



Impacts of COVID-19 Lockdown on Entrepreneurial Activities in Haryana

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Abstract

Haryana has contributed a lot to the development of India. The state, mainly dependent on agribusiness, has also contributed to other forms of entrepreneurship such as cycle, textile, handloom, car industrial manufacturing, IT sector, pharmaceuticals and chemical industrial manufacturing, secure connectivity, tourism sector and clean energy. For the development of any country, it is necessary for its residents to be physically fit. Along with the world, the havoc of Kovid-19 continues in India as well. All types of industries have suffered huge losses due to COVID.

The state of Haryana also could not remain untouched by this disease. The state has long term management capacity and development potential to undertake various development works. Notably, the state is taking proactive measures to help promising enterprises to restore the economy in the post-COVID situation, to energize MSMEs and take all possible steps to attract unfamiliar speculations. Entrepreneurial activities are most affected by the COVID-19 pandemic.

This article specifically focuses on the effects of the COVID-19 lockdown on entrepreneurial activities.

Keywords Impacts: COVID-19 Lockdown, Economy, Tourism Entrepreneurship

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Introduction

The world has seen a number of epidemics such as the Spanish influenza of 1918, HIV / AIDS, SARS (Severe Acute Respiratory Syndrome), MERS (Middle East Respiratory Syndrome), and Ebola. In the past India has had to deal with diseases such as smallpox, disease and polio. However, the Novel Corona virus Covid-19 which emerged in China in November-December 2019 and in the next few months spread rapidly in almost every country in the world turned out to be one of the biggest health and economic problems in our history. India recorded the first case of the disease on January 30, 2020. Since then the cases have increased steadily to around 33610 total confirmed cases and around 1075 deaths (as of 30 April 2020). India has recorded a lower number of cases compared to other countries, especially those in the developed world, which have been badly affected.

The global Covid-19 pandemic, which is inflicting two kinds of shocks on countries: a health shock and an economic shock. Given the nature of the disease which is highly contagious, the ways to contain the spread include policy actions such as the imposition of social distancing, self-isolation at home, closure of institutions, and public facilities, restrictions on mobility, and even lockdown of an entire country. In order to curb the spread of the virus, the government of India announced a three-week-long nationwide lockdown starting 25 March 2020 and further extended to 3 May.

The outbreak of COVID-19, first in China and now having been confirmed in more than 190 countries, has emerged as a key risk to human health as well as global growth outlook through numerous channels like trade, production, and supply chain disruptions; decline in demand; Agriculture, Manufacture, lower tourism and business travel; loss of investor confidence; and productivity losses from the health impact on morbidity and mortality of workforce. The outbreak has presented challenges for the Indian economy now, causing a severely disruptive impact on both demand and supply-side elements which has the potential to derail India's growth story. According to the study by the Federation of Indian Chambers of Commerce and Industry (FICCI), the economy will impact the economy entirely.

Haryana is one of the most widely accepted Investments in each category and is the fifth highest paid per capita income between Indian countries. Haryana Domestic Product (GSDP) is the 12th largest in the country growing at an average rate of about 13 percent over the years 2012-17. Haryana is expected to face INR1.06 lakh losses this financial year, due to the closure of Covid-19, or a 12.6 percent loss in GSDP.

The national key was forced on March 25, 2020, due to the spread of Corona virus (COVID-19) has had a profound impact on the national economy and the economy of Haryana. Closure of borders exports exporting various products such as cars and automotive components, electrical machinery and equipment, etc. For 2019-20, cars and exports are exported From Haryana stand US \$ 1070.81 million, and US \$ 515.3 million for 2020-21 (until November 2021). The final closure led to a major impact on the state's agricultural sector due to the migration of workers, they returned to their homes which resulted in a shortage of skilled workers farmers in the agricultural sector.

Objective of the Study

1. To Analysis the impacts of COVID-19 Lockdown on Entrepreneurial Activities in Haryana.

Research Method

The research methodology is a systematic way of solving a research problem that can be understood as the science of learning how research is done scientifically. This study explains it naturally. In this, we will learn about the various steps commonly adopted in the study of research problem and the psychological background. The researcher also needs to understand thinking based on different strategies and they need to know the ways in which they can determine that one process and one process will work for certain problems and another will not. The current study will be conducted only in the province of Haryana.

Data Collection

Data collection work begins after the defining of the research problem and the construction of the research plan was issued. When deciding how to collect data for use in research, the researcher should keep in mind two types of data: primary data and secondary data. The information needed for the current study is collected from secondary sources. Secondary data is collected and used for this research in various published sources such as journals, magazines, books, websites and various other publications.

