

NEGATIVE IMPACT OF COVID-19 ON BUSINESSES AND THE MENTAL HEALTH OF EMPLOYEES

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ABSTRACT

The outbreak of the Covid-19 pandemic is a shock to India and its Indian economy. The Government has announced a variety of measures to tackle the circumstances, from food security and extra funds for hospitals and clinics, to sector incentives and tax deadlines. With the country-wide lockdown, economic downturn and discontinued demand and supply chains, the economy is likely to face a period of slowdown. This study revealed the impact of the shock on various sectors like financial services, banking, infrastructure, and services and displayed a set of policies for specific sectors.

Introduction

The Indian economy has been experiencing a slow down over the past few months. In the third month of the current fiscal, the economy grew at a six-year low rate of 5.7% as per the survey on google. There was a hope of recovery in the last month of the current fiscal. However, the new coronavirus has made recovery difficult in the near to term. The outbreak has fresh challenges for the Indian economy, causing severe disruptive impact on both demand and supply side elements which has the potential to derail India's growth. As per the data, India reported its first confirmed covid positive case on January 30. There are very few signs of community transmission – the number of affected people is still less, with almost all cases were from travel. The impact on the Indian economy could be different if the virus continues to disturb the country which will have a longer effect. While the impact on economic aspects due to activity being affected in countries like China, Italy, etc. would be different paths, it could be damaging if there is any shutdown in India. The objective of the Survey is to understand the opinion from the business regarding the risks to the Indian economy on the spreading of this virus.

The effect of the coronavirus epidemic for India is estimated to be approx 150 million dollars and the country figures among the top 18 economies most affected as slowdown of

manufacturing in China disrupts all world trade. According to the Asian Development Bank the epidemic outbreak could cost the Indian economy between \$387 million and \$29.9 billion in personal consumption losses. A survey found that most industry respondents did not foresee a positive demand account during the entire fiscal year. The demand side impact on tourism, hospitality and aviation is among the most affected sectors that are facing the maximum burnt of the present crisis. Consumption is impacted due to job losses and identifies some policy or regulatory measures, which help ease doing business in the wake of the outbreak of the COVID-19 pandemic and lower the adverse effects on the health of the Indian industry and economy.

1. Enhance the Validity of licenses
2. Easy & quick disbursal of pending payments and loans
3. Provide speedy clearances soonest
4. Relaxation of labour law compliances
5. Contribution to PF funds
6. Facilitate doing business for MSMEs
7. Facilitate trading all around borders

and decline in income level of people especially the daily wage earners due to slowing activity in several sectors including retail, entertainment, etc. Some sectors like automobiles, pharmaceuticals, etc. are facing an approaching raw material and constituent shortage.

As per the survey, the present situation reviews attention on the workplace related factors able to affect most on mental and psychological issues in the COVID-19 pandemic scenario. Several other factors were found as relevant to exacerbate or impact of COVID-19 on mental health of workers. What emerged from this situation is intrinsic high risk professional, organizational factors like work tension, increase in risk populations such as migrant workers, and hospital faculty workers on the frontline who have begun developing mental issues since the pandemic has begun.

Objectives

1. To acknowledge the impact of Covid-19 on overall Indian Economy
2. To understand the impact of Covid-19 on different sectors

3. To find out the challenges for different sectors in economy of India

Research Methodology

In this research, I have taken survey reports & analysis by various agencies like CRISIL, FICCI, PwC, McKinsey & Company and CARE Ratings for detailed study. I have chosen the data that is mostly published in March and April months to understand the impact of COVID- 19 properly on the Indian economy. Also, I studied a few research papers and News articles which were published in these two months.

According to a latest report by firm Arthur D Little, up to 155 million jobs could be lost and 100 million people might be kicked into poverty in India. If that happens, it would have a large impact on the common man's income, spending and savings.

India's working class is likely to bear the stress of the coronavirus impact in the form of job fires, increasing poverty levels and reduced per-capita income. This, in turn, will bring about a steep decline in gross domestic product.

