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# Policy Perspective for Economic Upsurge Post Covid-19

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**ABSTRACT:** Almost two years after the World Health Organization declared COVID-19 a pandemic, the world is coming to terms with the disruptions caused by the virus. The most profound and consequential impact has been the pandemic's toll on healthcare systems. And then there has been the more persistent and reverberating economic toll. Government action to counter infections and contain the spread of the virus led to global supply shocks, especially in manufacturing, and lockdowns and other containment measures caused widespread business disruption. It is now clear that the pandemic has brought the world to the second great economic and financial crisis of the 21st century and is likely to have long-term structural repercussions. What's more, it has laid bare the fragilities of the global economic and geopolitical order.

**KEYWORDS:** policy, economic, upsurge, post Covid-19, pandemic, government, geopolitical

## I.INTRODUCTION

The churn in the international order, however, had begun even before the pandemic; power equations had already started to change because of geopolitical shifts. There was an indisputable trend towards a more multipolar world and the power centre of the global economy began to shift to Asia. The current world order has been substantially altered and this is bound to give rise to a new post-COVID dispensation. In this state of flux, space has been created for aspiring and emerging powers to take centre stage and help shape a new world with a better future for all. Indeed, rays of recovery are beginning to emerge in our economies. The International Monetary Fund (IMF) projects that the global economy will grow by 6% in 2021, and forecasts 9.5% growth in the Indian economy. At the same time, the world is seeing exponential growth in digital services and infrastructure, from the adoption of large-scale work-from-home arrangements to the use of cloud services and videoconferencing. Many tech leaders have noted that the advancements in digital transformation that were achieved within a couple of months would have normally taken two to three years. These are hopeful signs, but there is still much work to be done.[1,2]

Despite the economic devastation caused by the virus, India's agile response has been commendable, especially as the country rallied to manage a deadly second wave of the virus early in 2021. India was the first country to feel the impact of the virulent Delta variant but quickly swung into action to ensure that as many people as possible were vaccinated. One billion doses of the vaccine have already been administered.[3,4]

In addition to protecting its own population, India has also acted in the world's best interest by providing medical supplies and equipment to more than 150 countries across the globe and placing a critical supply of the COVID-19 vaccine on the world market. Indeed, the pandemic is an inflection point for India to introspect on its potential as a global leader, especially coming at a time when the country is celebrating 75 years of independence. For years, India has supplied crucial drugs and medications to the global market, more recently investing in the supply of the COVID-19 vaccine to ensure equitable access around the world.[5,6]

At the start of the COVID crisis, India's South Asian Association of Regional Cooperation (SAARC) initiative held the first multilateral summit, inspiring the G20 and others to follow suit. With the country taking over the G20 presidency in December 2022, it will certainly play a leading role in the post-COVID global recovery process. Away from the pandemic, India is meeting other global commitments including living up to its climate mitigation promises. It is also well ahead of target to achieve other ambitious commitments such as making renewables 40% of its energy mix by 2030 and managing the sequestration of 2.5 billion tonnes of carbon. At the ongoing United Nations Climate Change Conference of the Parties (COP26) taking place in Glasgow, Scotland, Prime Minister Narendra Modi committed India to an ambitious Panchamrit pledge that will see the country address five key sectors of its economy to reduce its greenhouse gas emissions. The five sectors - energy, mobility, industry, infrastructure and cities, and agriculture - are critical to achieving the global 1.5-degree Celsius warming target. A recent report from the World Economic Forum -

Mission 2070: A Green New Deal for a Net-Zero India - outlines how India's path to net zero will have an estimated economic impact of over \$1 trillion by 2030 and around \$15 trillion by 2070. In addition, India has prioritized cooperation, technology, and digitalization as part of its efforts to support the achievement of the United Nation's Sustainable Development Goals (SDGs). India is marking 30 years since the deregulation of its economy, which is another significant turning point in its history and a testament to its ability to reinvent itself. Successive governments have been focused on achieving inclusive growth and self-sufficiency not just for the current generation but for generations to come. But the current administration's efforts to promote digital empowerment and last-mile financial inclusion are especially noteworthy. Under the auspices of a government-backed digital payment system, millions of poor, unbanked families have entered the formal economy and can now access basic financial services.[7,8]

On the global stage, India's diplomatic efforts are driven by the philosophy of *vasudhaiva kutumbakam* - the world is one family. This is the kind of narrative the world needs for such a time as this. Indeed, India's call for renewed and reformed multilateralism is resonating with global leaders and policy-makers. In the past few years, major structural reforms have been launched by the Indian government to boost the long-term outlook of the economy. The government's vision to catalyze India's transformation is evident in the launch of several initiatives including the Gati Shakti National Master Plan and the Atmanirbhar Bharat mission.

