

Reinstating India:

Shivam Maheshwari

Coronavirus is once-in-a-lifetime crisis that has led to a major distortion of the economies across the globe. It is just like the World War era, but we eventually fought it back and today the two most badly effected countries of that time have turned out to be one of the developed nations in the world.

Everybody across the globe is severely affected, especially the daily wage earners. Though PM-CARES fund has been created to help the poor section with basic amenities. People have come forward to help each other by contributing to these funds, providing free food packets to the poor, helping them maintain proper hygiene and cleanliness. With being a country that produced no kits, India became the major PPE kit producing nation (with figures touching 2 lakh units per day) within a span of 40 days. Same goes for N-95 masks too. Hence, we have proved that collective efforts lead to inclusive growth. Amidst all these the most ironical thing is the method to prevent this pandemic from spreading, and that is 'social distancing'. Ironical because until we discover any vaccine to fight this virus the only weapon we have is social distancing, which indeed turns out to be a mere thing in front of such a devastating disease. India claims to contribute 10% (approx.) of its GDP compared to US, Germany, Japan who are contributing 13%, 10.7% and 21% respectively to fight the pandemic. Despite all this, we cannot even think of the vastness of the problem that is awaiting us. The threat is even greater for millions of organised and unorganised workforce that the small businesses employ; which will soon be accosted with layoffs and job losses. They say 'with all bad things come good'. With the sudden rise in demand for hygienic products, flourishing as well as established businesses witness a prospering market in this segment and so they would not hesitate in benefiting from this opportunity. However with most of the businesses facing a serious threat to their existence, FMCG producing companies are less affected by prevailing market condition because of their forever-in-demand goods.

IT companies have also reported benefits of giving the facility of work from home to their employees. It has resulted in a fall in expenditures like electricity charges of rented buildings, improved efficiency of the employees, etc. Also, the already crumbled automobile sector has been pushed down the cliff as a result of this pandemic i.e. for the first time in history, some companies have witnessed zero production for a month. Government is trying its level best to help these sectors. Under its recent 'Atmanirbhar Bharat' regime the government has laid special focus on such dooming sectors by allocating maximum funds for MSMEs, providing easy loans, relaxing certain provisions, extending the filing date. Banking sector which was already dealing with the menace created by the NPAs, also acquired funds to enhance the liquidity structure of the economy. India is seeking to lure United States' businesses (including medical devices giant Abbot Laboratories) to relocate from China. Also, Apple Inc. has plans to shift 20% production from China to India. This would surely bring new colours to the development of our nation and hence would generate more employment opportunities. Apart from this our Government is constantly coming up with bold measures to help the economy revive. The small business owners must start with accepting the facts and come out of the vicious cycle of over thinking and little action. There is no point in checking the COVID affected score 10 times in a day and even if we are doing so, we must concentrate on the recovery rate, death toll, rather than getting stressed by the number of cases per day. We have to fight the disease and not the patient. However, the economic blueprint for the country will need to be redrawn, at least for one or two years, with survival and revival taking precedence over expansion and growth. This is the time to strengthen the foundations of the economy, such as the banking and financial system, inflation, currency stability and capital productivity. Dreams of a 5 trillion economy can wait for another day.