Tentacles of COVID-19 in India: Impact on Indian Economy, Society, Polity and Geopolitics

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ARTICLE INFO

Received: April 03, 2020
Accepted: May 10, 2020
Volume: 2
Issue: 3

ABSTRACT

This article explored the impact of COVID-19 on the Indian economy, society, polity and approach on geopolitics. In the wake of unprecedented pandemic, societies across the world faced never solved conundrum. Taking a proactive stand to contain the spread of virus, India announced nationwide lockdown for one day on March 22, 2020. It was subsequently extended till April 14, 2020. This affected multiple sectors of social life. It is pertinent to map the COVID-19 impact to draft future policies to fight against pandemics. After reviewing the challenges posed to various sectors it was inferred that in the economic sector, MSMEs were found to be the most vulnerable. Sociological impact was identified in cultures, traditions, and living spaces of migrants and destitute. Psychological impact was found to be distress, and fear factors. The current lockdown situation impacted Indian polity on its quasi-federal structure and the importance of centralized health care system within the latter. Finally, on geopolitical approach, COVID-19 might put a backlash on globalization and liberal approaches.

Introduction

Never ever in the modern history, almost entire world went into lock down more or less, simultaneously! International travel is absolutely banned for at least 2 -3 weeks across the world which might be extended further. Countries like Spain, Italy, UK, China, Russia, and South Africa announced lockdown of the country to contain the spread of the virus. During the period of lockdown, public will not be allowed to move freely outside their homes. Such lockdown was initially imposed in Wuhan city of China on January 23, 2020 as the Corona virus breakout became un-controllable. At that moment, it was criticized even by World Health Organization (WHO) but by the month of March, whole world started to follow the latter. The total count of positive cases across the world by April 1\textsuperscript{st} stood at approximately 1 million (Worldometer, 2020) and still soaring.

In a complex interdependent world, such restrictions affect every aspect of life in all the societies throughout the world. In India, the first positive case of COVID-19 was reported on 30\textsuperscript{th} January, 2020. As of 30\textsuperscript{th} March, 2020, there were 1137 COVID-19 positive cases. As a precautionary measure against the pandemic, India announced the lockdown for 21 days – from 24 March, 2020 to 14 April, 2020. This lockdown brought unprecedented effects on the society. Economic activities went into silence across the country sending financial shivers to people. Worse hit sectors were Micro Small and Medium Enterprises (MSMEs) and informal labour. Employment opportunities offered on contractual basis found their exit and so the employees on such agreements (Nahata, 2020). During the lockdown period, a total of 257 cases of domestic violence against women were registered online till April 1\textsuperscript{st}, 2020 (Press Trust of India, 2020). This is just one example of unknown and unreported incidents which might have a deep psychological impact on individuals. Restrictions on social gatherings, interactions, and increase in the digitization of society will have a definitive – sociological impact. Political scenario was also not insulated from the impact of this deleterious virus. Before the virus hit, media was all over the Madhya Pradesh...
Pradesh political crisis, violent protests against Citizenship Amendment Act (CAA), 2019, hues and cries over the economic slowdown which was the worst in the decade (Beniwal, Satija, Pandya, & Nag, 2020). Today, nothing else matters but measures to contain the spread and end this pandemic. This brings us to the major political question during this fight against the pandemic the stability of the existing quasi – federal structure of India. If these are some of the impacts on the national level, the impact on international relations would have an impact on the fundamentals of the world system and brings a paradigmatic shift in understanding the geopolitics. This article explores the impact of COVID-19 on macroeconomics, sociological, polity, and geopolitical domains.