The government has also announced the National Infrastructure Pipeline and National Monetization Plan to boost infrastructure development. This wide-ranging development agenda supports initiatives across multiple sectors including reforms to consolidate multiple and disparate labour laws, drafting of the Insolvency and Bankruptcy Code, and banking reforms. India must maintain the momentum of these laudable initiatives and continue to enhance the robustness and vitality of its economy. At the same time, these and other structural reforms should be aimed at ensuring equitable and inclusive growth.[9,10]

## II.DISCUSSION

This is critical because the pandemic has exposed and exacerbated existing inequalities and their impact on vulnerable groups who are mainly employed in the informal sector. These are inequalities that the Indian government was addressing even before the pandemic struck through inclusive and equitable development that includes the provision of income support for farmers, safe and affordable housing, safe drinking water and electricity for all. Going forward, India will have to prioritize economic expansion and sustainability to maintain its trajectory of growth and influence. The country must continue to embrace transformational, rather than incremental change to shape an economic policy that supports rapid growth. This will require a continued commitment to wide-ranging and systemic sectoral reforms, with strong measures to restore fiscal balance and strengthen the banking system. India will also need to continue making strides to increase competitiveness and the ease of doing business. The country will also have to ramp up its infrastructure efforts, not just for roads and bridges, but for health and education too. Equally critical is the need to ensure that India's demographic advantage becomes a dividend and that millions of young people entering the workforce every year gain meaningful employment.[11,12]

One must also mention India's renewed focus on the space sector via the recently launched Indian Space Association. Back here on planet earth, however, the Indian government is also placing due emphasis on manufacturing. With the reshoring of global supply chains and quest for geographical diversification in their redistribution, India offers a safe and stable destination and could emerge as an important hub for global manufacturing. India has a demographic advantage, skilled workforce, technical know-how, and the research and development capacity needed to create a strong niche for itself in the global market. Last but not least, India is also expeditiously moving forward on its energy transition journey: the government's plan to establish a National Hydrogen Mission is a step in the right direction. India also has a unique opportunity, and an important role, in fostering regional co-operation in South Asia, thus creating new opportunities for growth and prosperity. Amid the ongoing volatility and change, India has a rare opportunity to undertake several policy changes to not only address the short-term public health challenges but also to become an important axis of power and influence in the post-COVID world. The World Economic Forum stands with India in its efforts to assume new leadership roles and to help propel the world into a better, brighter, and more sustainable future for all.[13,14]

## III.RESULTS

COVID-19 has radically transformed lives. India's decision to impose a three week lockdown across the country to protect its citizens is unprecedented in scale. Prevention and containment strategies pursued by China, South Korea, Taiwan and Singapore have revolved around border controls and barring entry of visitors to break the chain of

transmission. European countries like Spain and Italy procrastinated, paid a huge price and had to subsequently announce national lockdowns. US with partial lockdown continues to have a steeply rising curve with major fatalities. Given the high transmission nature of the virus and absence of vaccines early casualties will be aviation, travel and tourism. This pandemic will redefine the way we live and exist. It will create new norms.

Firstly, the biggest consequence of COVID-19 outbreak is the transformation of the way we work. Some of the large Work from Home (WFH) experiments are underway leading the world to radically rethink traditional work assignments. Innovation in technology are moulding lives in a manner that would have been unimaginable a few years back. The idea of working in a job with fixed timings in an office could become irrelevant. This has been made feasible because of availability of high speed – low cost internet coverage and increased usage of data sharing and communication apps like Zoom, WebEx, JiRo, Asama, Slack, Skype etc. They will ensure virtual meeting keeping intact communication streams and managerial collaboration. WFH would reduce time spent on commuting, enhance productivity and improve work – life – balance. In India WFH offers a unique opportunity for more women (particularly mothers) and specially abled individuals to significantly contribute from home and significantly raise the female labour force participation rate from its present meager 26%. [15,16]

