Survival of Indian Economy Post COVID-19

Vaishali Singh
Department of Economics) Babasaheb Bhimrao Ambedkar University
A Central UniversityVidya Vihar, Raebareli Road, Lucknow -226025

Abstract
For the economy the last year or so, Indian economy was phasing through a difficult phase, even though the government was in a denial mode. On top of it, COVID-19 fallout would seriously impinge India's economic fortune (Pohit, 2020) .This sudden outbreak shook the economy from the core. This research paper going to show the graphical representation of the impact of COVID-19 on different segments of the economy and the fall in the production of manufacturing industries andworsening the situation of MSMEs during lockdown. This paper is going to discuss the phase where now the government has started the process of unlocking the economy and the policy measures, they took for the survival of an economy. This study will be going to discuss some remedial measures for revival of economy and what steps should policymakers make to provide livelihood to the migrant labourers and focus on agriculture sector. The economy is heading towards the new phase of "NEW NORMAL", where wearing masks , staying at home , using sanitizers are compulsory, and the economy also heading towards the recessions .Now this is the time to reshape our economy , take new measures , targets new policy techniques , well targeted and aggressive fiscal – monetary stimulus.
Keywords: COVID-19 , Lockdown , Government policies , New Normal , Migrant labours , Agriculture , MSMEs , Policymakers .

Introduction

ON 31 DECEMBER 2019 IN WUHAN TOWN, Hubli PROVINCE, The China Health agency altered The WHO Country Office of multiple pneumonia in central CHINA with uncertain etiology. A new corona virus was reported on Jan 7 2020 from the throat swab sample of patient, initially abbreviated as 2019-nCoV BY WHO ON 11 FEBRUARY 2020 COVID-19 (WHO,2020). The pathogen was later named as the Corona virus belonging to the study group SARS-CoV-2 and the WHO identified the 2019 COVID (COVID-19) as a respiratory syndrome. The Overall number of cases and death recorded by COVID-19 is 9,079,527 all over the World, deaths 471,278, Recovered 4,862,776 (worldometer), June 22,2020, 13:11 GMT). And if talk about INDIA 174387 (ACTIVE CASE), 2,37,196 (Recovered), 13,699 (death) (report, mohfw.gov.in) JUNE22,2020.The Corona pandemic has probably given to biggest blow the world economy after the great depression of 1930" s. The entire world is passing through great uncertainty. The INDIAN Economy has been hit hard by the ongoing coronavirus driven global crisis. There are primarily two challenges that the Indian economy is facing at this juncture. FIRST is to save the country from the spread of coronavirus, which is health emergency. Saving lives is the principal concern of the Indian government. SECOND is to save the economy from the unfolding economic crisis due to the dual effect of the coronavirus pandemic and the global and national lockdown. (Prabir De and Suranjan Gupta ,2020).

According to the International monetary fund (IMF), many developed as well as undeveloped economies is going to face negative per capita income growth in 2020 due to the coronavirus pandemic. As a result of the pandemic, the global economy is projected to contract sharply 3% in 2020, much worse than during the 2008-09 Financial crisis. ACCORDING to the reports of IMF They slashed the growth of Indian economy, India's growth is depicted to dip to 1.9% in 2020 and rebound to 7.4% in 2021 as per the (World Economic Outlook, April2020). As we already knew that India is an developing economy, it is stated as an economy passing through demand and depression and high unemployment, there are certain sectors who have large negative impact of coronavirus like manufacturing sector, may, in fact take the Hardest it is given the two-fold between the supply and demand side. All the activities including,industries, local national international trade and transport, tourism, agriculturesector, service sector is on standstill position and suffering serious setbacks in production, employment. According to the report of CMIE 2020 the study reveals that employment has declined dramatically and unemployment has risen significantly A daily basis wages, their livelihoods depends on these wages, since there are no jobs because of extended lockdown it is idle for them to sit back to their home. So, it is necessary to study the impact of coronavirus on the different sectors of the economy and also the possible ways through which India can regain its growth after the covid-19 ends.

Research Question:

1. How can India regain its growth after the pandemic gets over?
2. What are the government policies for the survival of the MSMEs?
3. How did government going to use the agriculture sector for the revival of the economy?
4. Is government going to provide relief packages to the migrant labour?

Literature Review

According to (Ozil and Thankon 2020), why has a global recession contributed to a health problem? How the world economy coping with the spread of corona virus? The solution lies in two approaches that crippled economic operation through corona virus. Firstly, the virus spread promoted social isolations and contributed to financial markets, companies and events being shut down. Furthermore, a race to public health and business protection by customers, creditors, and foreign trade partners contributed to the rapid development of the epidemic, and the resulting confusion as to how bad the condition will be…

According to(Daniel Susskind, OxfordUniversity), notes that striking variations in COVID-19 infections and outcomes appear to reflect existing economic inequalities, and that the happy embrace of misinformation about the virus was to be expected, given a decade of rising populism and declining faith in experts. In a world post-COVID-19 , many of the problems we will face in the next decade , writes Susskind , will simply be more extreme versions of those that we already confront today . According to (Raghuram Rajan , former RBI governor) ,says , India will need a new covenant to come out of the COVID-19 induced economic crisis and regain growth levels that the nation saw during the first few years of the millennium..” India in the old way simply doesn't cut it,”he further said a staggered restarting of the economy with the aim of both saving lives and preserving livelihoods.According to (Jean Saldanha , European Network on Debt And Development , 2020) focuses on how COVID-19 pandemic has been testing the limits of global cooperation , and how support for developing economies in particular remains inadequate. Saldanha calls for a new multilateralism that addresses power imbalances in global institutions in order to give fair recognition to the needs and right of the two-thirds of the world's population who reside in the global south.

According to (Sharan Burrow , International Trade Union Confederation), says we need to craft an ambitious reconstruction plan while working to end the pandemic .International support is a matter of collective survival and an investment in the future of health , the global economy, and multilateralism. Our goal for recovery should be full employment and a new social contract. Public investment in the care economy,education, and low –carbon infrastructure can form the backbone of stimulus that reduces inequality.

Data

This study is completely based on the secondary data. The required data are collected from the databases such as CMIE database,Worldometer, IMF Blog, journals and articles, EEPCIndia reports, and various newspapers articles and journals.

Methodology

In this paper we present a graphical presentation of how the novel corona virus is affecting the Indian economy. This paper is descriptive in nature. The paper is going to talk about the policies which government has been taken for the revival of the economy and the possible ways through which India can regain its economic growth, post – Covid-19