The impact of COVID 19 on the Indian economy

A national closure has halted almost all economic activity. However, the supply of essential goods including medicine is guaranteed without interruption by the government. Disruption of demand and supply may continue even after the closure. It will take time for the economy to return to normal and then the means of decimating society will continue as long as health shocks play out. The need is therefore less likely to be returned in the next few months, especially the need for non-essential goods and services. There is a possibility that the three main factors of the demand rate - consumption, investment, and exports may remain long overdue. In addition to the unprecedented collapse, there will also be a disruption of the supply chain due to the unavailability of material resources, the migration of millions of workers from urban areas, the reduction of international trade, and the export and travel restrictions imposed by almost all stakeholders.

Supply chains are unlikely to be common in the future. The longer the problem persists, the harder it will be for firms to keep it afloat. This will have a negative impact on productivity in almost all domestic industries. This could also affect investment, employment, income and spending, and slow down economic growth. There will be significant consequences for the participation of the aviation, travelers, and tourism industries. In addition to domestic problems, India's economy will also be affected by the impending global economic downturn. This will have to do with the consequences of the spill through India's international financial and trade ties.

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Tourism

In 2019, the Government of Haryana signed an agreement with the 'Bharat P' Company to provide payment sites by scanning the UPI-based code with 'QR' for more than 120 applications such as Paytm , Google-Pay, Beem-UPI, etc. and petrol pumps. The Haryana Department of Tourism has also installed 120 exchange machines at departmental resorts and a petrol pump to promote digital use. Also, the government started booking online of resorts and hotels by signing an agreement with online operators such as MakeMyTrip.com, Goibibo, etc. The Government of Haryana was awarded the 'Scotch Order of Merit' for the e-Tourism project. Haryana Tourism has established a network of 44 bird-named Tourist Complexes on highways across the State, well known to tourists. Some Tourist Complexes meet with Heritage Sites, Pools, Birds and Golf Courses. The entire industry is facing many operational problems due to locking and other limitations. As of 15 May 2020, 340 expatriate tourism workers have lost their jobs from Haryana Tourism Corporation due to business loss.

Agriculture and Home Affairs

The agricultural sector is critical as a large number of workers and the general public depends on the sector. With the outbreak of Covid-19 the situation in rural India is likely to worsen. The closure and associated disruption will affect agricultural activities and the relevant chains provided by several channels: supply distribution, harvesting, procurement, transport barriers, marketing and operations. Travel restrictions and staff shortages could affect food production and processing (FAO, 2020). March-April is the peak time for the sale of the rabbi product but the harvest will be disrupted due to the movement of thousands of immigrant workers. Lack of fertilizers, pesticides and other inputs can also be disruptive agricultural production. The closure of restaurants, transportation issues could reduce the need for new products, poultry and fishing products, affecting producers and suppliers.

A study by Sudha Narayanan (2020) of the Indira Gandhi Institute of Development Research shows that farmers are attached to the crop as APMC (agricultural production committee) equipment is closed in many provinces thus disrupting food supply disruption from production to consumer facilities. The above research shows that the government should focus on post-harvest jobs, more marketing and sales and start buying activities. Some secular governments have already taken action.

The closure of countries could create a severe shortage of labor and transport problems; the sector is experiencing significant losses due to locking. To help with this, the government has taken steps such as providing financial assistance for the use and production of pesticides compost and promotes organic farming in the state.

Online Marketing

According to the Indian Brand Equity Foundation (IBEF), the US E-commerce market is US \$ 21.90 billion by 2018. Haryana also plays a major role in the global online retail market.

The impact of the closure in the state of Haryana is also felt in the online retail market due to travel restrictions. But according to the latest government guidelines, the state has introduced a standard operating procedure (SOP) to maintain the supply of essential goods.

According to the guidelines of Lockdown 4.0, commerce establishments can work with 100% off-site employees. The online retail market may be affected by the closure but with the onset of the export of unnecessary goods, it is expected to see a recovery.

Micro, Small, and Medium Enterprises (MSMEs)

Micro ,Small and medium enterprises as a whole form a large part of India's production and play a key role in providing large-scale services and exports. Recent annual reports on MSMEs show that the sector contributes about 30% of India's GDP, and based on conservative estimates, employs about 50% of industrial workers. More than 97% of MSMEs can be classified as small-scale firms (with investments in plants and machinery under Rs 25 lakh), and 94% are not registered with the government. Most small businesses are small, house-owned businesses.