Secondly, the impact of this pandemic on global supply chains is witnessing unprecedented disruption of the type which the world has never seen before. To flatten the curve a vast number of countries are doing lockouts and telling their populations to just stay at home and not go to work. In a globalized world, global supply chains were run on outsourcing and thin margins. The size and scale of Chinese manufacturing was so enormous that every product had Chinese components and every company had become reliant on China. Automobile parts to mobile components, drug ingredients were all being sourced from China. This will now be severely disrupted. Businesses will look for alternative destinations – likely India, Vietnam, Malaysia, Indonesia – and factories will get relocated. Many businesses will create domestic supply chains. Entire supply chains will undergo massive disruption. This is an immense opportunity for India but would require key reforms across sectors to make the nation highly efficient and competitive. Our companies would also require size and scale to penetrate global markets.

Thirdly, we will see the phenomenal rise of telemedicine. The Indian health system is characterized by a severe shortage of doctors and health practitioners. The key to managing the Corona pandemic is to keep sick people out of hospitals. Virtual consultations with Doctors will stop the overcrowding of hospitals. In the US, insurance companies reimburse for tele-consultations. At the peak of Corona in China several telemedicine services such as WeDoctor, JD Health and ALI Health launched corona clinics and guided patients. In India, only recently the government released the telemedicine practice guidelines (Link: <https://www.mohfw.gov.in/pdf/Telemedicine.pdf>) which enable registered medical practitioners to provide healthcare using telemedicine. The Central Government and Medical Council of India have fully loosened their reins on physical checks. [17,18]

Since we are all practicing social distancing, patients and physicians will rethink our accessing healthcare with face to face interactions. We are all used to taking photographs on mobiles and even measuring heart rate, pulse etc. We will soon be sending them to our doctors and getting medical advice. This will radically reduce the pressure on hospitals.

Fourthly, since a vaccine for Coronavirus has not yet been innovated the only way to fight its spread is to practice social distancing. It puts space between people and enables us to break the chain and stop the spread of the virus. While the official phrase is social distancing we can well think it of as physical distancing. This will become a way of life as there is no evidence to suggest that the virus will disappear rapidly. Even after restrictions are lifted we can have second wave of infections. We will have to be prepared for Coronavirus to be with us for the foreseeable future. The reality for all of us will be that we will be constantly defending ourselves against an unknown enemy. We will have to get back into social interactions and economic activity but do so only by keeping ourselves safe by physical distancing. This will be the new norm of tomorrow. [19]

Fifthly, we will see the emergence of contactless delivery. We are living in a new reality. Customers would like orders delivered with no contact. The delivery person would also like to reduce the risk of infection by avoiding contact with people in the supply chain. Consumers will avoid casual shopping and people will be eating out far less. Given the global adoption of social distancing consumers will order delivery more often. Infact this will grow and expand at a rapid pace. During the lockdown period delivery has gone from being a convenience to a necessity, particularly in food and medical supplies. The future will belong to E-Commerce and E-Pharmacies.

The present times are a period of upheaval and radical disruptions. It is at these significant inflection points that future leaders lay the foundations and gather momentum for their future leadership.

“It is not the strongest of the species that survives, nor the most intelligent, it is the one that is most adaptable to change”.

It is imperative that we initiate policy and structural reforms to ensure that the decisions and reforms we undertake today ensure India's bright future.[20]

#### IV.CONCLUSIONS

To sum up the evaluation of the eight principal sectors of the economy:

- Agriculture, forestry and fishing is the only sector with positive growth. This is a good development for the economy, but revival cannot be agriculture-based under current circumstances. Manufacturing has to come out of its slowdown.[21]

- Financial, real estate and professional services are relatively less badly affected and should recover in reasonable time. But the recovery will be dependent on industrial and consumer demand recovery.

