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## VARIOUS ECONOMIC SECTORS OF INDIA DURING COVID-19

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### Abstract

The research focus on the problems faced by the various sectors of Indian economy due to covid-19, specially how it affect the GDP, unemployment rate, agricultural and education sector. It is expected that the finding of this research work will show that how the government have to be prepared for the economic emergency and what type of step is to be taken in such type of economic circumstances.

**Key word:** Fall in GDP, financial crises, unemployment rate, fees hike in education.

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## Introduction

Due to in this corona virus pandemic India is going through a very difficult time, which have also a great impact on Indian Economy. The pandemic had led to job losses in several instances where employees either lost their jobs or faced massive pay cuts. Many jobs that been done in offices are now being performed as the work- from home. The government has been also monitoring the data and well planned implementation to overcome from this situations. Due to this pandemic agricultural sector is also affected. There is a decline in agricultural activities due to lack of availability of labour and machines, restrictions on free movement of men and machineries and farmers face lots of difficulties on finding on buyers for their crops.

This pandemic also have a great impact on the education sector. Students has been taking their lectures through online classes, but in rural area students are facing challenges for lack of internet and electricity connection to device like computer or smart phones. Parents are also facing problem to pay fee for their child education, as many private school, colleges and institutes has hike their fess during this pandemic. Teachers and professors have lost their jobs in this corona virus pandemic and some teacher who got to keep their job are facing salary cut or no salaries at all.

## Financial crises in Indian Economy during covid-19:

The **economic impact of the COVID-19 pandemic in India** has been mostly unsettling. The fourth quarter of the fiscal year 2020 India's growth fall down to 3.1%. According to the Chief Economic Advisor to the Government of India this drop is mainly due to the Covid-19 pandemic effect on the Indian economy. However in 2020 India, another major emerging economy also recorded positive growth 13% to \$57 billion improved by investment in the digital sector.

Real GDP (Gross Domestic Product) at sustained (2011 -2012) price in the year 2020-2021 is now estimated to achieve a level of Rs.135.13trillion as in opposition to the first revised estimate of GDP for the year 2019-2020 of Rs. 145.67 trillion released on 29<sup>th</sup> January 2021.

## What is the Impact of Covid-19 on Unemployment Rate in India?

Due to the Covid-19 pandemic many workers who are daily wage earners face a lot of difficulties to feed themselves and their families in lockdown.

‘As per the data of Center for Monitoring Indian Economy (CMIE), the unemployed rate was recorded at 6.9% in February 2021 which is slightly better than 7.8% in the same month last year and 8.8% in March 2020 during which lockdown was imposed.’<sup>2</sup>

‘As of March 2021 there were 43.8 million people in India who were unemployed and willing to work.

April 2021 has seen sharply rising Covid-cases serve shortage in the health services rising death and also rising unemployment.’<sup>3</sup>

‘The CMIE data specifies improvement in the unemployment scenario from July onwards, but there is a need for stability which would only come after an increase in development of the manufacturing and services sectors. There is a need for improvement in hiring in urban and industrial areas.

The government has taken many steps to encourage fresh hiring in the country. According to Labour Ministry data, around 16.5 lakh people have received advantages from the Aatmanirbhar Bharat Rozgar Yojana (ABRY) which was launched in October to encourage hiring in the country in middle of the Covid-19 pandemic till March 9, 2021.

“Under the ABRY, about 16.5lakhs beneficiaries registered themselves with the scheme from October 1, 2020 and out of this approximately 13.64lakh are new joiners with UAN (Universal Account Number) generated on or after October 1, 2020 and approximately 2.86 lakhs are re-joiners who were rendered un-employed during the pandemic from March 1, 2020 to September 30, 2020 and rejoined from October 1, 2020 onwards”.

The government has planned to create 50lakhs to 60lakhs jobs through the ABRY in the 2yr time, but it required close monitoring and well planned implementation to achieve desired objectives.

