



COVID-19 AND ITS IMPACT ON THE MIGRANT CLASS GROWTH, IN THE INDIAN ECONOMY (IN THE PRESENT CONTEXT)

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ABSTRACT

The Indian economy and growth has been hit hard by the ongoing Corona virus or Covid 19 pandemic and led to global crisis. A health crisis worldwide has generated a global economy standstill, and tertiary sector which provides a GDP contribution nearly 60 percent for the Indian economic growth. Indian economy is facing four major challenges. First is to save the country from the spread of Covid 19, which has hit hard in second wave of the pandemic to the Indian economy. Second is to save the economy from the unfolding economic and business crisis due to the dual effects of the Coronavirus pandemic. Third is to provide a flexible relief package to migrant workers, who are vulnerable in this crisis in different states in India & the world in this global and national lockdown. If we observe the world scenario, countries around the globe are facing serious consequences and damages to economies. According to the International Monetary Fund (IMF), many economies may face negative per capita income and political growth in 2020 and may continue still further in 2021 annual year, due to the Corona virus pandemic & unavailability of labour which has led to migrant crisis. In its recent forecast the World Trade Organisation (WTO) indicated a clear fall in world trade between 13 per cent and 32 per cent in 2020, perhaps the highest fall since the "Great Depression of 1930's". In its recent world economic Outlook, IMF does project a rebound in the growth of the Indian economy in 2021, at a rate of 7.4 per cent. But India is one of the fastest developing country in the world depending on migrant and unorganised sector workers for construction works, service-related jobs, due to Coronavirus pandemic most of the migrant workers are finding hard to live in the cities else move to their natives.

KEY WORDS: *Migrant workers / depressed labour, Covid 19 pandemic, Economic and business growth.*

I. INTRODUCTION

India is one of the fastest developing countries in Asia and the world with average GDP growth around 7% from four years 2015-2019, where the service sector contributes a lion share in growth of GDP, due to availability of surplus labour force and manpower. But in the year 2020 India's economic growth rate is decreased due to the effect of covid-19. Most of the growth contributing sectors is unable to contribute, due to lack of demand in the economy, ex: petroleum products sale from March 2020 can be taken as good example, where producers are not able to take more risk to sell the products, due to covid 19 crises. As India is one of the major affected countries in the world due to covid-19, ADB (Asian Development Bank) has predicted Indian growth rate is to be 4% in the fiscal year 2020-21 due to lockdown implemented by the government. According to data released by centre for monitoring Indian economy (CMIE), India's unemployment rate in May 2020 was around 23.5 percent, due to unavailability of labour and government restrictions. But second wave of pandemic in India from February

2021 has made Indian Unemployment to reach double figures due to lockdown situation in several states in India, according to the reports of CMIE (Centre of Monitoring Indian Economy). India needs to find solution to overcome this unemployment, which impacts more on poor or depressed class.

II. REVIEW OF LITERATURE NICHE BUSINESS

A Study conducted Deloitte; "Future of E-commerce Uncovering innovation" notes the raising culture of start-ups focusing on niche areas that tend to serve everyday purposes of the customers.

GK TODAY

Internal Migration refers to inter-state or inter-district migration within the territories of India. Internal migrants constitute roughly about one third of India's population.

III. NEED OF THE STUDY

1. To understand Government's policies like fiscal policy and monetary policy of the RBI



(Reserve Bank of India), and governments relief packages to overcome the problem of health crises.

- To know the importance of national income and its income generating sectors and its contribution and growth in the labour force in India and the world economy.

IV. STATEMENT OF PROBLEM

Covid-19 pandemic has brought uncertainty in production of primary, secondary and tertiary sectors, which had led to crisis in resuming demand and supply factors of labourers, investment, and rise in unemployment and resulted in economic crisis like inflationary pressure in some countries and no demand in some countries in the world. From March-April 2020, these may increase in raise in inflationary pressure as first wave, later it increased badly from Mid of February 2021, where Indian economy was facing several challenges to allocate flexible budget for wellbeing of the migrant workers, unorganised workers. Most of the developed economies use online transaction or e-transactions in all economic and business activities, But India is slowly gaining the importance of e-commerce, but unorganised sectors like construction workers and public sector institutions are unable to find work, this may affect the Indian economy in longer run. From March 2020, there is political and economic crisis, the government

of India has to offer more sops and opportunities for the manufacturers to innovate, produce globally efficient products of global standard, as most of the working population in India is working in unorganised sector, e-commerce can be a cause for raise in employment opportunities and national income in Indian economy.

V. OBJECTIVES

- To understand covid-19 impact on Indian economies national income, flexible trade and balance of payment.
- It understands the sustainable growth of the economy, by increase in HDI (Human Development Index), raise in PCI (Per Capita Income).