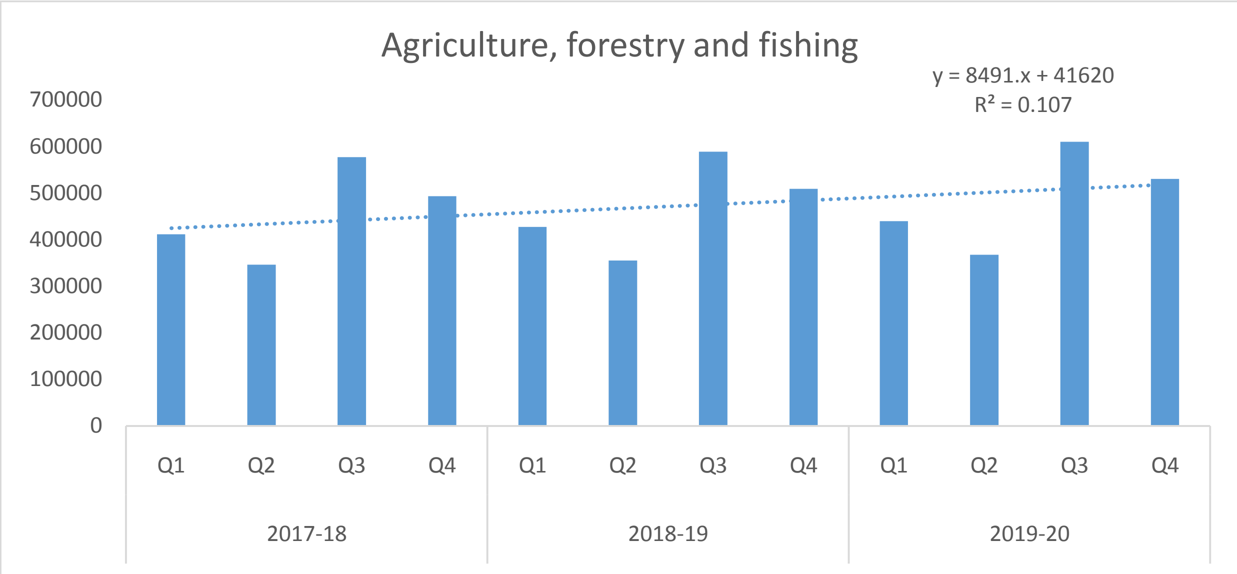
Challenges and Impact of COVID-19 on different sector

1. Impact on Agriculture sector

The agricultural sector is a critical part of the Indian economy, approximately 60 % of the Indian population works in this sector,contributing about 18% to India's GDP, and employment in agriculture in India was reported at 42.38 % in 2019, according to the WORLD BANK Collection of Development indicators, complied from officially recognised sources. The performance of agriculture is also key to the state of rural demand. In the pre – COVID-19 period, agriculture GDP experienced an average growth rate of 3.2% per year in the six-yearperiod, 2014-15 to 2019-2020 with intermittent fluctuations. According to the report on GDP growth falls to 3.1% in January – March 2020 quarter, in the corresponding quarter of 2018-2019, the GDP growth was recorded at 5.8%. The second advanced estimates of National statistical office (NSO) shows that GDP growth in agriculture has increased from 2.4% in FY19 to 3.7% in FY20. It was also relatively better at 3.5 % in Q3 of FY20.However, the terms of trade have moved against agriculture during 2016-2017 to 2018-2019 due to bumper crop and horticultural production which caused a decline in food prices.As we can see this on Figure 1,

GDP From agriculture in India decreased to 5306.26 INR BILLIONS in the first quarter of 2020 from 6098.83 INR BILLION in the fourth quarter of 2019.

Figure. 1



The national lockdown to contain the COVID-19 has impacted the agriculture economy in multi various facets. There was disruption in procurement of food grains, collection of harvest from the farms, scarcity of labour and truck drivers, blockage of highways, closures of retail agricultural markets and non – operative milling and food processing units, because the disruption of the agriculture supply chain and the non-availability of labour during the harvesting season. The coronavirus has majorly impacted mostly the harvest of RABI production(MARCH-APRIL) (FAO ,2020) it will get hampered due to the departure of thousands of migrant labour, restrictions of movement and labour scarcity may impede farming affected the Rabi sales , shortages of fertilizers , veterinary medicines and other inputs could also affect agricultural production. Supply chains are not working properly, vast amounts of food are already getting wasted leading to massive losses for Indian farmers. While there is a robust supply of food grains, pulses and oilseeds in the Rabi season, there is a depression in demand due to non –operative oil expellers, millers and processors. Agriculture marketing system needs to respond to match supply with demand, and regenerate the operational viability of markets and processing units as the pandemic unfolds.

A study by Narayanan (2020) indicates that farmers are stuck with harvest as APMC (agricultural product market committee) MANDIS are closed in several states thereby disrupting food supply disruptions from the production to the consumption centres. The above study indicates that the government should focus on post- harvest activities, wholesale and retail marketing and initiate procurement operations. Some state governments have already taken initiatives.

In the upcoming season, we need to quickly plan ahead to better utilise and enhance storage and warehousing facilities and ensure more transparent inventory management so that farmers, in particular, may benefit f9rom such action. This means getting credit and financing systems in place and working out strategies to urgently step up support towell – functioning Farmer Producer Organisation (FPOs).

2. Impact on MSMEs Sector

The MSMEs play a whole form a major chunk of manufacturing in India and play an important role in providing scale employment and also in the country's export. According to the MSMD Act, MSMEs are defined on the basis in plant and machinery and equipment for enterprise rendering services. On MAY 2020, FMMrs. Nirmala Sitharaman declared that there will be no more distinction between Manufacturing and ServiceMSME's.

AskBanking

Existing & Revised definition of MSMEs

Existing MSME Classification			
Criteria : Investment in Plant & Machinery or Equipment			
Classification	Micro	Small	Medium
Mfg. Enterprises	Investment<Rs. 25 lac	Investment<Rs. 5 cr.	Investment <Rs. 10 cr.
Services Enterprise	Investment<Rs. 10 lac	Investment< Rs. 2 cr.	Investment<Rs. 5 cr.

Revised MSME Classification			
Composite Criteria : Investment And Annual Turnover			
Classification	Micro	Small	Medium
Manufacturing & Services	Investment< Rs. 1 cr. and Turnover < Rs.5 cr.	Investment< Rs. 10 cr. and Turnover < Rs.50 cr.	Investment< Rs. 20 cr. and Turnover < Rs.100 cr.

Source: Askbanking.com Figure 2.

We can see clearly in figure 2,The definition of micro manufacturing and service unit was increased to Rs 1 crore of investment and Rs. 5 crores of turnover. The limit of small unit was increased to Rs. 10 crore of investment and Rs. 50 crores of turnover. This revision was done after 14 years since the MSMEs Development Act came into existence in 2006.

The Indian MSMEs sector is the backbone of the national economic structure and has unremittingly acted as the bulwark for the Indian economy. As we can see in figure 3 With around 63.4 million units throughout the geographical expenses of the country, MSMEs contribute around 6.11% of the manufacturing GDP and 24.63 % of the GDP from services activities as well as 33.4 % of India's manufacturing output. They have been able to provide employment to around 120 million persons and contribute around 45% of the overall export from India. The sector has consistently maintained a growth rate of over 10%. About 20% of the MSMEs are based out of rural areas, which indicates the deployment of significant rural workforce in The MSMEs sector and is an exhibit to the importance of these enterprise in promoting sustainable and inclusive development as well as generating large scale employment, especially in the rural areas.