“Under the Pradhan Mantri Garib Kalyan Yojana (PMGRY) scheme, government of India had credited Rs. 2,567.66 crore in EPF accounts of 38.82 lakhs eligible employees.”<sup>4</sup>

To protect Indian companies during the pandemic the Government of India on 18<sup>th</sup> April 2020 has changed the India's foreign Direct Investment Policy.

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<sup>2</sup> Economic Times

<sup>3</sup> Business Today

<sup>4</sup> Economic Times

## What is the Impact of covid-19 on agricultural sector?

The impact of lockdown imposed in the entire country due to COVID-19 some of the reasons for decline in agricultural activities include lack of availability of labour and machines, need for social distancing, and restrictions on free movement of men and machineries and growers face lot of difficulties on finding no buyer for their crops.

‘The reverse labor migration led to shortage of labour which affected harvesting of the winter (November-March) crops like wheat and pulses unfortunately in the effectively cultivated in north-western plains of India.

The restriction on movement disturbed the supply chain, hampering the uninterrupted flow of inputs and output of agricultural activities which results the shortage of crops which was to be distributed among the nation.

Huge buffer stocks of rice and wheat increased by a record harvest in 2019-20 season crops enabled the Indian food system to fight the pandemic. At the same time tons of food grains were wasted according to the government report at the food corporation of India (FCI) storage structures, since May 2020.

Due to lack of demand and logistics food commodities such as milk, vegetables and fruits were wasted at farm level while distribution of milk by the Anand Milk Union Limited (AMUL) the largest milk cooperative in India was also affected.

The major food commodities specified that the wholesale and retail prices of pulses, wheat flour and milk were 1-5 % higher a month post lockdown. Price of edible oils and stable cereals, rice and wheat were 4-9% lower because of segregation of import restrictions and government involvement like free distribution of food grains.’<sup>5</sup>

‘The agricultural and allied sector carries immense importance for the Indian economy. It contributes nearly one-sixth to the Indian National Income and provides employment to nearly 50% of the workforce. According to World Development Report 2008 released by World Bank emphasis that growth outside agriculture is on average at least twice as effective in reducing poverty as growth outside agriculture. Agricultural growth reduces poverty directly by raising farm incomes and indirectly through generating employment and reducing food prices.’<sup>6</sup>

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<sup>5</sup> Sage Journal

<sup>6</sup> NABARD

## **Prioritizing Agriculture Sector for Economic Recovery**

The economical implementation during COVID-19 pandemic has brought the agricultural sector into close attention and strengthens its responsibilities to feed and employ thousands who might have lost livelihoods. At this time when every sector of the economy is reported to be under significant stress, the agricultural sector continues to be promising and protect the economy. Since the agricultural sector carried on to be one of the bright spots away from this pandemic, there is a need of prioritizing agricultural sector during this pandemic time to ensure speedy economic recovery of the country.

The government should consider setting up a price stabilization fund to insulate farmers from the price risk.

## **What is the Impact of Covid-19 on Education Sector?**

‘In India, over 1.5 million schools close due to the pandemic, affecting 286 million children from pre-primary to secondary levels. This adds to 6 million girls and boys who were already out of school prior to covid-19. This disruption in education has severe economic implication too.’<sup>7</sup>

Due to the corona virus pandemic the students has been taking lessons through online classes by mobiles and computers. Online classes are good for short term area but it create digital divide. The student who has internet facilities can take the advantages of online classes. But in rural area the students face lots of problems in their studies because of lack of internet facilities, they are totally barren of technology education, with no electricity supply, lot of network problems and people are illiterate, also there are huge population with no sufficient funds with them so that they can provide mobile and internet facilities to their children in this pandemic situation when they have no jobs.

Online classes are not even a short time solution for the primary school kids because for such a young children social emotional bonding and contact with people and teachers is necessary for the development of child. In the coming months it is better to reopen the schools with precautions maintaining physical distancing. What would have lesser negative consequences reopening them or keeping them shut?

