Social and political impact in India during the Covid-19 pandemic

Name- Surojit Mallick
Designation- Student
Address- 90 kabi kiran dhan road,
Bhadrakali, Hooghly , PIN-712232
Affiliated Institution- RBU

Abstract: India is the largest democracy in the world and people of different religions live here socially. The social and political character here is very different from other countries, a big reason being the 135 crore population. Outbreaks of the corona virus have plagued Indian society in a number of ways, most notably migrant workers, job losses, and the slowdown in India's economy. The central and state governments have adopted different policies to address these issues, although there are differences of opinion as to how effective this policy is in practice. As a result of the Corona situation, a lockdown was declared in India on March 23 and its aftermath. The health system is inextricably linked with every society and in a third world country like India the health system is very weak and its condition is deteriorating. I want to show through this paper how much the Corona situation has affected India socio-politically and economically.

Keywords- Covid 19, lockdown, socio-political, economy.

I. Introduction

Needless to say, the corona virus has had a socio-economic and political impact in a vast democracy like India. Even a change in social life has been noticed all over the world as a result of the virus. The economic situation in India is not very good with the rest of the world because the corona virus, announced a lockdown by the Indian government which resulted in many jobs being lost. Another major problem with the announcement of the lockdown is the problem of migrant workers because people from different districts are working in different parts of India, so the sudden announcement of the lockdown has created various problems for the migrant workers. Corona virus has also affected Indian society in many ways.COVID-19, or more popularly known as Novel Corona Virus, is associated with the respiratory disorder in humans which has been declared as a global epidemic and pandemic in the first quarter of the year 2020 by the World Health Organization. As per data and other tracking website there are currently more than 80 million people infected by the Corona virus all around the world and more than 1.75 million people all ready died from different countries. In this paper I will discuss the changes that have taken place in the social life of India as a result of corona virus in different parts and try to highlight the problems through this paper.

II. Migrant worker issue during the covid-19

Migrant workers during the COVID19 lockdown have suffered many hardships. With economic activities being virtually out of gear due to the lockdown announced by the Prime Minister on 24th March, 2020, almost 4 crores of workers went jobless. They also had to face the problems of shortages
of food. It was at this time that they started remembering their near and dear and suffered from a sense of isolation at their places of residence. Hence, they thought to return their homes by whatever transportation means they had. Some of them caught unsafe transportation means such as trucks and Lorries and thus met with a series of accident on their way to homes. According to the international organizations like International Labour Organization and World Economic Forum, an estimated 40 crore migrant workers live in different parts of the country. Majority of them hail from the Uttar Pradesh, Bihar, Madhya Pradesh, Rajasthan, Chhattisgarh, Jharkhand and Orissa. These labourers had to face challenges related to conveyance, food, shelter and social stigma. Some of the data issued by the state governments are serious. For example, the state of Bihar issued a data in the mid of May, 2020 that out of 11 thousand migrant workers that reached Bihar, 560 of them were found COVID+. Maharashtra accounts for almost 52% of the total migrant workers of India followed by Gujarat, Delhi and the Punjab in that order. The State of Maharashtra, as we know, is the worst affected state by the COVID-19 outbreak and it should take timely actions to address their problems. According to the above data, majority of these migrant workers consist of the youth drawn from the poor families of the backward classes. It shows that despite long spell of rules by OBC leaders in this state are their problems have not been addressed. Most of the migrant workers are daily wage earners engage broadly in MSME sectors and construction activities. In both these sectors they are not given appropriate health care and other facilities such as proper fooding and lodging with the result that some of them fail to bear the brunt of these activities and also fail to reap the reach dividends of their life. Majority of these workers eke out their livings and hence have no savings to bank upon in future. All these things happen despite the legal cover provide to them under the Inter State Migrant Workmen Act, 1979.

Recently, the Centre and various State Government have changed various labour laws to facilitate “ease of doing business”. For example, the Central Government had already attempted to change in September 2019 labour code which includes The Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of BonusAct1965, and Equal Remuneration Act, 1976, the above bill is now under consideration before the Standing Committee of Parliament. It is believed that it would give factories owners at least three benefits: Firstly, they did not need register their firms separately under the above laws; Secondly, they did not need file return separately and thirdly, they would be able to structure their relations with their employees and workers according to their ease. In fact, there were 45 Central laws and almost 200 State laws to deal with such relations with the result that such relations got strained. A few Indian States like the “Punjab, Uttar Pradesh, Madhya Pradesh, Gujarat, and Rajasthan” have very recently during COVID-19 lockdown and migrant worker crisis have changed labour laws giving more powers to the employers such as the powers of “hire and fire”, taking work from the workers for twelve hours and provide healthcare facilities to the workers on the spot as per their convenience. The NGOS working for the welfare of these workers and employees unions believe that it would give an instrument of exploitation to the employers to exploit the helpless workers.