MSMEs play a significant role in the economic growth of the country owing to their contribution to production, export, and employment. In figure 4, The sector contributes 8 percent to the GDP, 45 percent to the manufactured output and 40 % to the country's exports. It provides employment to 60 million people through 28.5 million enterprise. The revenue loss of MSMEs in India at more than 12 lakh crores since lockdown. The Air India

Manufacturer's Organisation (AIMO) has estimated a loss of around Rs 40,000 crore a day to MSMEs sector. AIMO further stated that the small industrial units, either directly or indirectly dependent on the worst – hit sector, are on the verge to collapse. The AIMO has asked the government to introduce a citizen risk assessment module and allow 55.1% of the population to return to work to avoid a further loss to the economy. As we can see in the figures there is a tremendous fall in the growth of the MSMEs and this pandemic made it worst , restarting the MSMEs is going to be difficult task for the small scale industries they are going to face many problems like , COVID-19 is still spreading and created high degree of uncertainty in all aspects of the business in particular to avoid further spread of COVID-19 in the workplace or through the movement of people and materials , manpower is going to be the biggest challenge as MSMEs indicated that pre – COVID workforce of 30-70 % have already migrated back to their hometowns due to certain loss of income during lockdown and lastly ensuring timely supplies of essential inputs without price hikes , is of concern . Contribution of MSMEs (%) at 1999-2000 prices

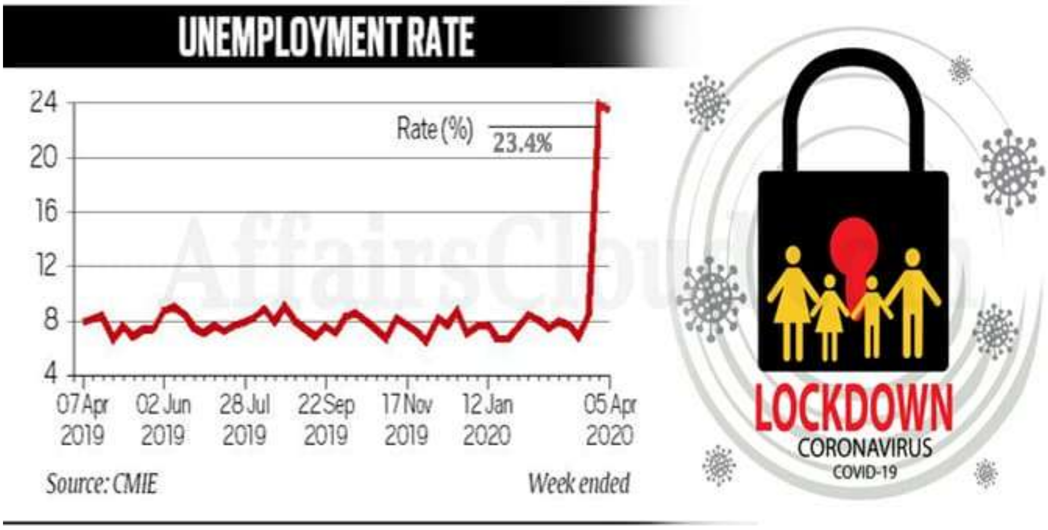
Source: Annual Report,2009-2010, Ministry of Micro, Small, Medium Enterprise.

The imposition of lockdown measures to contain the COVID -19 through economic activity to a standstill , hitting small business- migrant labour jobs and the backbone of the Indian economy the worst, despite of being the backbone of Indian economy it was always face challenges and was in bad position before this pandemic and after this pandemic this sector is now at it is worst there is major form of job losses, factory closures, manpower shortages in the urban area due to the mass exodus witnessed during the early days of lockdown, increased bankruptcy and export order cancellations.

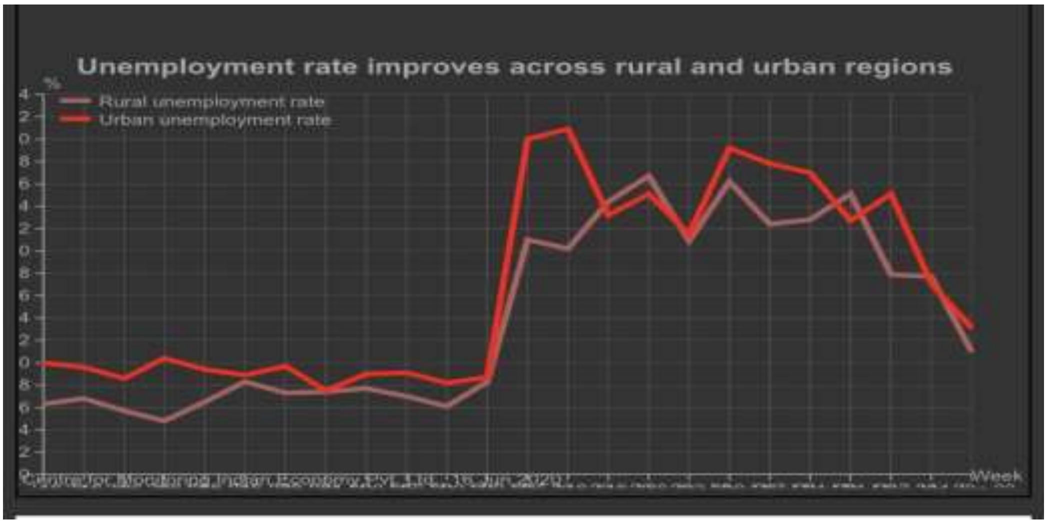
A study carried out by the ILO estimates the worst-case scenario to be 24.7 million workers losing jobs, and the report mentions that "sustaining business operations will be particularly difficult for Small and Medium Enterprises (SMEs). "A survey carried out by the MSMEs industry associations in Tamil Naidu reports 44.7 % revenue shortfall during the lockdown period. Given the smaller scale of operations and low level of digitalization, such entities may not be in an immediate position to adopt new technology and teleworking. Therefore, it becomes imperative on the part of government and financial sector to develop and implement multiple support systems for the enterprises in this sector. The most immediate concern currently on the minds of MSMEs are cash flow and working capital. Most are concerned that survival is only possible with a substantive financial and fiscal support package from government specific to MSMEs segment.

3 Impact on Employment

The national lockdown to spread of the coronavirus has infected businesses, according to the ICAR, and their activities ceased. Job loss is the most severe immediate impact of COVID-19 crisis while lower economic growth and rise in inequality would be the long- term effects, according to a survey by the Indian Society of Labour Economics (ISLE). The extension of lockdown is a body blow to the already struggling economy. About Rs 10 lakh crore worth of output is gone for good while job losses are estimated to have crossed 140 million. A large and immediate stimulus is needed. India' unemployment rate was tad higher at 27 % for the week ended MAY compared to 24% in the preceding week or the average unemployment rate of 24.2% in the past weeks of the lockdown. The unemployment rate stood at 8.8% in March.



According to the report of CMIE unemployment rate remained very high at in figure 5 we can see a rate of 23.5% in MAY 2020 , labour market conditions improved during this month. The unemployment rate at 23.5% in May 2020 was the same as it was in April 2020. But the labour participation rate improved from 35.6 % to 38.2% and the employment rate improved from 27.2% to 29.2%. Between April and May 2020, while the count of those employed increased by 21.2 million, the count of unemployed also increased by 6.3 million. The labour force increased substantially, by 27.5 million.