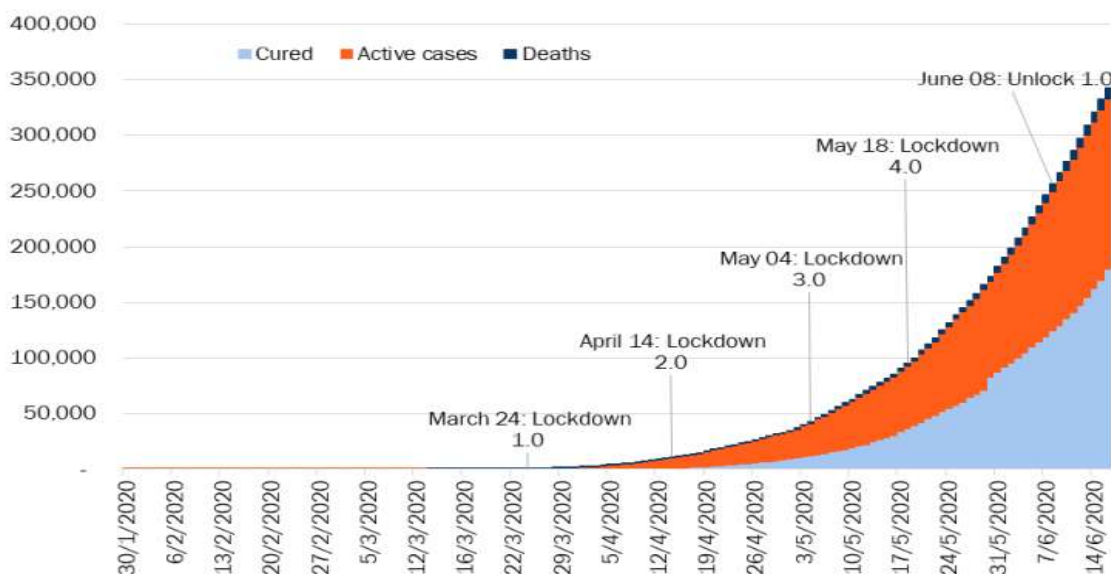
VI. RESEARCH METHODOLOGY

This research output is the outcome of an overview conducted on covid-19 and its impact on India in the present context, opportunities to promote employment opportunities and making India self reliant Economy, with strong labour force in the Indian context experimental approach, during pandemic situation, it uses secondary data for analysis, discussion with expert part of research work.

DATA AND STATISTICS

1. Covid 19 cases in India

Figure 1. Total (cumulative) number of cases of COVID-19 in India



Source: Ministry of Health and Family Welfare, Government of India.

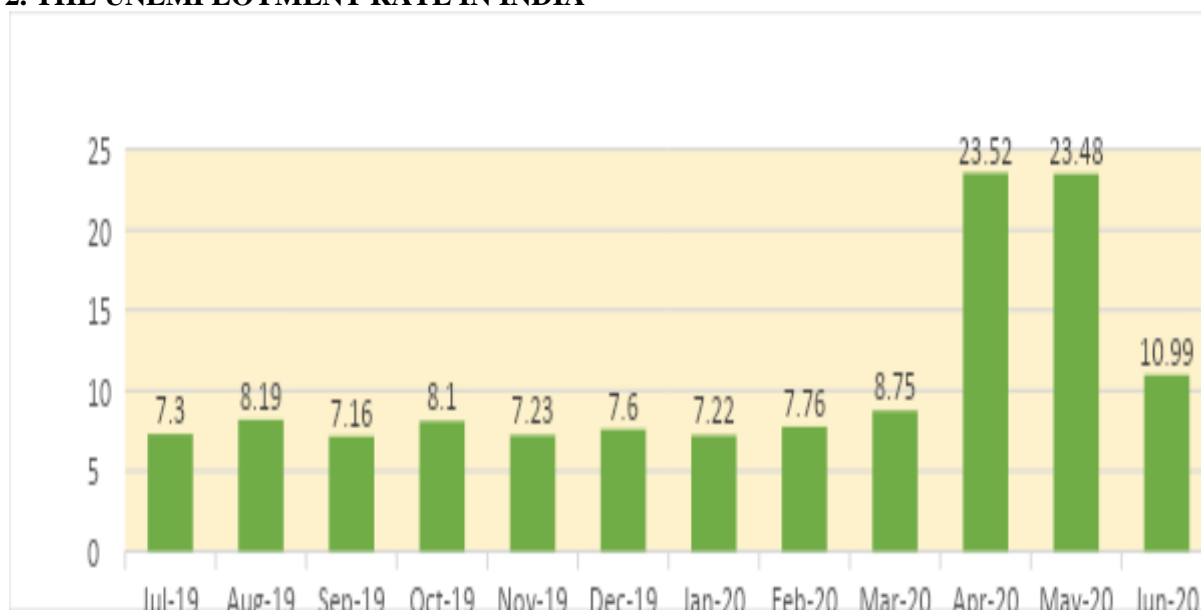
BROOKINGS



The graph statistics indicates the increase in total number of covid-19 cases, which made Indian economy to implement national lockdown in most of the parts of Indian states and union territories during the lockdown phase 1 and 2, the Economic activities in India was almost standstill, this resulted in imbalance in demand and supply in the Indian

economy decrease in demand for many products, sales and business activities, but after lockdown 3 and 4, there was some concision given to some development and economic activities, unlock phase after June 8 resulted in resuming Economic activities but drastic increase in covid-19 cases in India.