Before the onset of COVID-19 the Union Labour Minister, Santosh Kumar Gangwar had presented a bill in the Lok Sabha titled “occupational safety”, “health and working conditions code 2019”which proposes to minimise the burden on the employers with respect to the provision of healthcare to the workers. Moreover, such concessions will be available to the employers employing 10 or more workers. Besides, the government will be armed with the power of determining the floor wage rate for these workers. All these measures would minimize the bargaining power of the workers enjoyed by them until now. That’s why several workers organizations including Bhartiya Mazdoor Sangh, An Arm of the RSS, have threatened to stage nationwide strike. Against this backdrop one can say that the government which
wants to put back on the track the distressed economic activities has failed to take into account the broader interest of workers. It needs to be seriously addressed.

III. Health system response to covid-19 in India

The first three confirmed covid-19 cases in India where students who returned form Wuhan to Kerala. The state health minister announced that children return from Wuhan will be quarantined at home and tested. When their report is found to be positive, arrangements are made to keep them and their family members in home isolation and all essential items delivered to their home. The next time they all 3 recovered. So it can be said that the first covid-19 was found in Kerala and this was the first experience in the case of covid-19 in India. As a result, the Kerala government issued some important guidelines for those who would come from outside. But later it was seen that the number of positive cases was gradually increasing all over India and as a result the Government of India took some important decisions one of which was lockdown. On March 11, 2020, the COVID-19 outbreak was declared an epidemic in India and provisions of the Epidemic Diseases Act, 1897, was been invoked; congregation of people for commercial, educational, entertainment, sports, religious, and other social activities was banned; all schools and colleges were closed. By the third week of March 2020, COVID-19 cases were reported from almost all states in India. Most of the cases were from urban areas; this was perhaps due to the differences in population density, as well as availability and access to testing facilities. India observed a 14-hour voluntary public curfew on 22nd March 2020, to test feasibility of a lockdown to prevent rapid spread of COVID-19 between states, districts, urban and rural areas, and between different areas in the densely populated cities.

IV. Guidelines for Testing SARS-CoV-2

Initially testing was mainly done for travelers from countries with COVID-19, their household, and other contacts With the increasing number of testing institutions and availability of test kits, respiratory symptomatic seeking health care and contacts and household people of confirmed cases were tested. Indian Council of Medical Research (ICMR) guidelines recommend screening for SARS-CoV-2

• All asymptomatic individuals who have undertaken international travel in the last 14 days.

• All symptomatic direct and high-risk contacts of a confirmed case (test once between day 5 and day 14 of coming in contact).

• Asymptomatic people in hotspots/clusters, (defined by Ministry of Health and Family Welfare [MoHFW]), large migrations/gatherings/evacuee centers.

• All symptomatic (fever, cough, sore throat, runny nose).

• All symptomatic contacts confirmed cases.

• All symptomatic health care workers.

• All patients with severe acute respiratory illness.

V. Health Education to Reduce Spread of Infection

Physical Distancing- One of the most important methods for reducing the risk of infection is staying away from any potentially infected patients. Global and Indian guidelines have empirically
recommended that the minimum distance should be one meter. People should avoid going to crowded places and attending congregations to reduce risk of this airborne infection.

Wearing of Masks- A multilayer cotton mask offers some protection to the wearer from droplets of infectious material emitted during coughing/sneezing/talking by an infected person and can be comfortably worn though the summer and monsoon. To be effective the mask should cover the nose and mouth, be reasonably fitting and should be kept in place. Masks should be removed at least once in 6 hours or when they become moist with secretions or sweat. They should be washed well with soap and water and thoroughly dried before reuse.

Washing Hands with Soap and Water- Washing hands with soap and water for 20 to 30 seconds whenever people touch potentially contaminated surfaces is an important method for the prevention of infection.

Sanitizing Potentially Contaminated Surfaces- All surfaces of furniture in public places that are touched by number of people should be adequately cleaned and sanitized to prevent spread of infection.

VI. Covid-19 has exposed the basic problems plaguing the Indian healthcare: Dr Ramakanta Panda, Asian Heart Institute

There is historic precedence that black swan events like COVID-19, bring with them extreme impact, in terms of human lives, dislocation, and economic losses. Existing structures and cost equations are uprooted and the new replaces the old.

