to 14.7 % in last week of May 2021, and employment rates to 21.7% in May 2021 ((The Wire Staff, 2021). There is a continuous fear of escalating jobless rates due to restrictions on businesses and movements across states as a preventive measure for further control spread of infection.

Under complete lockdown, with restricted economic activities taking place it was expected to affect not less than 71.31 % of businesses in terms of cash flow, 11.5 % facing deferred payments and 43 % observed salary cuts across India ((ET Contributors, 2020). With restrictions in supply chain, disrupted supply of raw materials, brought in much confusion related to the necessity of goods and services, with what being 'essential' and what not. Those earning from unorganized and informal sector and daily wagers were under severe economic threat and risk.

Agriculturalists around the country who grew the food for country and for other countries also faced uncertainty for some time due to uncertain supply of vegetables and food products a large number of vegetables rotten and were thrown to road due to reduced price, which were not sufficient to maintain the other charges. After some time, some better steps were taken under supply chain management to supply these necessary products to other parts of country.

In the current situation in May 2021 the supply of vaccine, medicine and oxygen has played its crucial role in India to reach to hospitals, which is not only writing history in India's growth story, but also making an influence in other countries also, the help or supply of COVID-19 vaccine to other countries is one of the greatest works to make India proud.

The impact of both waves of COVID-19 on Indian economy and job market might not fade away soon. The economic shutdown in India has also impacted the other country economy due to import and export from other countries like Japan, Korea, America, Pakistan etc. vice versa. However, the massive vaccination drive is definitely going to play a significant role in bringing normalcy at the earliest.

The Impact of Covid-19 on Indian industries

Last year in 2020, it was found that if the scenario of COVID-19 continues then India and all the developing countries condition will go into economic shrink and contract in size. As the major manufacturing nations became the epicenter of the COVID-19 and a large number of people and area got affected by it, for instance countries like America, India, China, Japan, France, London, Australia etc.

When we focus on India in specific manufacturing industries, huge losses are observed, accounted to not to halted or slow manufacturing process, limited or no workforce, less or no supply of raw materials. Dependency of few items on other countries gave pain to India, making India to start / enhance domestic manufacturing for items like mask, sanitizers, and other medical equipment, as well as enhanced importing of several items like Oxygen Concentrators etc.

On the other hand, when we observe India's defense sector, in year 2020-21, we witnessed a negative growth rate in the import of defense items and equipment's with significant credit to the Make in India program. The Indian Government has taken several steps to counter the import crisis from other countries, which are disturbing in manufacturing sector, via initiatives under programs namely "Make in India, and Atmanirbhar Bharat".

On other hand several giant Indian organizations like BHEL, Tata Sons, L & T etc., temporarily deferred their manufacturing or significantly reduced operations due to the lack of human resource, which is labor and employees. New startups which were just on the phase of start and growing, got impacted due to lack of better angel investor, which can invest in their startups, subsidy has fallen. Even during March 2020, during and post 21-day lock-down the SENSEX and NIFTY posted their major loss in 11 years.

Several initiatives were taken upon to handle such situation, right from food, reserves for health care to an initiative by Reserve Bank of India, to float appx. Rupees 3,74,000/- crores in Indian economy etc. On May 14 2020 world bank announced \$1 billion support to India for its health care sector in this corona to handle the coronavirus pandemic, (WDC, 2020).

On 17 April, 2020 the RBI Governor announced steps to counter the pandemic by announcing support of Rupees 50,000 crore exceptional money to NABARD, SIDBI, and NHB (ETBFSI, 2020). On 18 April, to secure Indian organizations during the pandemic, the public authority changed India's unfamiliar direct speculation strategy. To contribute to economic well-being of the nation, the Department of Military Affairs halted all money purchases for the start of the fiscal year.

Subsequent to meeting with all CM of states, on 12 May

2020 the Prime Minister Narendra Modi professed a generally speaking financial bundle worth Rupees 20 lakh crore (Kumar, 2021), to make and accentuation on India as a poised country. The cabinet also made special efforts for supply of food grains under the Public Distribution System (PDS).