2. THE UNEMPLOYMENT RATE IN INDIA



The above graph explains increase in the unemployment percentage in April 2020 to June 2020, India has large section of working population working in unorganised sector, the graph shows sudden increase in the unemployment rate due to the pandemic situation

VII. RESULT AND DISCUSSION

World concern global pandemic Covid-19 which initially made China to suffer health, business and economic losses, now it has its impact on India and most parts of the world, from March 2020 India and world GDP has been hit hard, resulted in increase health emergency, unemployment, decrease in demand in India and globally for all the growth sectors. Government and international agencies has to take care to resuming economic and business activities, otherwise it may impact severely in a long run crisis in labour or migrant workers demand and supply in the country.

VIII. FINDINGS

1. The unemployment rate in India has reached its peak in “March to May 2020” after Government lockdown of 40 days, after 1930 depression.
2. Covid-19 has made some organised sectors to work in home, but India has most of the working population working in unorganised

sector, it is a tuff asks for government to provide enormous digital facilities for unorganised sector in short span of time, these factors leading to economic crisis in Indian economy.

3. The Indian government announced a variety of measures to tackle the pandemic situation, from healthcare to food security and extra funds for the states and union territories, to sector related incentives and tax deadline extensions, but it is constraints for economic growth for Indian economy.

IX. RECOMMENDATIONS

1. Uniform GST (Goods and Services Tax) is a positive factor to growth of e-commerce, but India has to invest largely in infrastructure, declines for online trading to reach facilities to the last person in the country, villages, and rural remote areas, like in online education, sales promotion, and commercial companies, to increase in efficiency.
2. Relief packages to promotion of MSME (Micro, Small and Medium Enterprises), which contributes around 30 percent of Indian GDP (Gross Domestic Product) and start ups to overcome e-Economic crisis in



Indian Economy, which is caused due to epidemic disease.

X. CONCLUSION

In the world every country has limited resources, and unlimited wants, therefore a country cannot produce all the goods and services that it requires, due to some trade benefit factors like comparative advantage availability of labour, resources, technology, land, capital resource and required goods which cannot be produced or the amount is insufficient as require, needed to be provided from other countries similarly, countries sell their products to others also when the production of goods comes in surplus quantities than demanded in the country. Growth has led to increase in competition of world market, but due to effect of covid-19, most of the countries international trade's exports and imports have been decreased, due to unavailability of labour and border restrictions by the specific governments. Covid-19 has resulted globe crisis, from past three months it has negative impact on Indian economic growth, increase in unemployment, decrease in standard of living and problem of essential migrant workers. The economic impact of the 2020 Covid-19 pandemic in India has been largely disruptive. India's growth in the fourth quarter of the fiscal 2020 went down to 3.1% according to the Ministry Of statistics.

Prime Minister Narendra Modi has launched Make in India initiative on September 25, 2014, with the primary goal of making India a global manufacturing hub by encouraging both multinational as well as domestic companies to manufacture their product in the country. Trade is central idea to ending global poverty, unemployment; International trade aim is to increase employment ratio and global inclusion. International business encompasses all commercial and economic activities that take place to promote the transfer of goods and services, ideas resources across technologies national borders. International trade includes new economic foreign policies implemented by the government, EXIM policy, and it creates employment to large section of population in domestic country. Indian foreign trade which has come to stand still due to unavailability of workers at airports, seaports as many trade sectors are facing constraints to export and import goods and services due to covid-19 pandemic. Indian workers who migrated to foreign countries for better job facilities and to increase in standard of living, most of them have returned to India due to covid-19, India has a huge task to invest in job providing sectors like MSME (Micro Small Medium Enterprise), which contributes around 29% of GDP of the country, which contributes employment to crores of individuals in India

XI. LIMITATION

1 It has resulted in country dual economics in underdevelopment countries, as a result of inflexible trade and labour policies by the government, where migrant labourers or casual workers are vulnerable due to lack of job opportunities.

2 Indian economy packages for poor or migrant labourers and tax relaxations is creating huge burden for Indian government without returns, may result in decrease in inflow of FDI and FPI (Foreign Portfolio Investment).

XII. SCOPE OF THE STUDY

India's major export items to foreign countries are related to agricultural and informal sector activities, where most of the workers work in unorganised sector, whose export demand also has come down, But this depressing situation is not expected to continue for long period of time, though it is not certain how long this pandemic will force the countries to keep all such activities under lock. Items of daily need have to be either produced or imported by all countries once the stock is over. In this respect India can go for diversification of some products depending on its expertise, especially in medical, academic online or technological applications and pharmaceutical items, whose demand has got a sudden peak up in international market after the emergence of Covid-19. India can try to depend more on domestic production, increase exports may lead to create employment to large unorganised migrants or domestic labourers of the country, flexible fiscal and monetary policies may try to narrow the trade imbalance, increase in GDP growth, development of all the sectors of the economy providing job security.

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