Although all businesses are affected by the disease, the MSME sector will be severely affected by the declining cash flow caused by the nationwide closure. The sale of their goods will be disrupted, and they will be affected by the exit of immigrant workers, restrictions on access to supplies, disruption of exports and imports and restrictions on the spread of travel, the closure of supermarkets, hotels, theaters and educational institutions etc. This, in turn, could seriously affect MSME businesses. As a result, hundreds of thousands of people who work in these small businesses may end up losing jobs and income.

Trading With Small Markets of Haryana

The COVID-19 epidemic has affected small markets and trade as badly as many others industries. Demand for the market has declined, making producers less active capacity. Also, disruptions in transportation services, communications, logistics and delivery series, unavailability of skilled and unskilled staff and other operational difficulties created producing an expensive business in the current situation. Haryana ranks third on the national level for ease of doing business and leader in North India. The state sector of MSME has the potential to drive productivity growth sector and increased government employment. A total of 9.7 lakh MSMEs in Haryana formed 1.5% of total MSMEs in India. The government has taken many steps to promote performance of MSMEs operations. With the disease, the Haryana government has announced "Haryana MSME

Revival Interest Benefit Scheme", to facilitate industrialization in Haryana in retaining their employees with a scheme aimed at assisting MSME units to enable them pay salaries to all their employees including permanent / contracted employees.

MSMEs have the potential to contribute to the growth of any economy through growth production, using a wide range of available resources, and most importantly, production great deal.

Industries

During the closure due to COVID-19 disease, industries in the state suffered significant losses due to declining production rates, declining demand, and disruption of the supply chain because of the lock. However, to deal with it, different industries have taken different efforts to manage losses. Few car properties have been modified to facilitate the production of ventilators, face shields, masks such as N-95, PPE Kits, and medical equipment.

Employment

A .Job Scenario of Haryana

According to the Periodic Labor Force Survey of 2017-18, Haryana had the highest unemployment rate of 8.6%, which was higher than India's total unemployment rate of 6.1%. Also, for a woman, the unemployment rate in Haryana was 11.4%, much higher than the average Indian woman's 5.7% unemployment rate. By the end of 2019, Haryana had 95 lakh employees. With the onset of closure in the country due to the increasing number of corona cases, the government of Haryana has issued advice to industry and commercial institutions the state is asking them not to lay off their employees and deduct wages due to locks.

b. Job Scenario of India

Data from the Pyramid Home Consumer Survey of the Center for the Monitoring of Indian Economy (CMIE) shows that the unemployment rate in urban areas has risen sharply to 30% in the week ending March 29, almost three times and 8.7% in the week ending March 22. In rural areas, the corresponding figures were 21% and 8.3%. The unemployment rate increased from 8.4% to 23.8%. Data for the week ending April 5 accounted for 30.9% of urban areas, 20.2% of rural areas and 23.4% of the total population of India.

Financial markets and institutions

With the nationwide closure, the risk threshold for the banking system grows exponentially. With more and more firms struggling to stay afloat and unable to pay their bills between demand and supply disruption, corporate fraud will rise and the level of NPAs in the weak banking system will already grow exponentially. Moody's Investors Service has already changed the perception of the banking system in India from a stable one, as it expects a decline in the quality of banking assets due to disruptions in economic activity. It is possible that the default will not only arise in the banking system but also in the NBFCs that lend to the MSME sector (Micro, Small and Medium Enterprises) as the salaries of these people will drop significantly. Of particular concern may be the depth of financial pressure on the small financial sector (NBFC-MFIs) which provides support to small and medium-sized businesses across the country. Small financial institutions (MFIs) work for many poor people

who earn less with their savings and debt services. Microfinance economics require higher payment rates. Any slip on the payout ratio makes these financial markets and institutions unpaid.

The repayment rate may drop dramatically now as borrowers struggle to make ends meet as they face shocking incomes. Most MFI clients work in small or medium-sized businesses and borrow for a short period of time. As a result of the closure, their income will fall completely. In addition, most MFI loans are cash and are in the middle of a closing period, and even if borrowers are able to pay, debt collection is a major problem.

As NPAs on existing loans continue to accumulate, the risky banking system may be even more reluctant to extend new debt, especially if banks do not have enough money. In other words there are many channels where the already fragile financial system can be congested as the problem worsens, thus increasing the decline.

Conclusion

Covid-19 poses an unprecedented challenge in India. Due to the large population, the unfavorable economic situation, especially of the financial sector in the pre-Covid-19 era, and the dependence on the economy for informal activities, the closure of trains and other forms of social unrest could be severely disrupted. Intergovernmental governments have identified the challenge and responded to it but this response should be just the beginning. Policymakers need to be prepared to maximize response as events unfold in order to reduce the impact of panic on formal and informal sectors and open up the V path.

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