**Upsetting the already stumbling Indian economy**

This part of the article assessed how life of both employees and employers took upside downturn since 30th January 2020. There is a rare discussion on the impact of COVID-19 on the already struggling Indian economy. Indian GDP growth rate is at its 7 year low at 4.7% during the third quarter of financial year 2019-20. The situation of economy may turn worse after the unprecedented 21 days nationwide lockdown. The impact of lockdown can be estimated from slump in the stock exchange indices of India i.e. BSE SENSEX and NSE NIFTY. BSE SENSEX hit a low of 25981 on 25th March 2020 i.e. a fall of 14933 point from its high of 40914 points as on 30th January 2020 (Bombay Stock Exchange, 2020). Similarly, NSE NIFTY hit a low of 7511 on 25th March, 2020 and fell 4525 points from 12036 points as on 30th January, 2020 (National Stock Exchange, 2020). It is estimated that investors have lost INR 51 lakh crore since January 2020 (Thapliyal, 2020).

Coronavirus pandemic has brought in the third wave of economic stress after demonetization of-2016 and Goods and Services Tax (GST) implementation in 2017. Estimates suggest that 75% of the Indian economy will remain closed during the lockdown period of 21 days. This will result in 4.5% direct output loss to the economy (Bundhun, 2020). Clearly, many manufacturers, traders, and retailers across India will have zero revenue and income during this period. There was no formal announcement from Indian Government to exempt the fixed expenses such as minimum electricity bill, interest and EMI's on business loans, rent of firms, minimum water bills etc. of the firms till 30th March 2020. However, the Indian Government asked the firms to pay the employees on time and not to lay off the staff which is appreciable and necessary.

Agriculture sector is the backbone of the Indian economy employs the maximum work force in the country. MSME sector is the second highest in terms of contribution to economy and employment. MSMEs account for 45% of total manufacturing output, more than 40% of exports, contributed more than 28% to India’s GDP and created 11.08 crore jobs (Ministry of Micro, Small & Medium Enterprises, 2019). If agriculture is the backbone, then MSMEs should be limbs of the Indian economy. MSMEs have been a catalyst for the development of the Indian economy in the past. Coronavirus pandemic will affect most of these MSMEs. Maximum numbers of MSMEs are directly or indirectly dependent on the large firms for revenue generation. MSMEs employ workers are hired on contractual basis. During the lockdown, MSMEs will not function which implies the employees of these firms will not get the job for this period. It is difficult to check whether the employees are getting paid or not. As the lockdown was a sudden move announced by the Prime Minister of India, business firms are not able to dispatch their pre-booked orders. Goods dispatched earlier are stuck in the transit. MSME owners usually send their goods without any insurance through private transport and logistic companies. If not stored properly, on transit goods will be at high risk of getting damaged due to rain or hailstorm during the lockdown period. There are instances reported of goods loot and stealing from the state of Rajasthan (The Wire Staff, 2020). There can be loss to the MSMEs because of these issues. Ultimately, the entire supply chain is getting affected due to lockdown. 31st March every year is also the last date of official financial year followed in India. Business firms will not be able to finish their accounting processes on time because of lock down.

To address the economic concerns, Government of India has come up with an immediate relief package of INR 1.70 lakh crore on 26th March 2020 (TNN, 2020). To mention a few initiatives, government will distribute additional 5 kg wheat or rice and 1 kg pulses to 80 crore individuals for next 3 months. Maximum of three free gas cylinders will be given for next three months. Eight crore people are going to get benefit out of free gas cylinders. Almost 9 crore farmers will be given INR 2000 in the month of April. Women “Jan Dhan” bank account holders will be credited with INR 500 per month for next 3 months. Surprisingly, during all these announcements there was no mention of relief package for business or corporate sector. Without a doubt, priority of government shall be to save lives. But, it should also focus on the socio-economic order. There are a few unanswered questions which need immediate attention, whether government will give relaxations for filing GST for the month of March and April 2020? Will there be extension in dates of e-way bills for the in-transit goods? Will there be any special relief packages to help businesses restart after the lockdown? How will businesses generate demand after lockdown if people will not have money in their hands?
Upending the life of common man but some respite