Snap Shot view on COVID-19 Industry Wise Influence in India

Chemical Industry: The industry faced similar challenges as across world, but for India it came out as a future employment generator. The industry received several permissions and clearances for new products along with increase in production, with products like PPE kits, masks, test kits and packaging. India as a nation emerged out as an exporter in chemical industry for the first time in decades (ETEnergyWorld, 2020).

Auto Industry: Post 1st wave of COVID-19 in year 2000, the auto industry in India showed excellent signs of recovery and healthy booking volumes across companies, in specific passenger vehicles. However, the industry had got a hard hit in the 2nd wave with sales in May 2021 falling down for almost all giant automakers like Maruti Suzuki Ltd., Hyundai Motors, Tata Motor Ltd. The situation also showed decline of around 75% for companies like Maruti Suzuki Limited in passenger vehicles (Mishra, 2021).

Electronics Industry: According a report of Consumer Electronics and Appliances Manufacturers Association (CEAMA), sales of electronic items are expected to have witnessed a steep fall of around 65% due to the 2nd Wave of COVID-19 (Malviya, Mukherjee, & Thakkar, 2021).

Poultry Industry: The poultry industry is one of those industries which has hit hard due to this pandemic due to many rumors that corona can get transmitted through consumption of chicken the prices of which have fallen considerably as a result. About two core people employed in the poultry industry across the country have been impacted. People started avoiding consumption of meat, fish, chicken, and egg etc. Due to the fall in demand, wholesale price of chicken had dropped by as much as 70 percent. (Ghosal, 2020).

IT industry: The scenario has been pretty different for this industry in India. With successful implementation of work from home strategy, allowing companies to reduce the cost and productivity too. The industry has witnesses almost 90 percent companies planning to give a hike this year, with higher rate of promotions too in comparison to year 2020 ((Phadnis, 2021).

Digital Payment Industry: the effect of online mode service has increased in big boom in this Covid -19, just as Paytm, google pay, and many of digital platform has got its market in pick, due to lack of contact of people to each other in

personal. On the basis of Razorpay report, there has been an upsurge of appx. 76 percent in digital payments over past one year.

Textile Industry: under this sector, production decline by 10 to 12% in the quarter April – June 2021. If the current situation continues over the next few months, the national retail market will also get affected. From a manufacturing perspective, employment and supply would get decline in domestic and international market also, (kumar & singh, 2020).

Aviation and Tourism Industry: This industry is expected to have booked a loss of 85 billion \$ due to travel restrictions imposed on domestic and foreign travel due to the COVID-19 crisis. Both the sector tourism as well as hospitality is looking at a potential job loss of around 38 million across globe. India not being untouched, have similar impact, with Tourism Department of Government of India setting up a committee for estimating the losses incurred (kumar & singh, 2020).

Construction Industry: Due to the halt and the pause in all the sector of the manufacturing and the act including cement, steel and other building materials are affecting this sector. One of the main reasons is supply chain of the products and the labor, but in-spice these issues India as whole has performed fairly well in the field of road construction and has written a history by making lengths of roads per day.

MSME's: In a study of All India Manufacturers Organization (AIMO) in 2020, it has been found that about one 4th of over 75 million MSMEs in India will face the effect of the Covid and due to which many jobs and bossiness may go into decline if this lockdown continues for many days, (kumar & singh, 2020) .

Talking about the over employment scenario, there are several reports regarding millions of Indians lost their livelihood during this lockdown. Over 45% households across the nation reported an income drop as compared to the previous year. Various business such as hotels and airlines cut salaries and laid off employees. Revenue of transport companies such as Ola Cabs went down nearly 95% in March- April resulting in 1400 layoffs, (kumar & singh, 2020).

The COVID-19 pandemic has created a sense of turmoil for both industries and human resource management with managers having to quickly venture into the unknown as they strive to help their workforce adapt to and cope with radical changes occurring in the work and social environment. For example, employees who formerly spent all or most of their time working inside their organization's physical boundaries now have to quickly adjust to remote work environments. Employees are the increasingly working

remotely due to the new corona virus Covid-19 outbreak.