We would have to evaluate which option is lesser harmful.

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<sup>7</sup> India Today

## Stress on parents due to Schools and Colleges fees Hike during Covid-19

During this corona virus pandemic many colleges and school have hike their fees, which create a big issue for the middle class family to arrange the fees for their children educations.

“In 2020 a petition has been filed in the Supreme Court by a group of 10 parents from Delhi, Maharashtra, Gujrat, Punjab, Haryana, Rajasthan, Odisha and Uttarakhand seeking a moratorium on Payment of school fees for the period beginning on April, 1<sup>st</sup> till the commencement of physical classes. Most petitioners claimed that they faced lot of financial and emotional hardships to pay fees and will be forced to withdraw their children if forced to deposit fees. The parents argued that online classes were not an effective tool to impart education as most families do not have the technological wherewithal. The petition also demanded uniform directions for schools not to strike out students or impose penalties for defaulting on fees and they must also structure fees based on actual expenses incurred without any hike during the lockdown.

The Delhi High Court has ruled no waiver of tuition fees while in Rajasthan, the HC has held that “the entire school fees will not be waived”. In Uttarakhand, the judges have tweaked the order to the extent that tuition fees will only be payable if the student has opted for and has access to online classes. In the case of Punjab and Haryana High Court, a direction has been issued allowing schools to collect 70 percent of the fees while Madhya Pradesh HC is categorical that no charge for un-incurred expenses will be payable, such as transport, mess charges. The Kerala High Court recently held that schools cannot additionally charge for conducting online classes”.<sup>8</sup>

It is very important for the government to regulate the fees hike of the private school. ‘Till date, 15 states have made legislation on paper to regulate the fees hike of the private school. But parents are involved in the school boards only in 4 states in India, where the fees hike can be controlled.’<sup>9</sup>

It is important to make a parents teachers association and grant them decision making powers, so that they can regulate the fees hike then it can be controlled and implemented in a better way. The rest of the state should also follow this lead.

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<sup>8</sup> Hindustan Times

<sup>9</sup> Hindustan Times

## **No break in Education of children who lost parents due to covid-19:**

‘The Supreme Court has directed state government and union territories to ensure that there is no break in the education of children who have lost one parent due to the Covid-19 pandemic. The Supreme Court noted in the order that 30,071 children have become orphans or have lost one parent due to covid-19. In which 3,621 orphans, 26,176 have lost one parent and 274 children have been abandoned as per data collected by NCPCR till June 6<sup>th</sup>2021.’<sup>10</sup>

## **Student lives matter but teacher lives matter as well**

Many teachers have lost their jobs in this corona virus pandemic and for the ones who got to keep their job, they are intense of over working and facing salary cut or no salaries at all.

‘Over 60,000 teachers in Maharashtra and 40,000 teachers in Karnataka have lost their jobs and few lakhs teachers are facing salary cuts.’<sup>11</sup>

According to the sources, ‘Institutes and schools are not paying salary to their teachers in these times. The excuse that they are giving to teachers when asked about dues is that, teachers will be paid according to their efforts. Many teachers have not been paid salaries for several months. If students are paying the full fees then teachers should get full salaries. This time is difficult for teachers as well. An experienced teacher is also starting from zero for this.’

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<sup>10</sup> Live Law

<sup>11</sup> Times of India

## Conclusion

From the above research it's concluded that the government should explore some of the way by which they can attract foreign capital quickly to generate the revenue for economy. In unemployment sector government should activate the self- help groups and focus on the skilled department. They should focus on unorganized sectors by cash transfer, wage subsidies and tax relief to help affected household and business to confront this temporary and sudden abstraction cause to the current pandemic in production. Government should also implement their schemes on agricultural sector to protect the seasonal crops of the farmers and provide a platform, where they can easily find a buyers for their crops at a market price. Government should also take strict action against those private school, colleges and institutions who are continuously hiking their fees during in this pandemic.

## Sources

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