Economic impact is the main stream impact assessment often made during any disruptive event. Another major impact which might change the social order is on sociological. Lockdown in large parts of the country has created a state of panic and anxiety among its citizens. Several measures are being implemented to maintain calm and peace among citizens. General public has been asked to maintain social distancing and stay at homes to avoid spread of this deleterious virus. While following all the guidelines and directives, people are adopting different strategies to cope with distress associated in lockdown condition. There is equal support and participation from global community to help people in this tough time. For example, mobile publisher King has offered unlimited lives in all its games as a distraction from madness of the coronavirus crisis (GameCentral, 2020). Ministry of Information and Broadcasting started re-telecast of two iconic mythological series of 1980s namely Ramayana and Mahabharat on Doordarshan National Television (India Today Web Desk, 2020).

The current situation has affected people from all spheres of life in several ways. Worst impact of this outbreak is on healthcare professionals. Those treating and serving the infected were shunned by people due to fear of getting infected. Many living in rented houses were forced to vacate the apartments. Others faced ostracism and harassment from their neighbours. There were a few reports of assault on doctors by locals and police as well. For example, there was an incident where localities spat and attacked the doctors in Indore who went to a densely populated area to check a woman suspected of COVID-19 infection (Pandey V., 2020). In another incident, a COVID-19 patient attacked the doctors in Hyderabad after another person died due to the same disease (Pandey A., 2020). Facing discrimination instead of gratitude in these tough times breaks the morale of current frontline heroes.

Like healthcare professionals, migrant labours too faced several challenges. Lockdown upended the lives of migrant and daily wage workers. Several incidents of migrant workers from various parts of the country trying to escape to their hometown were reported. More than a dozen of migrant workers died while returning to their homes. Failure to take appropriate actions for safeguard of daily workers was also criticized by the WHO. Many homeless sought shelters in shelter homes in search of food and shelter. However, these shelter homes are not spacious enough to maintain social distancing. Over-crowding in these shelter homes can expose the homeless to the virus.

Prison administration could not escape from the clutches of this pandemic. Prisons in India are facing the challenge of over-crowding and fear of transmission of the virus to large mass of inmates. Prisons can act as potential infection hotspots. Delhi’s Tihar Prison Complex, a model prison, is almost 75% over-crowded. To prevent the spread of this epidemic inside prisons, Delhi Tihar Prison Complex requested the government to release 1,500 convicts on parole and furlough and equal number of undertrials on interim bail (Pandey T., 2020). Maharashtra government has also decided to release nearly 11,000 convicted and under trial prisoners on parole (Bose, 2020).

Those who are used to alcohol consumption are experiencing withdrawal symptoms. Like all other non-essential establishments, liquor and wine shops are to be remained closed. Due to current crisis mental healthcare professionals are also worried about rise in alcohol withdrawal cases. People in Kerala committed suicide due to non-availability of alcohol following lockdown. A 32 years old individual from Kerala jumped into the river as he was experiencing alcohol withdrawal symptoms. Following this incident Excise Department has been directed to provide alcohol on doctor’s prescription (Times Now, 2020).

Fear of getting infected has impacted religious practices as well. Many people did not celebrate Holi, one of the biggest festivals of Hindus, to maintain social distancing. Several Holi celebration events got cancelled to avoid mass gathering (Travel News, 2020). There is a tradition of celebrating Navratri in which people invite and feed unmarried girls at their residences on the 8th and 9th day of Navratri. However, this time most of the people refrained from celebrating this auspicious day and maintained social distancing. They transferred the money digitally to these unmarried girls. Priests also went online for Navratri celebration in some parts of the country. There is a clear shift in rituals to contain the spread of virus.

There are some positive aspects of lockdown as well. It has resulted in reduction in crime rate. In Kolhapur district, Maharashtra number of cases registered has come down to only three in comparison with 12 to 15 cases that various police stations in the district used to register (Waghmode, 2020). Air quality index (AQI) has significantly improved due to shutting
down of various industries, halt on constructions, curb on unnecessary travel of people, and limited public vehicles plying on road. The AQI of world’s most polluted capital city, New Delhi plummeted to 93 in March 2020 from average 161 in March 2019 (Reuters, 2020). There is 43%, 38%, and 50% reduction in nitrogen oxide pollution in Pune, Mumbai, and Ahmadabad respectively (PTI, 2020).

