

India: National Crisis in Pandemic Times

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Abstract

India is one of the most affected countries in the world from the corona virus pandemic, with more than 1, 00,000 reported cases since January. To slowdown the spread of this virus, Indian government decided a national lockdown in late March, which continued until May. While the lockdown has an immense impact on the economy, health and politics of India, the number of infection cases continues to climb with growth parameter for the current quarter collapsing. This paper will discuss about the impact of this crisis situations on Indian economy, health and politics. What kinds of challenges India is facing due to pandemic and what would be the outcomes from this situation in future, we will analyze all through this paper.

Keywords: Covid 19, Economy, Healthcare, Political Discourse.

Introduction

It is the unexpected COVID-19 pandemic, which is responsible for the rapid loss of human lives in 2020. The magnitude of which is incomparable with any other disease of course related-mortality. The source and causes for the origin of the disease is still to be established. There are different questions raised related to its origin such as could it be part of long cycles pandemics like Bubonic Plague of 14th century or influenza of 18th century. It also raised the question of linkage of the virus with anthropogenic abuse of nature in the name of development, or like Climate Change which is linked to relatively contemporary profit motive driven activities.

The pandemic effects havoc in the normal life of ordinary people, not only for its rates of morbidity and mortality but also raised intense debates on the extending ethical, social, cultural, political, and economic realms. The effect of this virus shocked social analysts who have been unsettled from the received and accepted knowledge of vulnerability which anticipates that the victim of any major shock linked to nature have most likely been those at the bottom of the socio-economic hierarchy¹. On the contrary of such received and accepted knowledge, the high death rate of Covid 19 have been predominantly of people from several developed countries of Europe, the US, the UK, Australia, Russia and so on.

Against this backdrop, we can easily raise the questions which were never asked before related to the morbidity and mortality linked to the poor and marginalized class belonging to the developing and poor economies. Could these deaths have been avoided if only collective political egoistic self-aggrandizing leadership who are more concerned about managing political narratives for a dominant position rather than crisis management. Could these deaths have been prevented had India's political structure promoted cooperation and trust in the society rather than encourage an ideology of slayer rivalry and raptorial relations? Could more lives can be saved if neo-liberalism had not infringed the confines of private commodities, and confirmed market failure in the realm of public healthcare and provisioning of such other public goods instead of commercializing them? Could death rates have been slowed down if emphasis was laid on the obligation of the government and rights of citizens towards understanding right to health as part of right to life, instead of debunking rights in the name of outcomes and performance?

These lives could have been saved if only the current growth-centric focus instead and did not discourage public investments into social policy priorities in the name of revenue discipline. This neo-liberal development model separates a large section of the informal insecure working class of circular migrants. This working class has been strayed by the rule of law and has had no access to regulatory institutions. These urban informal workers are distress migrants come out of a crisis ridden rural economy in search of survival opportunities. They have been furnished for decades undigested into the urban economy. In the urban



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economy these uprooted working class has been used to achieve cost cutting by employers in an effort to grapple with the market risks posed by business cycles. In this paper we shall try to analyze the effect of pandemic on economy of India and politics of India, What are the challenges the state is facing in these sectors and how the state will confront all this we will try to focus on that.

Aim of the Study

The aim of the study will be to educate the reader about the effects of pandemic in Indian economy and Indian politics, What are the challenges the state is facing and some recommendations to overcome the challenges.

Impact on Economic Sector

The outbreak of the Covid 19 pandemic is an unusual shock to Indian economy. The economy was already in a vulnerable state before Covid 19 struck. With the protracted countrywide lockdown and associated disruption of demand and supply chains, the economy is likely to face an extended period of slowdown. The dimensions of the economic impact will depend upon the duration and severity of the health crisis, the duration of the lockdown and the manner in which the situation opens up once the lockdown is lifted.

In the fourth quarter of the 2020 fiscal year, India's growth went down by 3.1 per cent according to Ministry of Statistics. The chief economic advisor to the Government of India has declared that this drop is the effect of the widespread presence of SARS-COVID 2. Before the pandemic, the rating agencies had revised India's economic growth for the fiscal year 2021 as one of the lowest figure India has encountered since the 1990s economic liberalization of the country. But ever since the announcement of the economic package in mid May, India's GDP estimated were degraded further into negative figures, signaling a deep recession for the country. Credit Rating Information Services of India Ltd. (CRISIL) has announced that this could be India's worst recession period ever since its independence in the year 1947. Between the months of April-May, unemployment in the nation rose from 6.7 per cent to 26 per cent by a faction almost four times larger than pre-pandemic numbers. An estimated 140 million citizens have lost their employment status during the lockdown that India is under.²