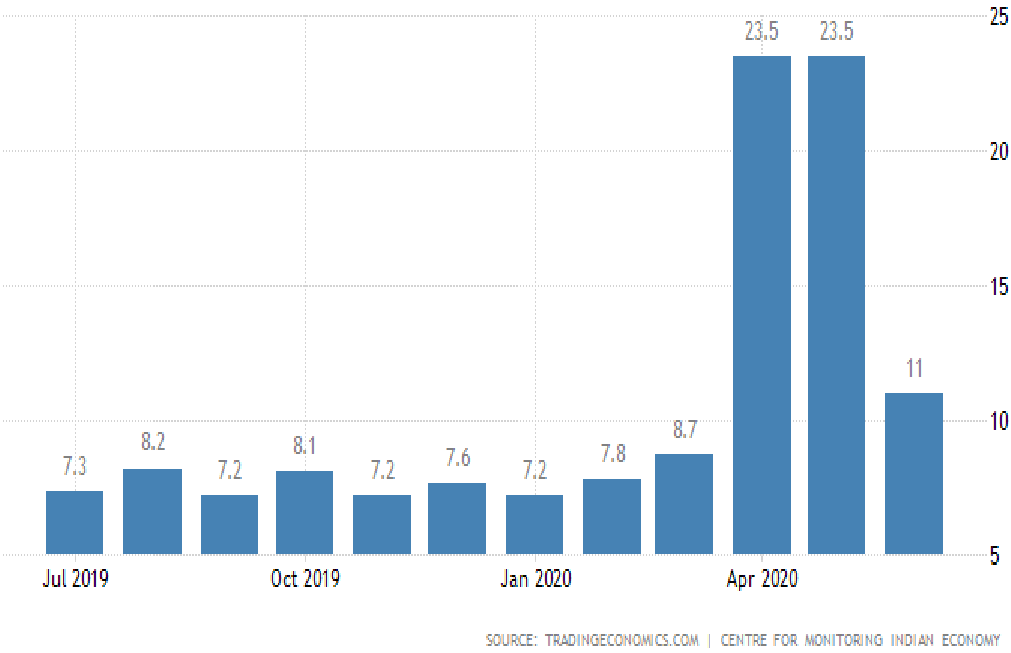


Source: CMIE report, figure 6.

As we can see in figure 6, in the month of June 2020 is witnessing a very rapid fall in unemployment rate. After clocking 23.5% in April and May, the unemployment rate first dropped to 17.5% in the first week of June and then it took a steeper fall to 11.6% in the second week. This fall is almost as dramatic as the rise in unemployment when the lockdown began. In India, the employment rate fell by ta massive 10 % points immediately upon imposition of lockdown.

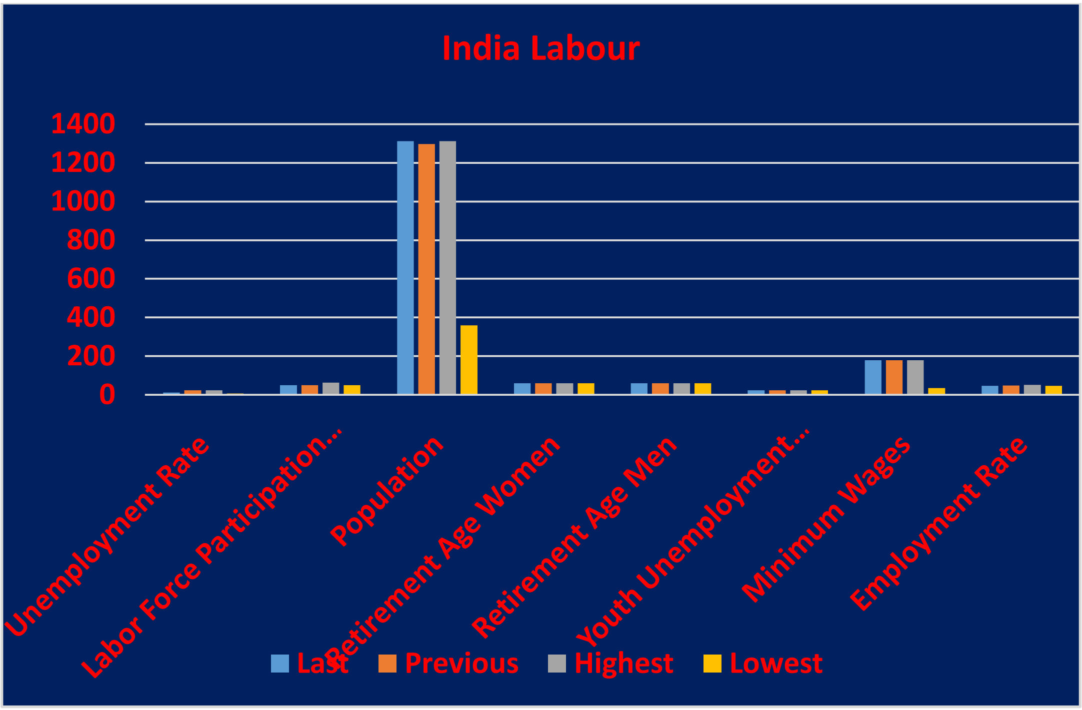
According to CMIE, the increasing labour participation rate in May week and reaching to 38.8% for the week ended May 17 shows that a fairy large chunk of labour that had technically left the labour that had technically left the labour markets In April is returning. LPR had fallen from 41.9% in March to 35.6% in April after which it gained ground in May.

According to CMIE, the weekly estimates of May suggest that there is a migration of labour from the ‘willing but not looking for jobs’ category to the ‘willing and looking for jobs category‘.



India Labour	Last	Q3/20	Q4/20	Q1/21	Q2/21	2020
Unemployment Rate	11	15	15	13	11	8.5
Labor Force Participation Rate	49.8	50	51.5	51.5	52	52.5
Population	1312	1326	1326	1340	1340	1353
Retirement Age Women	60	60	60	60	60	60
Retirement Age Men	60	60	60	60	60	60
Youth Unemployment Rate	23.7	24	24	24	24	24
Minimum Wages	178	178	178	190	190	190
Employment Rate	46.8					

India's unemployment rate fell to 11% in June 2020 from a record high of 23.5% in the previous two months, as may businesses have resumed operations following weeks of closure due to the less coronavirus pandemic. The jobless rate in urban areas dropped to 12.0% from 25.8%, while that in rural areas was down to 10.5% to 22.5%.



Source: Tradingeconomics.Com

According to trading economics global macro models and analysts' expectations, figure 8 explains that Unemployment rate in India is expected to be 15.00 % by the end of this quarter. Looking forward, they estimate Unemployment rate In India to stand at 11.00 in 12 months' time. In the long –term, the India Unemployment Rate is projected to tend around 9.80% in 2021 and 8.50% in 2022, according to our econometric models.

4. Impact on household income

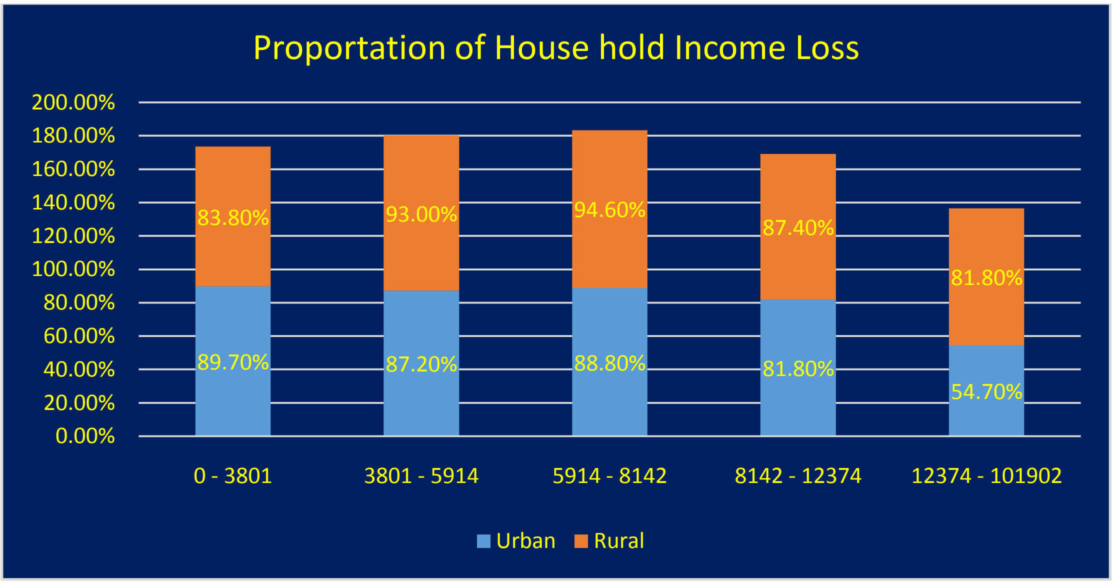
The most pressing economic challenges the India could face post coronavirus is increasing income inequality. The conventional containment response to pandemics tend to affect poorer segment of the society disproportionately as they typically have jobs that cannot be performed remotely. The economic distress in India caused by the lockdown is dire.