Overall, coronavirus has distressed the lives of every citizen who was unprepared and never experienced such kind of a situation in the country. Traditions which have been followed for decades have been willfully discarded bringing dynamism to cultures of society.

Quandary in Indian polity

The corona pandemic has become the conundrum of the modern India. Post-independence India witnessed a new set of challenges for being a holistically diverse country. However, the challenge posed by COVID-19 is completely unique, of which India has no prior experience. Its impact is directly felt on the fundamental structure on which Indian polity is built. India is one of the few large federally structured countries with a quasi-federal political set-up (Verney, 1995) with diversity in terms of the socio-economic structure and various factors which were not easy to determine and understand. In a pandemic scenario such as coronavirus the challenge lies in the political mobilization. In India the leadership and political operations draw upon the structure of the cooperation between the Centre and the State. This also brings in the context of the centralized command which is important for a smoother functioning of the country and bring coherence among the functions divided as Union, State and Concurrent lists mentioned in the Seventh Schedule of the Indian constitution. As in the scenario of this pandemic, the most important dimension and functioning of the country’s political system depends on few major systems defined by the essential functions (Nandy, 1989). That includes the economy, education, and of course the healthcare system and how efficiently they can survive.

Among all the essential sectors pandemic like COVID 19 poses new challenges to disseminate the health care to the mass of 1.3 billion (approximately) population in India (Golechha, 2015). India has a challenge for keeping the economic wheel chugging along with considering the needs of the society. Health being under the state list, every state needs to and has taken its own measures following a uniform framework as directed by the Central Health Ministry with the distribution of responsibility as determined by the Indian constitution amid ongoing crisis. However, the central political establishment under the Ministry of Health as well as the Prime Minister’s Office has been accepted as the foremost command. It would be interesting to note that political cooperation between the Centre and the State seems to be coming out good but there are many causes of concern which includes the logistical supply of healthcare equipment’s such as the protective gears and masks, ventilators, medicines, testing kits etc. The causes of concern hinge on the question- how to design interim policies for this kind of pandemic. Policy design based on current economic scenario includes public goods distribution with food safety and security as the top priority and it is one the important political decisions under consideration (Koehler & Chopra, 2014). Those who are economically well-off, for example industrialists, need to be given a different plan. The political tussle would be the game of real politc. The power struggle between the Centre and States anchored to the protection of the vulnerable section. The economic aspect can be very much missed in the political aspect revolving around the health and its immediate redressal (Kapur & Nangia, 2015). It also carries a subtle policy war between the Centre and the State. One such example of the state can be felt with the cold war that has brewed underneath even amidst this pandemic for states such as West Bengal. The history of conflict between Chief Minister of West Bengal and Prime Minister of India based on their respective political standings has found a new subtle form of conflict.

However, it must be mentioned that the Indian Government has taken certain proactive stances or should one say the policy-oriented steps needed at this hour including fiscal stimulus of 1 lakh 77 thousand crore for providing monthly payment. It also includes free gas delivery for the vulnerable section for a period of three months and other initiatives as already mentioned in above section.