The pandemic exposed the inadequacy of private healthcare and importance of spending and strengthening public healthcare. In the long-term; the government will have to re-evaluate and drastically improve upon the funding in public healthcare, infrastructure. The manpower crisis plaguing the healthcare sector has to be managed with efficient and targeted vocational training. Instead of diseases management, health management and prevention will become the norm, as the general well-being of the insured population through medication management and self-care enablement will gain importance. Virtual consultations by healthcare professionals will become the mainstream care delivery model post-pandemic. Robotics which promoted social distancing will make a comeback. Insurance and customer service both will emerge as key factors.

This pandemic has exposed the fundamental problems plaguing the Indian healthcare system, be it physical infrastructure, manpower, health management. We don’t have an epidemic response mechanism and our public healthcare system is woefully underprepared. So we need a reboot.

The Government must spend more in healthcare to create a more robust and all-encompassing public healthcare system. The country needs more public hospitals and the focus needs to shift from disease management to health management, patient education and prevention. Here the private sector can play a supporting yet secondary role, not primary role as is happening currently.

VII. Problems in the economic field due to covid-19 and some package taken by government for solving problems

The countrywide lockdown has brought nearly all economic activities to an abrupt halt. The disruption of demand and supply forces are likely to continue even after the lockdown is lifted. It will take time for the economy to return to a normal state and even then social distancing measures will continue for as long as the health shock plays out. Hence demand is unlikely to get restored in the next several months,
especially demand for non-essential goods and services. Three major components of aggregate demand—consumption, investment, and exports—are likely to stay subdued for a prolonged period of time.

In addition to the unprecedented collapse in demand, widespread supply chain disruptions will continue for a while due to the unavailability of raw materials, exodus of millions of migrant workers from urban areas, slowing global trade, and shipment and travel-related restrictions imposed by nearly all affected countries. The supply chains are unlikely to normalize for some time to come. Already several industries are struggling owing to complete disruption of supply chains from China. The longer the crisis lasts, the more difficult it will be for firms to stay afloat. This will negatively affect production in almost all domestic industries. This in turn will have further spillover effects on investment, employment, income and consumption, pulling down the aggregate growth rate of the economy.

At this stage, the possible duration of the underlying health crisis remains uncertain. In addition there are multiple unknown factors such as the true extent of impairment suffered by the different sectors of the economy, the magnitude of deterioration of the balance sheets of economic agents such as firms and households, the ability of both the formal and informal sectors to bounce back to normalcy once the lockdown is fully relaxed and most importantly, the potential destruction of the productive capacity of the economy. Therefore, it is difficult to fully comprehend the extent of the damage that the Indian economy is currently incurring. Some of the statistics available now already highlight the severity and duration of the slowdown the economy may experience going forward. After some amount of recovery in economic activity in June, 2020 it appears that the slowdown has resumed once again in most of the sectors. The improvement seen in most high-frequency indicators in June after the dramatic collapse in the April-May period has begun to wane since mid June. This is presumably due to the renewed lockdowns all over the country and damage to consumer sentiment and overall economic productivity. Ricity demand declined to 30% below last year’s levels and gradually recovered thereafter. Since June end there has been no further moderation in the pace of deceleration in electricity demand. Vehicle registration related transactions declined dramatically in end March and April, began improving since May but have begun falling again in the first couple of weeks of July.

Overall cargo throughput at majority of the Indian ports was down by around 20% year on year in March and April, particularly in cargo segments such as petroleum products, thermal coal and containers. This contraction was recorded despite the fact that the port sector is counted among ‘essential services’ and was primarily due to the shock to global trade and reduced domestic industrial activity owing to the lockdown. Railway freight which is an important indicator of economic activity was down by more than 35% year on year in April and began recovering slowly since May, a trend which has continued in July. India's aviation, tourism and hospitality industries have already sustained maximum damage because of the Covid-19 outbreak, and after the lockdown, it is questionable to what extent they will be able to ride out this storm. The shutdown is bound to push India's fast-growing aviation industry into peril. The Centre for Asia Pacific Aviation (CAPA) has assessed that the Indian aviation industry will post staggering losses worth nearly $4bn this year. There will also be large scale cascading effects for the hospitality and tourism industries. Hotels and restaurant chains across the country are closed right now they are unlikely to witness a pick-up in demand even when the lockdown is relaxed. Their businesses will suffer for several months, sparking worries of large-scale layoffs.

