



## THE IMPACT OF COVID-19 ON INDIAN ECONOMY

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### ABSTRACT:

Corona's influence is felt in all countries of the world. Many countries have been hit by the first and second waves of the Corona. Its adverse effects on the economy of many countries are being seen today. Lockdown was also imposed in India on March 24, 2020. After this, all transactions in the country came to a standstill. The country somehow seemed to stop where it was. The production area was completely closed. Along with the service sector, some other sectors were allowed to work from home. Even so, owning one is still beyond the reach of the average person. The workers were not getting work so their demand was also stopped. All this is having an effect on the economy of the country. Although the lockdown imposed during the second wave was somewhat milder than the first wave, it certainly had an effect on the economy. One of the predictions is that the economic downturn could hit the country and the world. The research seeks to assess the impact Corona has had on the country's economy.

**Key words:** -Corona, Economy, Price index, Lockdown, GDP

### INTRODUCTION:

The second wave of Corona has had a devastating effect on the country's economy. An atmosphere of fear, panic and confusion has been created among the citizens. The country's deteriorating situation is showing negativity in the near future, and rising inflation has left the common man in the country exhausted. People had their savings in the early stages of Corona, they used the same savings during lockdown that they had saved many times. But in the second round of Corona, neither savings nor earnings, petrol, diesel, cooking oil, etc. have extracted the oil of the common man. By the time Corona emerges from this second phase, India's economic downturn is expected to begin. The recession will affect not only the unorganized sector, but also the service sector, which accounts for 55-65% of India's GDP. Rising cases of corona in India may also be an important reason for this. Given the government's vaccination policy, the country's vaccine crisis and the number of corona patients are likely to increase significantly. Also, election rallies, religious gatherings, lack of information

on vaccines, non-compliance with the Covid protocol and poor health facilities in the country have hampered the fight against the epidemic. It is said that a country prospers only if it has the best medical facilities and knowledge, but in today's world India is far from it.

### Impact on Indian Economy

The country has an atmosphere of economic instability. Falling inflation, falling savings rates, rising interest rates, rising customs duties on imports, rising government debt, the depreciating rupee and the recent wholesale price index have risen to 7.39%. We are only focusing on one thing which has a name. There is an economic downturn. While the country is already reeling from the economic crisis, the Corona epidemic and the government's failure to fight it have exacerbated the problem. Although the RBI has taken a number of steps in the last few days to address the volatility, he believes that all these steps are nothing more than a slowdown in the economy.

Governments of India today may be teaching in the name of health, employment and various social schemes, but the reality is different.

According to the CMIF report, due to the severe nationwide lockdown, India's unemployment rate has reached double digits in May before reaching double digits in April and May 2020, which is an unusual situation for the country. The report shows that the employment rate has been steadily declining since January 2021, with a decline of 1 crore jobs between January and April 2021 alone. According to Barclays Bank, the rising unemployment rate in India is such that in May alone, the Indian economy is losing about \$ 8 billion a week, or about Rs 60,000 crore, a total loss of \$ 117. 8.5 billion is 3.75% of GDP.

According to the Human Development Index, a report by the United Nations Development Program (UNDP), which measures the health, education and quality of life of a nation, India has slipped to 131st out of 189 countries in the 2020 Human Development Index. This does not mean that India does not have development programs but other countries have done development work in their country in a better way than India. At the same time, India ranks 116th out of 174 countries in the Human Capital Index (HCL) 2020, another international organization published by the World Bank's Development Economics Group. The index indicates that the formal and informal markets in India are collapsing, leading to a sharp decline in employment or an 11% to 12% decline in the total income of those who work. All of this is likely to have an adverse effect on the poor and women, according to the report.

Overall, Covid-19 is having serious consequences. According to various recent reports, economists say that the Government of India will have to take a number of concrete steps in the future to keep the economy afloat, including the sale of various government entities. It has been on the verge of loss and closure for a long time. In addition, the government has been recommended to reduce oil taxes. A large segment of India (including the unorganized sector) has been linked to the service, which is already suffering from economic instability during the Corona epidemic and its direct and serious consequences if a recession strikes the country. Governments should come up with new schemes for their service class with some financial generosity, so that they can cope with the coming recession.

#### **CONCLUSION :**

Corona's influence can be seen in all sectors of the economy, both in India and in the world. Corona affects production, consumption, sales, employment, income, human development index, commodity prices index. Many young people became unemployed. Many industries shut down. Some areas will take a long time and a lot of hard work to get out of this.

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