Indian health care has been increasingly privatized over the last few decades. This has led to intense market competition. A uniquely unregulated form of healthcare has thrived. "According to the *National Health Profile 2018*, the data for 2015 shows that the average public expenditure on health among lower middle income countries was 2.5 per cent of GDP, while in India it was 1 per cent"³. This has not just been the case with the Union government but has been a problem embedded in the development model itself and, therefore, includes State governments. Public health care in the last decade has been a low priority for India with just 1.29 per cent of the country's GDP 2019-20 spent on healthcare. Contrast this with the global average of 6 per cent. India's public expenditure on health as a percentage of GDP is far

lower than countries classified as the poorest in the world⁴.

While a scheme like Pradhan Mantri Jan Arogya Yojana (PM-JAY) has been implemented by the current government, insurance based schemes have often squeezed funds allocated for health towards limited secondary and tertiary health care services to benefit private insurance companies at the cost of neglecting a large requirement of primary and secondary health care needs. But this lopsided insurance-based healthcare model which came into style over a recent period of time in some states has caused a systematic neglect of the public health sector. It has left the primary and secondary rural healthcare systems that serve to the millions of poor without any basic infrastructure. The NDA government has failed to correct this problem, rather the PM-JAY points up it. A majority of the corporate hospitals and their profit target based medical practices, have done the great mischief of reducing doctors to commission agents, taking away the admiration and respect that the profession enjoyed at one point in time as saviours of life. It is because of a scarcity of basic infrastructure, lack of adequate capacity and scarcity of manpower due to which India is not in a position to carry out systematic and strategic tests and quarantine.

Recognizing the inadequacy of this, for serving such a huge population, the government had laid out ambition to increase the spending to 2.5 per cent of GDP in the next three years. While progress has been made in the recent past in augmenting the infrastructure and manpower through opening new tertiary institutes, increasing seats in medical colleges and implementing expansion of primary healthcare set up across the country under Ayushman Bharat, a lot still needs to be done. This need is actually being felt now while we prepare for a scenario if the situation goes out of hand further. This realization will accelerate implementation of healthcare infrastructure strengthening. At the same time in short term since a huge spends is being utilized for managing the pandemic, budgetary allocations on current plans will get realigned.⁵

Apart from this, in the economic sector, labour and distress management is the most important issue in the pandemic. The most risked group of people in the economy is informal sector and daily wage workers, as they always have been wage labour. Due to the precarious nature of the labour jobs in India, many daily labours, who are often migrants, lost their livelihood due to lockdown. This has created issues including starvation, separation of family and no alternative forms of employment. The interstate migrant workforce represents the lowest paying and most insecure jobs, in key sectors such as construction, hospitality, textiles, manufacturing, transportation and domestic work.

The recession due to Covid 19 emerges to be more serious than what India faced in 2009. The International labour organization (ILO) has estimated that up to 25 million people might become unemployed due to Covid 19. According to the estimate, due to lock down tens of millions migrant

workers were left unemployed in India by the end of March 2020, The large urban areas in India have a large number of migrant workers, coming from different states. It is also important to understand under on what conditions they work. Mehrotra and Parida (2019), in their study, estimated that there are 260 million people working in the non-farm sector. Of these, more than 101 million people are working in the unorganized sector, which is around 71 per cent of the total people working in the non farm sector as indicated in the table below. A large majority of the workers engaged in non-farm employment are working in the informal (83.5 per cent) and the private sector (87 per cent). The proportion of people working in unorganized, informal and private sector was found to be higher irrespective of whether they are engaged in manufacturing, non-manufacturing or service sector.⁶

Types of Employment in Non-farm sectors in India (in millions)

	Organized	Unorganized	Formal	Informal	Government	Private
Manufacturing	18.1	38.4	8.7	47.7	1.2	55.3
Non-manufacturing	15.4	43.5	3.1	55.9	6.3	52.7
Service	43.2	101.03	31	113.4	26.4	118.0

Source: Based on estimates by Mehrotra and Parida (2019)

Situation of Employment

Items % of salaried/wage	Total	Male	Female
Have no written contract	71.1	72.2	66.8
Have no eligibility for paid leave	54.2	55.2	50.4
Have no eligibility for social security benefit	49.6	49.0	51.8

Source: SARVEKSHANA (Government of India, 2019).