The World Travel and Tourism Council has projected that travel could fall by 25% in 2020 putting to risk 12-14% of the jobs in the sector. This translates into 50 million jobs at risk, globally. According to estimates from CMIE’s Consumer Pyramids Household Survey, travel and tourism accounts for five per cent of total employment in India (nearly 20 million jobs). Hotels and restaurants account for another 4
million jobs. Employment in the travel and tourism industry has already been declining since late 2017. These sectors are going to be disproportionately affected during the on-going crisis.

All non-essential businesses closed, most industries have been witnessing a drastic decline in sales. Revenue losses will force businesses to either close down or opt for wholesale retrenchment of workers. Operations of a large number of companies in specific sectors will not see business getting back to normal even after the lockdown ends, as the labour has moved out. Even capital intensive sectors such as real estate, consumer durables, and jewellery may not see a demand revival for several months or quarters.

Data from the Consumer Pyramid household level survey of the CMIE shows that the overall weekly unemployment rate went up drastically from an average of 9% in March to around 23% in May and to as high as 35% by early-June. It was higher in the urban areas compared to the rural areas. In June the unemployment rate fell sharply to 11% reflecting the first round of relaxation of lockdown restrictions. There was also a significant recovery in the labour participation rate. Since then the unemployment rate has been stagnant at 11%. This is still higher than the pre-lockdown rate but significantly less than what was recorded during the peak of the lockdown from end March to end May.

The immediate objective of the policy responses to the economic impact of Covid-19 is to ameliorate the effect of the shock on economic agents in both the formal and the informal sectors and to help them tide over the crisis. Against the background of a weak economy, the twin shocks of Covid-19 and lockdown are operating at two levels-

1) Creating supply-side disruptions
2) Triggering reduction in aggregate demand

The need of the hour is policy actions to deal with both supply- and demand-side problems. The supply side has been reeling under three pre-existing shocks: (i) demonetization of 2016, (ii) goods and services tax (GST) since 2017, and (iii) slowdown in credit growth. The pandemic is creating additional disruptions due to the following factors:

Mass exodus of migrant workers from urban areas- Many firms will not be able to find the required number of workers, and hence production will be constrained even if they do not face a demand shortage. This will be acute in sectors such as construction, logistics (last-mile delivery of goods), unskilled manufacturing, etc., where large numbers of migrant workers are employed.

Non-availability of financing- Finance is the backbone of business. The banking sectors, especially public sector banks (PSBs), have been operating under high levels of risk aversion. The future prospects of borrowers have become more uncertain in the ongoing crisis. This will further affect credit availability. Bond markets have also become risk averse. Credit spreads on corporate bonds are the highest since 2009.

Restrictions on international trade:- The pandemic has disrupted global supply chains. To the extent that international transport of goods is adversely affected, importing firms will face supply constraints.

Logistics issues- The lockdown has imposed restrictions on intra- and inter-state movements. This has made transportation of raw materials and finished goods difficult even within the national boundaries.

All factors of production are facing disruptions – capital, labour, and raw materials. In addition, marketing has been disrupted, retail stores are closed and e-commerce is also not operating smoothly.
The gradual relaxation of lockdown will release some pent-up demand, but the supply-side disruptions are unlikely to get resolved soon. This in turn will exacerbate the demand shortage. For example, firms have fixed expenses such as rent, wages, inventory maintenance, etc., but a large number of them are earning no revenues. If they do not receive financing to tide over this crisis, they will be forced to downsize their businesses or even shut shop. This will add to unemployment and aggravate the demand problem.

The central government and RBI have announced an initial round of fiscal and monetary policies respectively as well as some broader economic reforms. In addition, several state governments have also announced fiscal stimulus measures.

VIII. Policy package for informal sector workers

On March 26, 2020 the Finance Minister announced a Rs. 1.7 lakh crore packages largely aimed at providing a safety net for those who have been worse affected by the Covid-19 lockdown i.e. the unorganized sector workers, especially daily wage workers, and urban and rural poor. The “Pradhan Mantri Garib Kalyan Yojana” contains the following components:

- Free additional 5 kg wheat or rice per person for 3 months
- 1 kg free pulses per household for 3 months
- Free LPG for Ujjwala beneficiaries for 3 months
- Rs.2000 to 87 million farmers under PM Kisan Yojana in 10 days
- Increase in MGNREGA wages to Rs.202 from Rs.182
- Rs.500 per month to 200 million female Jan Dhan account holders for next 3 months
- Ex-gratia of Rs.1000 to poor senior citizens, widows and disabled
- Rs.20 lakh collateral-free loans to women self-help groups
- Govt. to contribute EPF to companies with less than 100 workers
- Non-refundable advances of 75% or 3 months wages from PF account
- States to use Rs.31 crore from construction workers welfare fund
- States to use district mineral fund for medical activities.