Workplace Related Factors and Mental Health in COVID-19 Pandemic

Data of other epidemics (SARS, MERS, Ebola) have represented that not only the public endures from emotional distress, but also many healthcare workers have faced symptoms of PTSD, depression, anxiety, exhaustion, and burnout since COVID 19 has begun.. Healthcare workers in the case of COVID-19 are more vulnerable to risk for negative psychological outcome being equally vulnerable to transmission due to insufficient individual protection devices (PPE), exhaustion, desperation, isolation, discrimination, negative emotion of patients, and distance of families.

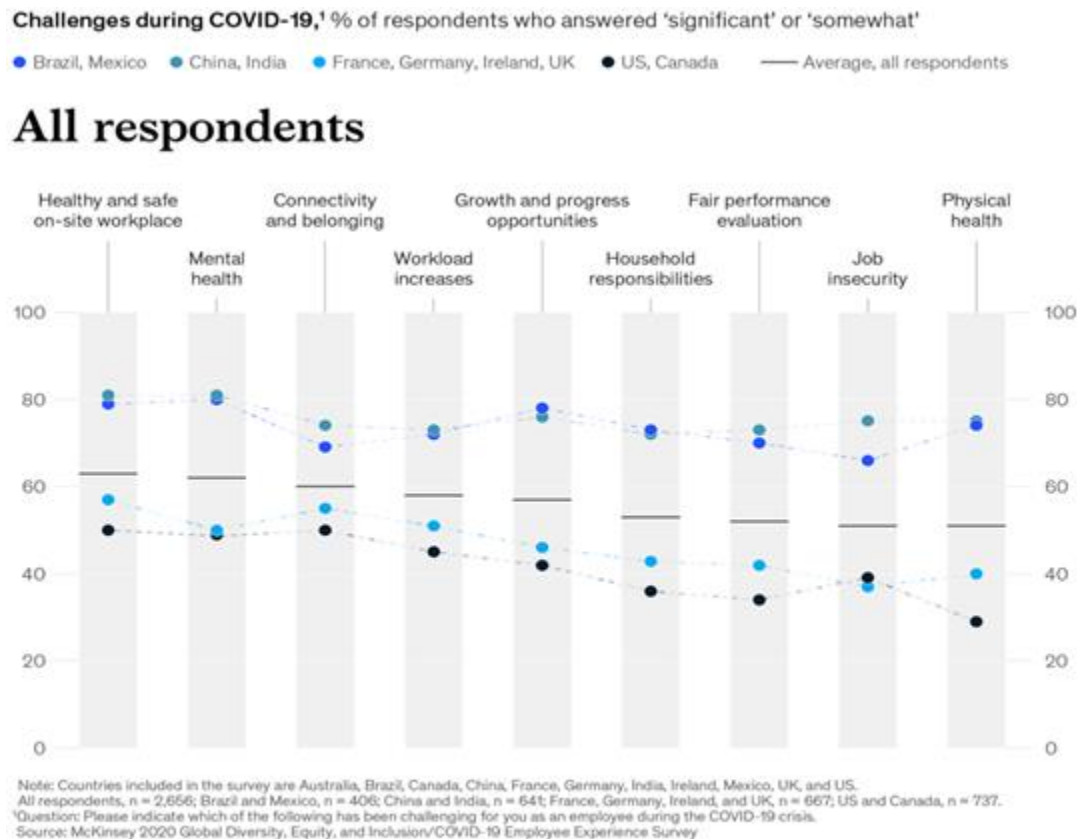
To subside the extent of the psychological consequences, some measures can be taken: avoid watching to COVID-19 media, news and maintain a compassionate and positive lifestyle by providing aid to others. To suspense with the side effects of the pandemic, resilience training programs should be implemented for healthcare professionals, and the people

- a) balance work and life;
- b) quick information on the virus and its effects on psychological well-being;
- c) awareness for pandemics and epidemics in the future; and
- d) validation and evaluation of the contribution of frontline healthcare personnel.

Analysis from previous research that analyzed the psychological outcomes of epidemics, such as the 2003 SARS epidemic, shows that up to 20% of healthcare professionals had SARS- related symptoms of PTSD even four years later. In comparison, the 2003 SARS epidemic caused 89921 victims from december 2002 to august 2003 with 234511 afflicted worldwide. This comparison focuses on the impact that the COVID-19 pandemic could have on the psychological and mental health of the whole healthcare sector.