Whether it is economic recession or an epidemic like Covid 19, migrant workers in large cities are forced either to stay in perilous conditions in the urban areas, or go back to places of origin. They, initially, change from becoming providers of remittance income to their households, to becoming dependents of these households. Many of them come from most depressed and backward regions where there is very little potential for employment and education. Thus, any health or economic crisis at the destination also increase return migration to origin communities.

Another huge challenge uplifted by the pandemic could be on the ground of food security and nutrition. On the one hand, lockdown and social distancing measures are taking up work and incomes, whereas they are likely to derange agricultural production, transportation system and supply chains on the other. According to UN World Food Programme, an estimated 265 million people could be paused to the brink of starvation by the end of the

year 2020. India is one among countries where child under nutrition is severe. Around 38.4 per cent age, 21 percentages and 35.7 per cent age of children below 5 years suffer from stunting, wasting and underweight respectively. Malnutrition results in compromised immunity, which puts an individual with a greater risk and susceptible to the spread of the virus. (UNICEF 2019).⁷

An epidemic is a problem that tests the ability of a nation to effectively protect its population, to reduce human loss, to save the economy and to rapidly recover. The central and state governments are preparing strategies to cope with the crisis, like the West Bengal Government announced free Rationing to the under poverty line people up to one year. The state governments and union territories have also been guided to make these vulnerable groups aware of measures taken by government, including provisions of free food grains and other essential items through Public Distribution system (PDS) and streamline the procedure. The central government is planning to give unemployment benefits to a section of organized workers who may lose their jobs due to Covid 19 pandemic. The Labour and Employment ministry is looking to extend the scheme and allow workers to avail unemployment insurance if they are stroke by corona virus. However these measures are not sufficient considering the intensity of the crisis. Much more can be done by the government to protect its people and economy. The government has to come up with more well crafted strategy to deal with the crisis.

Impact on Politics

The Covid 19 has the potential of not just redefining the rules and the balance of power in the international system, but altering the contours of Indian political life. The scale of the pandemic, the national lockdown, the economic crisis it has already generated and the fact that every citizen, irrespective of class, caste, geography, gender, age, religion, is affected admittedly to varying degrees, makes SARS-COVID 2 the most significant event in recent Indian history.

In India, the portrait of federalism is very different from the US with less power room for the states. Despite health coming under the purview of the states, the centre has used the National Disaster Management Act to impose a nationwide lockdown from 24th march 2020. While most state governments have toed the central line, some have been pulled up for deviating. Indeed opposition ruled states like West Bengal – where chief minister Mamata Banerjee is the strongest critic of Prime Minister Modi's government and where elections are due next year- have been singled out for criticism, despite BJP ruled states like Gujrat also faring very poorly.

There has been a wide difference in the response of the different Indian states to the pandemic. States like Kerala with its strong public healthcare system and high levels of literacy, have handled the pandemic well while others have been stragglers. According to Tirtha Chatterjee and Ritika Jain in there 'Is Covid 19 equally deadly across all States?' explains that the case fatality ratio was

lowest in Kerala and highest in Maharashtra, Gujarat, Madhya Pradesh. The rate of testing, the enforcing of social distancing and health infrastructure possibly explains the variation.⁸

In the very first stage of the pandemic, some sources have pointed to a temporary diminishing of conventional politics in India. However, the way the crisis is being tackled is intensely political. There is a concerted effort by the Union government to show that the pandemic, particularly the number of infections and fatalities is under control and by state governments to do the same even if that means manipulating numbers.

PM Modi's managing of the crisis has increased his popularity, at a time when he was confronting an economic slowdown and protests over the Citizenship Amendment Act (CAA). The BJP has grabbed the opportunity to publicize the positive ratings that PM Modi has streets ahead of other global leaders in this regard. However, there has been a clear class bias in the government's decision making. The poor and marginalized have carried the burden of the lockdown with thousands of migrant workers wrecked in their place of work or on highways. Another important issue in this regard was Tablighi Jamat's international congregation at the Markaz Mosque in Nizamuddin. It was said that the congregation had conspired to spread the virus in India. Now here the question is why was permission given to this congregation and having issued the visas, how could the Union Government claim that it was unaware of the fact that so many foreigners had come into the country for participation?⁹

Conclusion

In the present context, the impact of the pandemic might be felt most in the expansion and reach of the state and the centralized power. Both these tendencies had been visible in India over the past few decades, but the pandemic is likely to highlight them. The enormous increase in state scrutiny in the wake of the pandemic is unlikely to be avoided in a hurry. Most significantly, we are likely to see a much bigger role for state and state owned enterprises. Contrary to what many saw as the free market and reformist leaning of the Prime Minister in 2014, he has shown little inclination to cut the bloated Indian state to size. Coming close to the heels of response of the state government in recent provinces, the central leadership and the Prime Minister has taken up the role of a coordinator of overall assessment and a moral support giver in the light of the pandemic. In a rare instance of the displaying the spirit of shared responsibility and cooperative federal arrangement, the centre and the states are constantly coordinating with each other and working together to face the crisis in an effective way.