Atmanirbhar Package-

In May 2nd week the Finance Minister announced a comprehensive economic relief package called the “Atmanirbhar (self-sufficient) package”, which had three components: (i) monetary actions, (ii) fiscal actions, and (iii) economic reforms.

Fiscal actions: Policies focusing on low-income households include repackaging old schemes, increasing the allocation of existing schemes, and some new initiatives-

- Front-loading payments under the existing Pradhan Mantri Kisan Samman Nidhi (PM-KISAN).
Yojana to the tune of Rs. 160 billion Direct benefit transfers (DBT) to old age people, and widows, under Ujjwala Yojana, and under Jan.

Dhan Yojana amounting to Rs. 470 billion Extending MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act) to migrant.

workers, and to some workers in organized employment, adding up to about Rs. 922 billion A fund for construction workers of about Rs. 310 billion.

Direct food distribution using stocks available with the Food Corporation of India (FCI) to the tune of Rs. 35 billion.

Salient fiscal initiatives focusing on MSMEs (micro, small, and medium enterprises) include:

- Rs. 3 trillion collateral-free bank loans to MSMEs with 100% credit guarantee. The guarantee will be provided by the National Credit Guarantee Trust Co. Ltd (NCGTC).
- Government investment of Rs. 100 billion in funds that in turn will invest Rs. 500 billion in the equity capital of MSMEs.
- Rs. 200 billion subordinate debt issued by banks and other financial institutions (such as SIDBI) for stressed MSMEs, out of which the government will refinance Rs. 40 billion.
- Rs. 450 billion partial credit guarantee scheme for NBFCs (non-banking financial companies), where first 20% of the loss will be borne by the government.

Package for Agriculture

The government announced the following measures for agriculture in May, 2020 as part of ‘Atmanirbhar’ package.

Rs. 1 lakh crore Agri Infrastructure Fund for farm-gate infrastructure for farmers.

- Rs. 20,000 crores for Fishermen through Pradhan Mantri Matsya Samparda Yojana
- Rs. 10,000 crores scheme for formalisation of Micro Food Enterprises
- Rs. 15,000 crores Animal Husbandry Infrastructure Development Fund
- National Animal Disease Control Programme for Foot and Mouth Disease (FMD) and Brucellosis
  - Launched with total outlay of Rs. 13, 343 crores
  - Rs. 4000 crores for promotion of Herbal Cultivation
- Rs. 500 crores for Beekeeping initiatives
- Rs. 500 crores for improving supply chains for all fruits and vegetables
- Agricultural Reforms Amendments to Essential Commodities Act to Enable better price realisation for farmers
- Agricultural Marketing Reforms to provide marketing choices to farmers
• Agriculture Produce Price and Quality Assurance: Facilitative legal framework will be created to enable farmers for engaging with processors, aggregators, large retailers, exporters etc. in a fair and transparent manner. This reform basically relates to contract farming.

The policy packages including agricultural reforms are in the right direction. There has been demand for these reforms in the last few decades. Government has already brought the ordinances for implementation of the reforms. However, the infrastructure development funds and reforms are helpful in the medium term and may not be useful in the short run.

IX. Conclusion

There is no doubt about the changes that are taking place in the social life of India due to covid-19. The deplorable state of the health system in India has come to the fore and the Government of India has made some important decisions as a result. In addition to this, the central government has announced some economic packages which economists consider to be very effective measures and it is needless to say that the people of India will get some help during this covid-19 but we have to look the other way so that this service reaches everyone It is clear that the central and state governments of India are working hard to get out of this predicament and take some important decisions to solve it. Finally, the economic momentum will continue to slow down until the virus is vaccinated.

X. Reference


11) According to 2011 Socio-Economic Caste Census of India.


13) Industrial Dispute Act, 1947.


17) “A third shock”, Mahesh Vyas, CMIE Economic Outlook, 16 March, 2020

18) These measures are in addition to a previous commitment by the Prime Minister that an additional Rs 150 billion (about 0.1% of GDP) will be devoted to health infrastructure, including for testing facilities for COVID-19, personal protective equipment, isolation beds, ICU beds and ventilators.

19) Additionally, on July 2, 2020 World Bank announced a US $750 million budget support to 15 crore MSMEs to increase liquidity access for viable small businesses impacted by Covid-19.