Nearly 84% of Indian households are seeing decreases in income since of the lockdown began, according to a recent study by the experts of University of Pennsylvania, University of Chicago and the Mumbai based CMIE. The study found a “a sharp and broad negative impact on household income”. As the pandemic diminished their staying capacity. Nearly a third of all households will not be able to survive beyond a week without additional assistance, it stated. That harsh statistic finds corroboration in the unemployment rate, which had crossed 27% in early May, up nearly four- fold from levels In January – February, according to CMIE data. The jobless rate has since dropped to less than 24%.

Incomes of almost 85% of households in the national capital region (NCR) have been impacted by the Covid-19 outbreak and

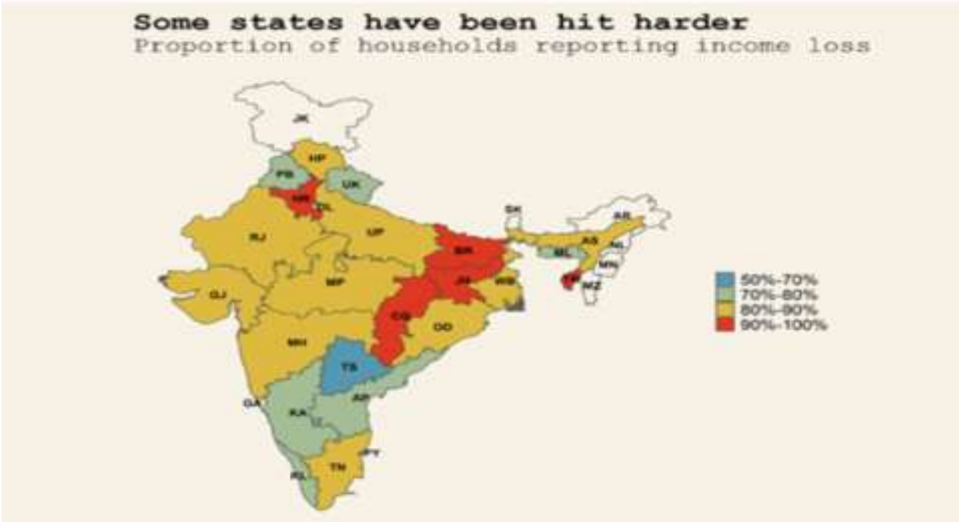
The lockdown, according to the survey released by the National Council for Applied Economic Research (NCAER) on Sunday. The data showed that casual labourers were disproportionately affected with nearly 75% stating their wages were severely affected. This figure was less than half, at 46.7% for salaried employee.

While economic losses due to the lockdown are widespread among rural and urban households, rural households have been hit the hardest with 88% of them reporting a fall in income under the lockdown, compared to 75% of urban households. As seen in figure, this difference is driven by the fact that higher income levels pre lockdown are mainly protective for households living in urban areas.



Source: CMIE CPHS

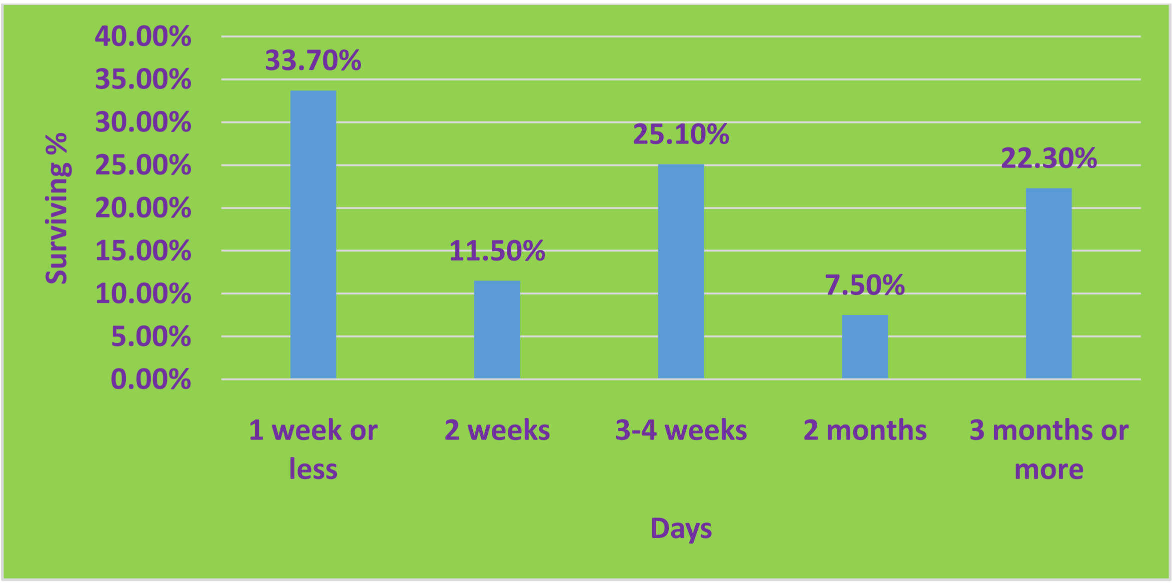
addition to variation in income declines by urban cities, there is substantial variation in declines by state of residence. As we can see in figure reports on the differential economic exposure to the lockdown across Indian states. Among the states with sufficient data , the five least affected states are Telangana, Puducherry, Karnataka, Punjab, And Delhi. The five most affected states are Tripura, Chattisgrah, Bihar, Jharkhand, and Haryana. Notably, the declines in income do not strongly track the extent of the outbreak. Rather, income per-capita before the lockdown, lockdown severity, and the effectiveness of the delivery of aid are likely contributor.



Source: CMIE Report figure 10

The widespread income losses documented above and the low baseline wealth of many Indian households, it should income as no surprise that a very large share of Indian household's state that they will be unable to continue- even over relatively short periods – without additional assistance.

Many won't be able to survive without additional assistance



"Across India, 34% of all households report being able to survive for no more than one week without additional assistance. Among households earning less than 8,142 per month per-capita before the lockdown, nearly a third report being able to survive for no more than 7 days without additional assistance. Crucially, 14% of the sample is already out of funds and risks immediate and severe deprivation if they are unable borrow or receive additional benefit. These figures suggest that continued rapid distribution of in kind or cash transfers is needed to prevent a sharp increase in malnutrition and severe deprivation. "IndianExpress.