Analysis and Findings

India is taken up this COVID-19 situation as an opportunity to diminish the reliance on different nations by improving the usefulness limit of numerous products which were not been made in past time, similarly as veil, oxygen chamber in huge, clinical unit and numerous drugs which were not been fabricated, numerous protection hardware and numerous apparatuses, under make in India project numerous moves has been made to decrease the effect of different nations. In most recent couple of months, the import pace of numerous vital merchandises is expanding because of the creation in our nations.

At least for FY 2020-2021 and in next some year, the GDP growth rate is likely to be strongly impacted. In the case of employment, the same conclusion is reached. Inflation is also forecast to expand, at least for the short term. The government wants institutions to establish more liquidity in the market, so the base money supply is expected to decline further. At least in the years 2021-2022, industrial production is expected to take a significant hit.

The long-term economic effect would be determined by the repair mode. Effective, mild, and medium are three such modes that indicate a lot of possibilities. Thus, for 2020-2021 one should be prepared to take on the worst. Both leading economic and financial analysts have predicted a global recession, with some forecasting that the recession's full effect will be felt in the Asia and in its other part of countries in June/July 2021, due to the 3rd and 4th Covid strike in India and Bangladesh is going to impact the whole Asia by it, no there is no chance of getting rid of this corona, as the situation is going to happen in next days is worse to handle.

The government would have to show strong leadership. However, taking steps at all levels can take time. The years 2020-2021 will be remembered as a year of a 'survival' or a 'existence' for the Indian economy. what the impact it has given to our economy is not easily going to be taken out, the year 2021 and the next year are going to be crucial for Indian economy. The economy's strength, as always mentioned, will be pushed to the limits. There are a few things that point to a quick recovery. One is that, except for oil imports, the Indian spending plan isn't especially feeble to the worldwide monetary emergency. (Barbate, Gade, & Raibagkar 2021).

Conclusion and Discussions

The rapidly spreading pandemic of Corona Virus has put the world's growing budget into turmoil in impulsive and uncertain ways. However, it was noted that the current recession appears to be distinct from previous recessions that had shaken the country's economic order.

Although governments, multinationals, companies, and conglomerates continue to comprehend the scope of this tough situation, it is clearly urgent to plan for a more prosperous and structurally viable future for living and working, (Chaudhary, Sodani, & Dash, 2020).

While the unusual situation has rained down on the budget, particularly during stages of lockout, the country will have to find its way out of it by introducing economic measures. As the government sees it, all lives and livelihoods must be protected. Even though government may provide effective plan and reforms to save the economy, industry, civil society, and communities all play an important role in ensuring harmony. Until the virus is completely eliminated, social isolation, avoiding or discontinuing events, and the use of masks and sanitizers should be the rule. Since the environment and human behaviour are so intertwined at this moment, it is not solely the duty of government to restore economic activity. The threat of a global recession in 2020 and 2021 as a result of COVID-19 is extremely high, since it has been reported around the world that the closure of all economic actions manufacturing, consumption, and occupation is imminent in order to control the spread of COVID-19. Due to a stock stun, an interest stun, and a market stun, the design of the closure in COVID-19 is surprising.

The country's financial recuperation is controlled by the nature and degree of government help, just as the measure of corporate obligation and how organizations and markets react to bring down costs. Government help to the most defenceless (generally the gig area, laborers, and minority gatherings) is an essential advance which could save a few prospects.

COVID-19 has an everyday effect on our supply chains and manufacturing activities. The height of the COVID-19 virus has already disrupted the supply chain, forcing thousands of factories in the United States and Europe, as well as developing countries like India, to temporarily reduce or shut down their production lines. During the research, experts were consulted. A large number of critical barriers affecting the supply chain at the local level in India have been established. many researches can be fostered by evaluating hurdles using cross decision-making approaches.

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