Nevertheless, if society is affected and if economic structure is altered, it cannot but have an impact on the way political competition takes place, and on the political choices people make in the months and year ahead. While the situation remains uncertain and fluid, four key variables will determine what Indian politics will look once the crisis subsides.

First, how India tackles the situations under Covid 19 will be the defining legacy of Prime Minister Narendra Modi. It is no longer Kashmir or the Ram Mandir or Citizenship Act (CAA) or welfare measures or demonetization or Goods and Services Tax that will be the dominant element in how PM Modi is recalled in history. These issues definitely matters and may even play a partial role in electoral outcomes and have long term consequences. But it is whether India manages to slow down the fall out of the pandemic, with limited cases and casualties, or succumbs to it on a mass scale, with a devastating loss of lives, that will be the central element of PM Modi's Prime Minister Ship. It is whether India manages to, in the wake of health crisis, reduce economic consequences, provide social security and rebuild its core sectors- whether it enters a long period not just of contracted growth but perhaps even sustained recession that will define PM's governance record. If he rules to lead India out of this pandemic relatively successfully, PM Modi will have secured not just 2024 election but marked his name as a heroic, almost wartime, PM. If he fails, nothing else he does will be able to mitigate the damage from this crisis.

Secondly, as we have mentioned earlier, the crisis will strengthen the power of the Indian states. It has shown that a time of severe public emergency, the government is essential. Many intense supporters of free markets have often argued for the withdrawal of the State and confining it to essential law and order functioning, while leaving the private sector to take over other functions. This never occurred in India even though liberalization opened up key sectors for private sector participation and private sector firms, including in health care, have a role in battling Covid 19. But it is the government sector or the state that is at the heart of the response. From getting Indians from abroad back home to determining the duration of a lockdown and implementing it, from deciding on the testing strategy of Covid 19 to embarking on extensive contact tracing of all those possibly infected, from allocating funds to ramp up health infrastructure to announcing relief measures for the economically disadvantaged, from leveraging private sector support to representing India's point of view internationally, it is the state which is responding to the crisis. All these measures are legal and necessary, but they will increase its power and role beyond the crisis. The period of big government is set to return.

Third, the catastrophe has the possibility to reconsider the nature of Indian political discourse. Growth and Welfare are very important in shaping electoral contests, but religion and caste have been key operators in determining political choice. This is not always negative, for identity based mobilization, especially of marginalized caste groups, including Dalits, has given them representation. But in this process, issues of public interest have often retreated. Political leaders believe that they can win elections without needing to deliver better governance outcomes if they can get the religious or caste calculation right. Citizens sometimes do not demand better public service delivery and sum up making

choices based on either older provincial loyalties or abstract emotional appeals. But this crisis may force both the political system and citizens to recognize that issues such as health cannot be marginal, but are central. The Aam Admi party's victory in Delhi is an early indicator of this trend, where its perceived record on health and education helped it win the support of a cross-section of voters. But Covid 19 has now shown the indispensability of public health systems and the need to invest in a more healthy society and prepare a better. National election in India has not been fought on education or health or social safety, voters have not decided their choices based on which party promises to invest more funds in building state capacity. But it is quite hard to imagine in future, political parties can go to voters without an agenda on health or that citizens will not demand better services.

Finally, the entire incident will reinforce Indian federalism. The roles of state governments have been evaluative in the battle against Covid 19. The constitutional division of power has meant that all decisions are not happened at the same time, showing down responses in different geographies. Some states have done better than others. There has been cooperation in issues between centre and states and among states. But the crisis has brought home the essentiality of India's federal compact. A centralized unitary structure would have grappled even more to deal with the emerging realities, given India's spread, and specific local realities. The fact that there is an administrative apparatus that drains down to grass roots, through state government and Panchayat, will help and will be an asset in this long battle. Covid 19 will shape the patrimony of governments and leaders, it may change how elections are fought, what citizens demand and what political parties will need to deliver, and it will reinstate the primacy of the government in everyday lives.

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