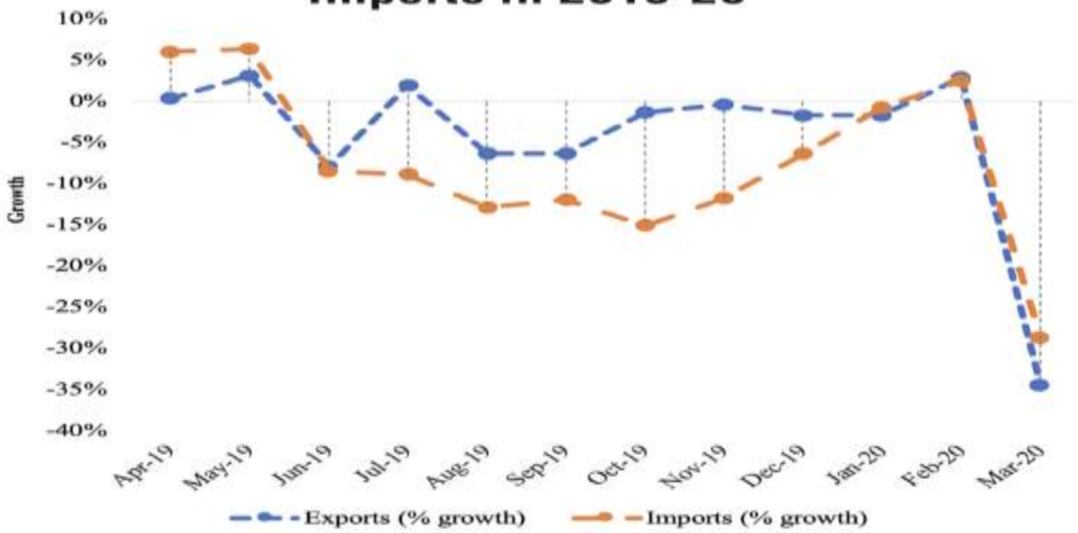
5. Impact on Trade

has been experiencing a downturn in its exports for a long time now, even before the pandemic hits the world economy. The trade impact of the coronavirus epidemic for India is estimated to be about 348 million dollars and the country figures among the top 15 economies most affected as slow down of manufacturing in China disrupts world trade, according to the UN report. According to WTO estimates, the world merchandise trade is likely to decline by 13% to 32% in 2020 due to the pandemic and the consequent lockdown. WTO predicts that the merchandise sectors with complex value chain linkages like electronics and automobile sectors will be severely affected. According to the WTO estimates, the decline in world trade due to COVID-19 is likely to be significantly higher than the downturn it suffered during the financial crisis of 2008. are likely to be the worst hit. According to WTO, specific sectors in trade in services will also be affected severely. Due to the global lockdown and imposition of transport and travel restrictions, some logistics, transport, and hospitality sectors will be severely affected. According to WTO estimates, the decline in world trade due to COVID-19 is likely to be significantly higher than the downturn it suffered during the financial crisis of 2008.

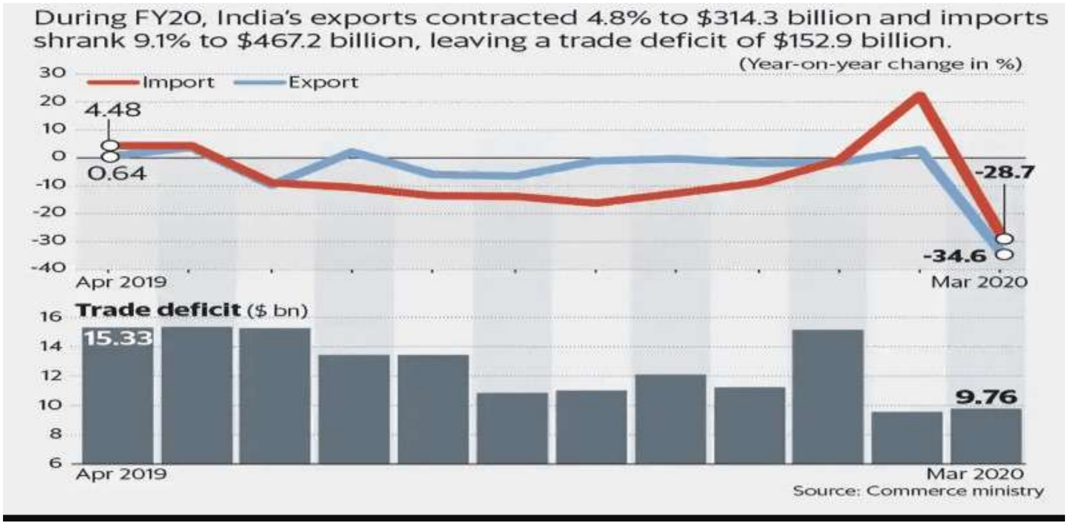
Estimates published by United Nations Conference on Trade and Development (UNCTAD) said that the slowdown of manufacturing in China due to the COVID-19 outbreak is disrupting world trade and could result in a $50 billion decrease in export across global value chains. For India, the trade impact is estimated to be the most for the chemicals sectors at 129 million dollars, textiles and apparel at $64 million, automotive sector at $34 million, electrical machinery at $12 million, leather product at $ 13 million, metals and metal products at $27 million and wood products and furniture at $15 million. India’s export suffers as global productions and import contract sharply. India’s trade openness is still comparatively low compared with ASEAN nation, but still it will be difficult to escape the recession in international markets. This is especially true in the current crisis because cross border services are directly impacted.

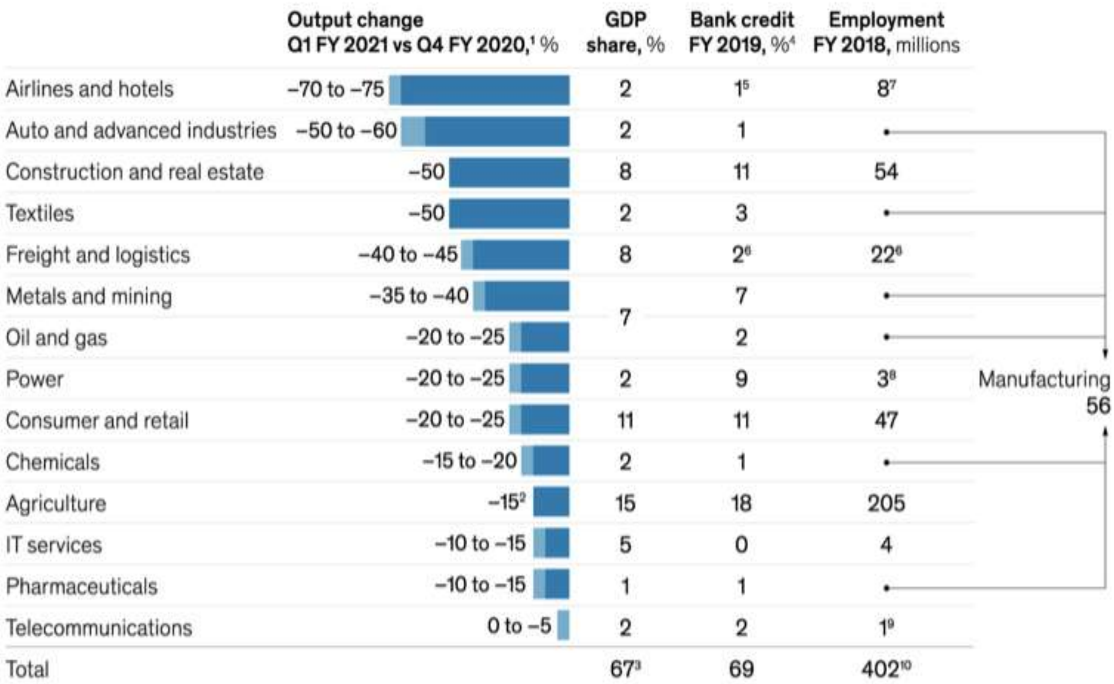
The Indian merchandise exports after reaching a height of almost US$315 billion in 2013-2014, fell to as low as US$262 billion in 2015-16. However, post 2015-16, there was a recovery trend for the trade. The exports reached an all- time high of US$ 330 billion in 2018-2019. However, the figure is estimated to have fallen to US$314 billion in 2019-20, a fall of almost 5%, over 2018-19. A similar trend is also noted in the case of imports by India. The imports reached a height of US$514 billion in 2018-19, and then fell at a higher rate of (-)9.3 % than exports in 2019-20, estimated at a level of US$ 467 billion.