Significant aspect of the healthcare policy would include the dimensions of the migrant laborers and their protection especially as they are economically and politically vulnerable (Akinola, Krishna, & Chetlapalli, 2014). Ironically, most of the political campaigning in India is still focused on basic necessities like food ration, financial respite which amounts to a meager income and substandard housing etc. There would not be any surprise if the measures taken during this fight against pandemic are used for election. India’s challenge to coordinate efforts with the government in power, whether at the Centre or State, includes the cooperation of the opposition and the incumbent parties. It is new to note that state governments like West Bengal, Delhi region and other areas that have had political differences with the Centre are trying to coordinate
together. COVID-19 may well mark a beginning of a new political scenario in a country where fragmentations as well as the political divide is there from the historical times (Kulke, 1982). An important dimension of the Indian political scenario conflict arises from a unified command where the various states have their own policy system which comes in conflict with the Centre. In the current scenario that can create unnecessary conflicts as the states have asymmetric resources when compared with the Centre. Even states, where there is a strong political leader needs to be subservient and work for the overall healthcare of the country as a whole. This is a time for the change in Indian political system and moving towards a coordinated action plan coming in from the Centre to the Stare in top down approach. States/Union Territories like Uttar Pradesh, Odisha, West Bengal, Delhi under strong political leaders needs a new way of looking at the policy implementation which brings to fore the coordination between Centre and the State. However, India has witnessed a little friction in implementing a uniform containment policy. This can be very well understood from the mismatch in the way how the travelling systems should have been locked down. Many of the states wanted earlier lockdown of the transport systems however many of the states were caught unaware with the sudden lockdown initiated by the Centre as they were not prepared to deal with this sudden lockdown (Devadasan, 2020). Because of sudden halt of transport, the lives of millions of daily wage earners as well their livelihood disrupted (Pandey M. C., 2020). Exodus of the millions of the daily wage earners with no access to transportation as well as necessary supplies definitely pointed of the power inclination towards the Centre. Expectantly there has been coordination between the opposition and the incumbent except for some rhetorical exchanges related to Prime Ministers call for solidarity which for the opposition has been nothing short of political gimmick. The political mudslinging between the Centre and the State definitely had been there due to this instance (India Today Web Desk, 2020)

This pandemic has brought to surface the difficulties for the welfare of the people in India through the localized administration. That is needed and also seeing an interim change in the political manifestation of the distribution of policy especially related to testing kits as well as COVID-19 related equipment’. The department of the health and its responsibility has suddenly increased manifold especially as the current pandemic is a serious challenge. Proving for the direction on how to cope in this situation amidst the divide in the Centre vs state alongside its political dimension is still unfolding (Mookerji, 2020). There has been a positive system of the healthcare system which has been acceptance of directives from the central health ministry by the states and not involving in autonomous behaviour keeping in law the constitutional policy of India as well as the need of the hour (Goyal, Seetharaman, & Sharma, 2020). This unified healthcare system with hierarchical command would be a key precedent as India for the first time is brushing against the pandemic since Spanish Flu. In a country like India for the first time a greater political consensus even if not at all levels of satisfaction for many critics, but nevertheless still a very important aspect for the welfare of Indian citizens (Bhandari, 2020).

**How the Geopolitical wheel will turn?**

As a war unifying people under the flag of nation, it appears that COVID-19 might unify the world under a single banner of human survival. In such hopeful situations, ironically, alongside Islamophobia, xenophobia has risen in Europe. This time it is against Chinese. Reports of abuse on people of East Asian origin (Urcostra, 2020) shows that the virus might strengthen the national identities anchored to the fear. In India, there might be a probable backlash against Muslims for their religious gathering from March 13 to 15 at Tablighi Jamaat headquarters in New Delhi which was against the Delhi Government orders (N, 2020). Reports across the world show that Tablighi Jamaat gatherings were majorly responsible for the spread of virus in the areas they were organized (Kazmin, White, & Pamla, 2020). These incidents would find a biased and easily acceptable correlation between the pandemic spread and religion/migrants. Already, rise of populism and anti-immigration policies have a high correlation. This scenario in the US appears to move towards what it was a century ago in terms of the US political ideology and popular voice. America’s Scott Act of 1888 has banned all Chinese immigrations due to the pressure of populist demagogues (Ferguson, 2016). All these events attached to COVID-19 have a potential to become an unintended backlash against globalization.