Everyone is struggling, but some more than others

The pandemic is hitting emerging economies badly. All employees are facing problems during the COVID-19 crisis and report troubles in their lives, especially in the fields of mental and physical health, work pressure increases, fears of stagnant growth and a lack of growth chances, and loss of connection with the world and other staff members. Following is the survey took by McKinsey company:



While challenges are common in each country, employees and entire staff in developing economies are fairly struggling more. In fact, less challenges are three to four times more common for employees in emerging economies than for employees in developed economies. The data analysed by the company says, in India, Brazil, and China, 80 to 85 percent of appellant cite health, safety and mental health as challenges in the COVID-19 pandemic, compared with 40 to 65 percent of those in the United States, the United Kingdom, and France.

Parents fear hindering careers while troubles mount at home. This is agreed in countries where schools remain closed. Their challenges stretch beyond care of the child and home schooling, with parents in countries with full school closures reporting higher troubles, for instance with psychological issues ,increased pressure of work. Parents are also more likely to convoke more concerns across many dimensions in terms of a child's future.

Results and Findings

It is known that when the global economy is in a slowdown mode no emerging economy can grow at its normal pace. The Indian economy was involved with its own issues and COVID-19 made the matters worse. As per the data, India's GDP has been on a consistent decline after peaking out at 8.9 in Q4 of FY 2018 to 5.5 in Q2 of FY 2020. The industry was facing demand issues, due to which business houses were reluctant to undertake capex plans, unemployment was at its peak and exports were consistently down for several months. India has the problem that could be more acute and longer lasting, the economy was in a perilous state due to Covid-19 struck. Due to the steps taken to prevent the spread of the Covid 2019, social distancing and lockdown, non-essential expenditures are implemented to reduce the effect. This is to bring about aggregate demand to collapse across India. In addition to the demand reduction, there may also be widespread food and other essential items supply chain disruptions, as some people stay home, others go back to their villages, imports are disrupted, and foreign travel is completely banned. This will negatively affect the production in all industries. Eventually the shock will spread to manufacturing, agriculture, public administration, construction – all sectors of the economy. This affects financing and pulling down the aggregate growth rate of the Indian economy. Like India, several international companies can work on capturing potentially 30% of their competitor's market share by looking at indigenous production of goods, furthering the country's Make in India campaign.

Recommendations

A few suggestions that the policymakers should consider as they gear up to deal with the economic crisis.

1. Initially, we must protect the workers in the informal sector, who will be badly affected, and yet have little savings to tide them over the shock. This would not be easy to do, but there are two mechanisms that could be utilised: NREGA (Mahatma Gandhi National Rural Employment Guarantee Act) and Jan Dhan Act.
2. For the organised sector, the objective should be to make the banks less risk averse in their overall lending, while preserving their authority to distinguish between viable and non-viable firms.
3. To increase liquidity and increase consumer confidence, the Government of India should provide a payroll tax holiday for three months like a quarter to help support demand in these stressful times.
4. MSMEs provide a concessional working capital loan, equivalent to one to three months' average turnover compared to the last year. To assist them, when the supply chains have been impacted globally, MSMEs should also be provided concessional finance at a rate of 4% for three months through SIDBI. The interest payment for such financing can be adjusted over the next three years as part of GST in the accounts.
5. CSR spending by corporate organisations must be directed towards a response fund dedicated for the management of the covid pandemic.
6. A disaster management framework focused on managing disease outbreak must become essential in the large and densely populated country.

Conclusion

In India, this has yet to start in a systematic manner and needs to be prioritised alongside steps to deal with the health crisis. For necessary measures to combat the economic impact from the rapidly spreading coronavirus, the Government policymakers would need to implement a substantial targeted fiscal, broader monetary stimulus, and policy rate cuts to help normalize the economic situation. As the COVID-19 crisis continues to expand, manufacturers are likely to face challenges on multiple fronts. Manufacturers may also need to look beyond their own economic viability. They would need to contribute closely with the public sector to forge plans that are essential to both public safety and the solvency of their workforce. Some will be austere, but austerity measures should be tempered to preserve long-term objectives and goals.

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