Figure 1: Monthly Trend of Indian Exports and Imports in 2019-20



The exports and imports fell by 35% to 29% respectively, in March 2020 in figure. This can be clearly attributed to the halting of the Indian trade with the rest of the world, as a measure against COVID-19.





According to the Ministry of Commerce Statistics, baring iron ore, exports of all the 30 major groups witnessed a contraction in March 2020. Gems and jewellery shipments declined 98.74% followed by leather (-93.28%), petroleum products -66.22%, engineering goods -64.76 % and chemicals -42%. Oil imports in April were $4.66 billion, which was 59.03 % lower as compared to the same month last year as we can see this in figure, during FY20, India's export contracted 4.8% and import shrank 9.1% , leaving trade deficit of $152.9 billion. Given to this situation, it is likely that Indian trade will also be impacted negatively, to a large extent , especially the MSMEs sector and with the trade disruption , it is likely to impact more on various automobile manufacturers and traders. The WTO has projected global merchandise trade to plummet between 13% and 32% in 2020 due to the covid-19 outbreak. World Bank in its latest South Asia Economic Focus said reduced external demand for manufacturing as well as services exports will impact India. "One of India's largest exports is business and professionals' services, consisting of business process outsourcing (BPO) such as technical support and call centres largely based in India. This sector is severely affected

Suggestions / Recommendations

"We should now plan for what happens after the lockdown, if the virus is not defeated. It will be hard to lockdown the country entirely for much longer period, so we should also be thinking of how we can restart certain activities in certain low – infection regions with adequate precautions ". Raghuram Rajan Former RBI governor. As we studied earlier the impact of COVID-19 on Indian economy has severely affected almost every sectors and parts of economy. As the government have already started the process of unlocking the economy slowly, now we need strategies for the revival of our economy. The top priority should be finding a way to defeat or neutralise the effects of the virus. All other battles can be handled once we cross this particular challenge .After this our second priority should be on the restarting / boosting the economy, for that we need to keep in mind the two things , first we need to make policies by think about the Structure of the economy and Secondly, the Culture of the economy .. Here are some of my recommendations and suggestions for this:

1. Focus on Agriculture sector

As we studied the backbone of Indian economy is agriculture and our maybe only hope to cope up with this pandemic, since we studied the agricultural growth was declined but less than the other sectors here are some ways through which we can reboot this sector:

1. There is a need to create openness in the markets and expand the reach of farmers by linking to markets, where there is sufficient demand. Agricultural marketing covers a wide range of agriculture produce and producers need to have effective marketing linkages to a vast array of markets so as to receive optimal value for the produce.
2. We need to create a direct links between traders and farmers, 977 farmer producer organizations from 16 states have been onboard on e-NAM platform. The adoption of this platform will help the farmers from different states to get better technology and this will only happen when the states will ease their technological and organizational adoption barriers, and the adoption of e-NAM by states will depend on the use of 3Cs: commerce, content, collaborations.
3. We need to focus on localised production, processing facilities as well as markets to reduce migrations, increase local employment and ensure availability of food.
4. We should focus on value addition and rural agriculture- processing industries so that jobs can be created in rural areas and pressure on cities can be reduced.
5. Directing subsidies to organic inputs.
6. We need to focus on organic agriculture to meet the growing demand in urban areas for quality food. There is enough market, but the government needs to have policies to promote, certifying and streamline markets with reliable food.
7. India needs a serious policy and programmatic approach to take advantage of these methods through incentive.

5. Focus on MSMEs

The most effected sector is MSMEs as we know it was already going through some bad phase and this virus make it even at it worst. We should focus more on this sector and try to help the local business to get back to their feet , we can use this time to create the MSMEs more powerful , because of the pandemic there is restrictions in movement of goods and services , we can try to create substitute of these imported goods and it will help to create market for the local goods and consumers will buy their products and it will help in strengthen the MSMEs and help those local business to create profit and increase their production . For the support of MSMEs RBI announcing a targeted long-term repo operation of Rs. 50,000 crores to ensure that small and mid - sized companies, including non- banking financial companies (NBFC) and micro finance institutions (MFIs) get enough liquidity. There are some more measures which needs to immediate focus include:

1. The moratorium on current loans has to be extended at least for six months.
2. We should provide immediate loans without any interest or minimal interest.
3. Another possibility is the enhancement of Sishu scheme under MUDRA yojana to Rs.1,00,000 from the current level of Rs. 50,000 which will considerably benefit the micro segment.

4. d) We need to promote e –marketplace for artisans whose marketing channels will get severely restricted as melas and trade fairs will not take place for quite some time now.
5. e) The lockdown has affected production, supply chain and employability across MSMEs. Therefore, a 20-lakh package by the government would not meet the losses already registered by MSMEs.

6. Focus on Trade

The first suggestion which I would like to give is that government must avoid the use of export restrictions on COVID-19 goods and services, from both trade policy and humanitarian perspectives.

1. It should also use the pandemic as an opportunity to liberalize imports by reducing both tariff and non – tariff barriers and not just on medicines, medical supplies and essential equipment. Government must ensure that such restrictions do not become became prohibitive and that borders, both domestic and international, remain open.
2. India, may explore innovative methods to attract foreign investment and sourcing from India. Like, e-commerce is considered to be essential services across the world today, we can concentrate on this and may allow foreign investment on this.
3. Government should allow the exports of perishables from India through e-commerce route as it will be an effective way to increase the exports of local goods and it will create links to the global chains.
4. India can try to identify the sectors where he can replace China in the short run (like auto components,metals, chemical product, engineering product,), we can try to activate production at the earliest by providing incentives to such sectors.