- The same is true for construction and internal trade, tourism, transport, communication sectors. Though construction shows signs of rebound, tourism is likely to suffer the most. That may eclipse some possible gains in communication during the pandemic. However, till the detailed sectoral data are available, overall revival of this bouquet of some important large sectors of the economy will be dependent on real sector activities and how these sectors cope up with periodic disruptions due to the pandemic.[22]

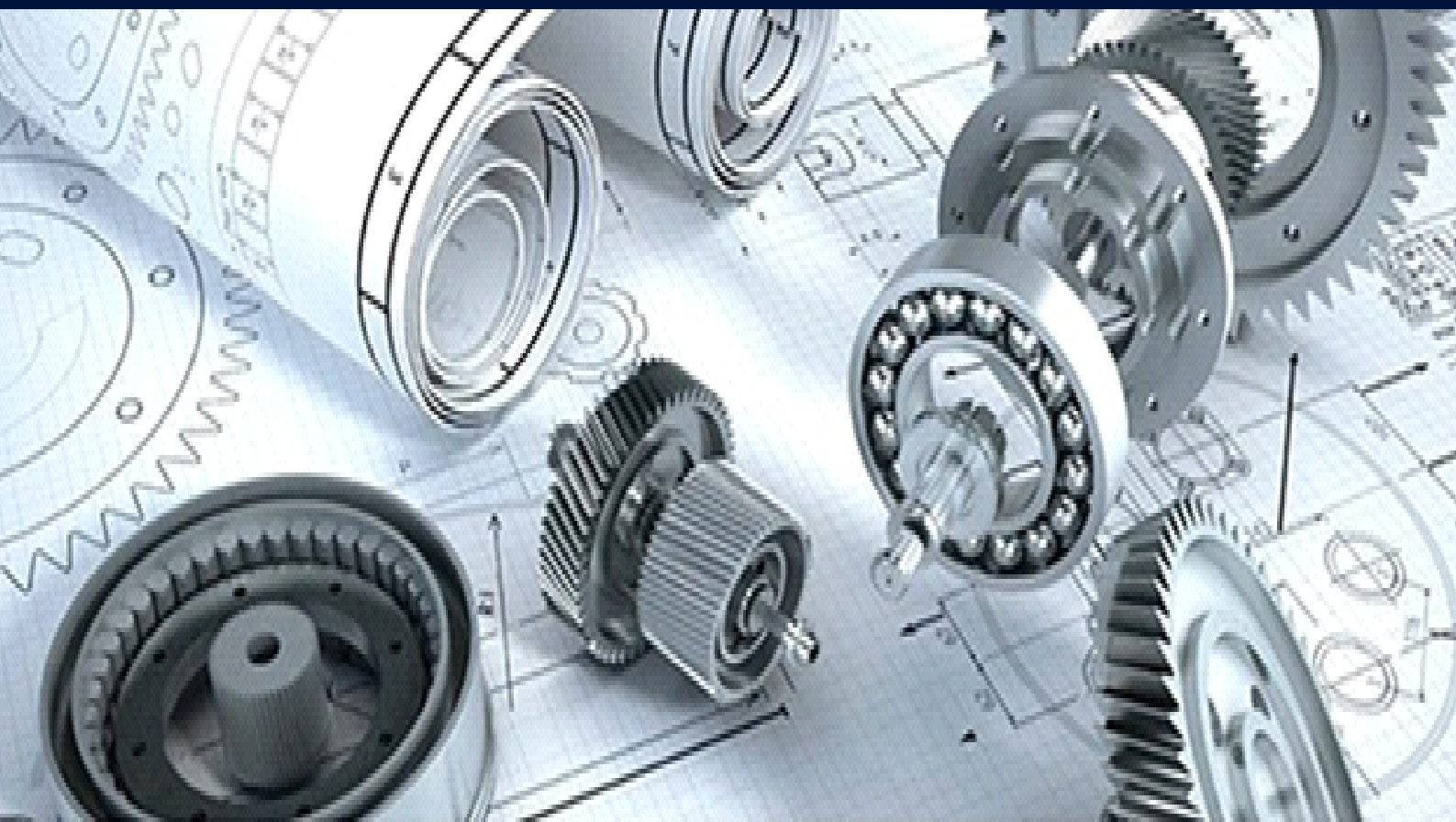
- Electricity, gas, water and public utility services and public administration, defence and other services are likely to get back to normalcy sooner than other sectors. But these cannot propel economy into the desired growth path alone, and once again long-term stability in these sectors will depend upon overall revival.[23,24]

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