If the above events signify one of the exogenous impacts on the international system on the member states, there is an endogenous reason which threatens the globalization. State’s unilateral control and all the non-state actors accepting the latter unquestioningly shows that states still remain as the main agencies in the international system. During the digital age where jobs, education, research and also the political campaign became borderless, it is clear that state has shown its superiority of the polity, economy over the society again. It can also be understood that the notion of state losing its
power as an agency was just a façade. Is the geopolitics as we know, is this like moving backward? Does COVID-19 give a death blow to the proponents of globalization? It may or may not.

In the annals of International Relations (IR) history, single events which shook the world politics are nuclear arms tussle, world wars, 2008 financial crisis, oil shocks of 1981 and 1984 and 9/11 attacks. All the latter have strategic connotations and states had a hidden agenda in their policies fighting the crisis and pushing their national interest over anything else. Nation-state’s decision was to secure their power in the international system which in the words of realists, ‘security’. As economic activities spread across the world, security is no longer considered borders. Covid19 has completely different aspect of security. Today, it is no longer national security for which the world is fighting; it is for a borderless human security. While it was alleged that strategic investments are being tried by some countries - such as to fund corona virus vaccine research and use it selectively by the US (Al Jazeera, 2020), they are being thwarted out. It is projected that if the vaccine is not made, this could be the major peace time crisis of the modern world (Wright & Campbell, 2020). To the contrary of fears of backlash against globalization and global system moving back to inward policies, China on March 12, 2020 arrived at Rome with 31 tons of medicine, nine medical experts (Balmer, 2020) while EU could not assist their member states. Jack Ma gave 50,000 testing kits (Knight & Matsakis, 2020) to the US even after the arrogance of Donald Trump who said ‘it will go away, just stay calm’ (Stevens & Tan, 2020). These developments challenges the existing power status quo of the global power structure as it shows the rise of China as a claimed replacement to the proclaimed world leader – the US (Duclos, 2020). On one hand, the steps taken by countries against this conundrum show the big relevance of nation-states and pinching the narrative of globalization. On the other hand, the fact that the virus spread from one place – Wuhan to the entire world shows the complex interdependent global economy poising the heights of borderless world. These contrasting events put the question of ‘whether globalized political structures are significant.’

**Conclusion**
It is illogical and irrational to take u-turn from the globalization. The rapid increase in the S&T advancements is mainly because of the shared knowledge of the world. Developing the vaccine would take approximately 12–18 months. To create havoc within societies globally, it is more than sufficient. Time has come not to emphasize on the strategic goals of acquiring vaccine. This is not the period of trade war. Even there is a chance for US–China to collaborate and get the vaccine or cure well before 12 months, they have to collaborate. There is a middle way would build depend on how they tackle the global pandemic. If states come together to make vaccine and stop the spread, which is happening at regional level (SAARC, 2020). After the pandemic ends, there might emerge a new global structure which might slide away from state centric theories.

However, at the national level, India witnessed a unique and unquestioned coordination between center and state governments. In the healthcare sector the guidelines and advisories of Central Ministry of Health were readily accepted and implemented by states. It shows the efficiency of the system when both the parties trust each other and hopefully, this might carry forward as a precedent for future policies where center-state coordination is required. Impact on MSMEs was found to have a greater spillover effect on the lives of public. Even after the release of 1.7 lakh crores, it failed to address the haunting questions of business strata of the society. Not just being restricted to political and economic, the impact of COVID-19 has been found on religious practices, mental health, and communal harmony. Finally, the positive impacts should not be sidelined. Crime rates have been drastically reduced and air quality index (AQI) has exponential improvement. These are just interim positive take away, but the negative impacts of COVID-19 have provided the policy fallouts which have to be immediately addressed post the pandemic.

**Conflict of Interest**
The authors report no conflict of interest.

**Funding**
No funding was availed during this study


[38] The Wire Staff. (2020, March 29). Video of flour truck being looted goes viral; ‘no wrong was done,’ says truck owner. Retrieved April 2, 2020, from The Wire: https://thewire.in/food/national-lockdown-rajasthan-hunger-video