7. Government Should Try to Create Youth Employment,

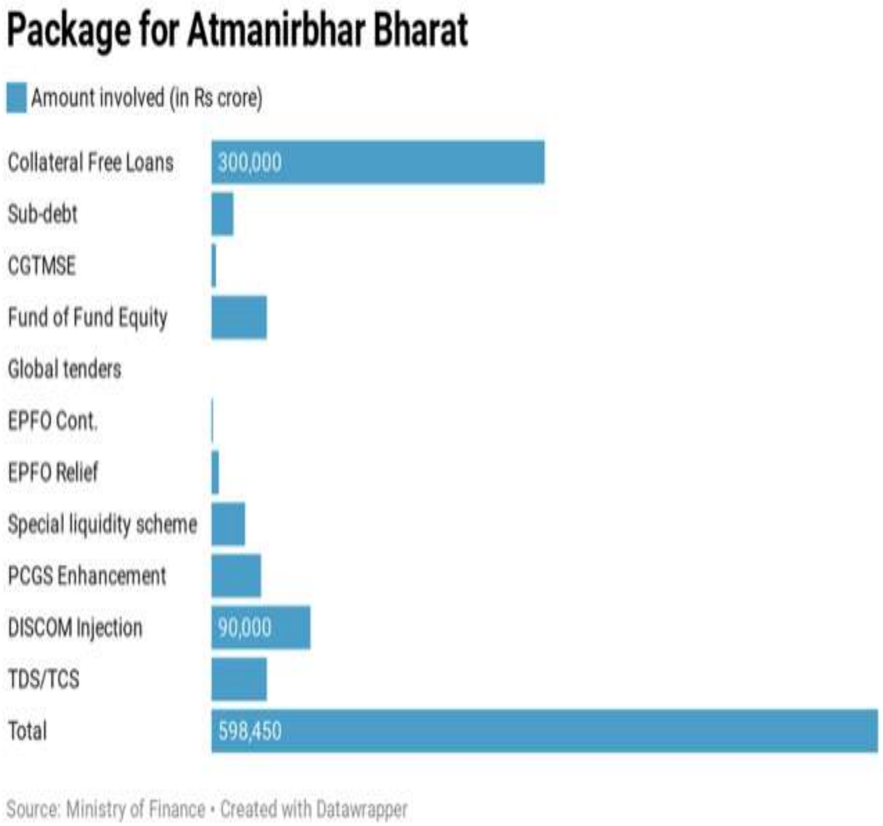
1. the government should try to make strategy to develop policies to create entry-level, mid – level, low-end jobs in large numbers, mostly in rural and semi – urban areas. Financial institutions need to come out with innovative lending that creates jobs with limited capital.
2. A cut in intermediate tax in this time would definitely help the economy. Also, it is essential that the union government transfers the state's share of GST amount due immediately.
3. We need to focus on power of absorbing the migrant labour in villages by creating new job opportunities.
4. Employment generation policies should be realistic not imaginary.
5. Try to establish new hospitals and better medical facilities in rural sector.

8. What is government doing?

Like the others countries across the globe, the Indian government has announced a few measures to prevent total collapse.However, I feel it is not enough. The finance minister takes many measures under the Prime Minister's ATMANIRBHAR BHARAT ABHIYAN, a post pandemic financial package, to help restore economic growth. Let's first discuss some of the measures in brief:

Non – performing and stressed MSMEs to get about Rs. 20,000 crore liquidity as subordinate debt. Rs. 50,000 crore equity infusion through a fund of funds for MSMEs with a corpus of

Rs. 10,000 crores.Dues by government and public sector undertakings to MSMEs will be released in 45 days. A new definition for MSMEs has been introduced raising the investment limit and eliminating the distinction between manufacturing and service sectors. Power Finance Corp. Ltd. And Rural Electrification Corp. Ltd. Will infuse liquidity of Rs. 90,000 crores in distribution companies in two equal instalments. Pending income tax refunds to charitable trusts and non – corporate businesses and professions including proprietorship, partnership and LLPs, shall be issued immediately. The farmers' produce trade and commerce (Promotion & Facilitation) ordinance 2020 and the Farmers (Empowerment And Protection) Agreement on Price Assurance and Farm Services Ordinance 2020 under these farmers will provide for the creation of an ecosystem where the farmers and traders enjoy the freedom of choice relating to sale and purchase of farmers produce which facilitates remunerative prices through trading channels . and the second one is will provide for a national framework on farming agreements that protect and empowers farmers agreements that protects and empowers farmers to engage with agri-business firms , processors , wholesalers ,exporters or large retailers for farm services and sale of future farming produce at a manually agreed price framework in a fair and transparent matters. There are some other policiesto:



Social infrastructure

The government will enhance viability gap funding for social sector projects to 30% of the total project cost as against 20% for other sectors. This will involve a total outlay of Rs. 8,100 crores.

To promote banks , RBI announced that banks don't need set aside cash reserves for loans given to small businesses between January 31 to July 31 , or for credit to help consumers buy a car or home .CRR reduced to 3% to 4% .RBI governor has stopped the clock on loan repayments for a few weeks, All lenders can freeze repayments for three months on term loans outstanding March 1.To support the rural industry few special windows are made :special refinance to umbrella organisations : Rs. 50,000 crores to go to pan – India financiers like SIDBI, NABARD, NHB, that affordably fund the rural sector and agriculture. For crop, state agencies will buy more oilseeds and pulses from farmers at government – set minimum purchase prices. For consumer, 800 million poor people will get 5 kilograms wheat or rice and 1 kg pulses every month during April to June; 80 million families to get free cooking gas. For insurance, 2.2 million health workers fighting COVID- 19 will get an insurance cover of Rs. 50 lakhs. For people earning less than Rs. 15,000 a month, government will pay 24% of their monthly wages feed into pensions and provident fund accounts.

"The package has been a huge disappointment. Not a word about the migrants,farmers, daily wage earner, the poor generally," Former Finance Minister P Chidambaram. There is nothing for lakhs of poor, hungry and devastated migrant workers who have walked, and many thousands are still walking, back to their homes, Chidambaram. The main question which arises here is how far these policies will affect the benefit of the economy? Does it going to be helped the people who are living in the rural area?Are they going to create jobs? The answer is NO. I strongly believe that these measures are good but not for long term , how can government forget the poor migrant labour they should have focused more on weaker section of the society, and in the rural areas, they should have focused on low income group they are the one who is most affected in this time , and should have tried to give more employment opportunities to them so that they feed their families post-covid-19. Government should loosen it purse and spend money on infrastructure development – Rebuild India, Rejuvenate India'. They should do something which create and generate income. Personal tax cuts and tax holidays for at least 6 to 12 months can be adopted to revive consumption, which will help spur economic growth. Government should focus on agriculture not on urban sector. They should try to make every poor more confident and self- reliant. These are not a long list of measures but it could help alleviate the impact of coronavirus and at some extent it will help in stimulating growth.

Conclusions

To conclude, Covid-19 crisis has become an unprecedented challenge for India. The Indian economy have been passing through difficult time since 2019, and the Covid-19 made it worse. It severely affected our manufacturing industries, MSMEs growth, trade and the livelihoods of migrant labours who have been moving back towards to the rural area since this crisis started. Though government have recognised the situation and have responded through various policies but this policy should not be the end it should be the beginning. Policymakers need to focus on rural areas activities, they should create confidence in migrant labourers so that they can cope up with this situation, they should try to create more employment opportunities in rural areas so that they can survive this shock.

However, we are in extremely challenging times now, but we can use this time as anew opportunity, India should, use the pandemic as an opportunity to galvanize support for coordinated action at the multilateral level and play a lead role in this regard. Policymakers try to design trade policies in a way that it enables the country to reduce the negative impacts of COVID-19 and maximise the gains from the situation and create an alternative of China in the global value chains. This would be the one of the best responses to the crisis.

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