



Intentionally Ignored Deeper Economic Crisis

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Abstract:

This article attempts to highlight the current economic crisis in the post lockdown period. It critically gazes upon the socio-economic changes since the imposition of strictest lockdown in March 2020. Further, it analytically scrutinizes the role of the government institutions in fight against the zoonotic outbreak. It also probes the acute shortage of the medical equipment including the ventilators the breathing assistance machine. Analysis of economic revival package has been taken into account to understand government's intention. The migrant exodus goes unnoticed during the lockdown. Neither ruling nor oppositions raise any concern. Alarming rate of unemployment owing to restriction on people's movement during lockdown and more than 23 percent contraction in GDP attracts equal amount of attention in the paper. Ignorance of the prescription on economic revival on part of government contributes in deepening of the economic crisis. Upsurge in prices of essential commodities is a big worry for household sector on the one hand but farmers protest against the agriculture ordinances is not even a reason of worry for the government on the other.

Keywords: Socio-economic, Lockdown, Corona-virus, Stimulus package, labour market, Migrant exodus

The novel-corona virus outbreak has altered the nature of the labour market at great extent. Working class had to face the consequences of poorly crafted imposition of strict lockdown across the country in March, 2020. The government did not feel appropriate to take into account the socio-economic conditions of the working class. Suddenly Prime Minister appears on television to declare the strictest lockdown that infringes people's right to walk freely to their home. Nevertheless, they lost their right to walk freely their homes freely. The government had no sign of worry on their face owing to the migrant exodus (Singh, 2020).

According to the leading 18th century medical expert Alexander von Humboldt, the world is a sole-interconnected creature. It may surprise many when they get understanding of this. A small alteration in this structure may produce a disorder in the entire structure. Though, we do not know whether COVID-19 has emerged as a deadly virus of out this disorder. But, it has claimed more than 0.08 million lives in India alone if someone believes the official data (Hindu, 2020). Unofficial data may be higher than this. Hence, the supremacy of nature cannot be disputed now and then. Darwin's survival of the fittest

notion may also get some sort of relevance again among members of scientific community. Conspiracy theories are of no use but they are giving birth to new worries.

Socio-economic Impact

Since the outbreak of Spanish Flu, communities across the globe have witnessed a remarkable amount of progress in medical science predominantly. Exposure of more than 500 million population i.e. one quarter of the world population, to Spanish Flu in 1918 resulted in the death of about 50-100 million across the globe. Later, Asian flu, Hong Kong Flu, Russian Flu and recently H1N1 shattered the communities across the world (Kalita, Hazarika, Bora, Khanna, & Barman, 2020). Harm to human Capital during pandemic usually leads to depression or may be a kind of cavernous economic crisis. This sort of crisis does not leave any space for the economic recovery owing to a lot of expenditure on tracing, testing and isolating the infected population (Cohen, 2002).

Agriculture and allied activities undergo great losses owing to the zoonotic nature of the novel corona like outbreaks. Rift Valley outbreak overwhelmingly affected the import of meat and other products from the African countries in 2000. South East Asian countries had to suffer approximately \$ 4 billion loss during the SARS (severe acute respiratory syndrome) outbreak in 2003. UNCTD (United Nations Conference on Trade and Development) has elevated its concerns over spread of virus. It has stressed that the “economic uncertainty the COVID has sparked will likely to cost the global economy almost \$ 1 trillion in 2020” (UN, 2020). Restraint on people’s movement during lockdown has heavily paid the price in terms of slowdown in the economic progress. European economies are witnessing sluggish economic growth. The insubstantiality of the Italian and German economies is a kind of new worry for Brussels. Singapore’s GDP has contracted more than 10 percent. The shortage of medical equipment has emerged as a newer challenge not only in India but also across the entire globe. It is like adding fuel to the fire during the current situation. If we believe the health expert advice then roughly 30 % patients will not be in a position to recover without the support of ventilators (Pan, 2020). Shortage of medical equipment mainly ventilators has generated a kind of panic among health care workers, doctors and patients during these challenging times.

Policymakers had acquaintance about the necessities during this type of outbreak since they were cognizant about the SARS outbreak in 2000. Therefore, it was an ethical obligation on their shoulders to create robust health infrastructure to fight against any sort of unanticipated pandemic in future (Bigman, 2009). There was an incredible pressure on

the medical equipment-manufacturing units. Some production units could produce the material without making any loss. However, the incidences of economic loss owing to unpredicted pressure of demand can't be ruled out. Now, they are paying more attention to the medical equipment production that may fetch more profit rather than diverting their resources for a medicine production. There is tremendous amount of uncertainty in medicine production. The supply of medicines depends upon the efficacy of medicine. Once it successfully clears the third stage human trial then it will be of some use for the communities. This highlights their neo-liberalist orientation of making more and more corporate profit (Brown, 2003). The escalation in corporate profit of medical corporations is eventually making the gap wider in a society, that divide is based on class. The class division within caste is major phenomena. At the end of the day, marginal section of the society is facing the brunt of this manufactured crisis.

Lack of Medical Equipment

Ventilator crisis discomfited many countries including United States of America, United Kingdom, Brazil, India and many other countries. Nobody had any sort of statistics about China whether, Chinese had adequate capacity of ventilators or not. British Broadcasting Corporation (BBC) described that, "India, by most estimates, only has 48,000 ventilators. Nobody quite knows how many of these breathing assistance machines are working. But it is a fair assumption that all those available are being used in intensive care units on existing patients with other diseases" (Biswas, 2020).

The government undervalued the vivacious role of ventilators machines. The breathing assistance machine plays a momentous role in saving the lives of the critical patients. Ventilator crisis is a real crisis now and then. No honest efforts were being made to deal with this crisis except assigning some uncertain roles to the public undertakings. Other than ventilator machines, the availability of PPE (Personal Protection Equipment) kits was not enough. Health workers had to wash the PPE kits for reuse. BBC reported on the shortage of medical equipment in India. It marks that, "one doctor, who is working in the state-run hospital in the northern city of Lucknow, said: 'We are not getting PPE kits as fast as we should'. 'This is really a war and we are being compared to soldiers. But you don't send soldiers to fight a war without the ammunition'" (Pandey, 2020). Even, doctors had to use raincoat and motorbike helmets during their work in hospital. If we assume that doctors did not have medical equipment then patients obviously will not get the crucial medical equipment.

Contraction of GDP and unemployment

In recent times, the government released the official GDP data, which magnanimities clear picture of economic crisis in public domain. It is not strange but it is at our doors. India's GDP contracted more than 23 percent in first quarter as per National Sample Statistical Office(NSSO) data. This economic crisis may be the worst economic crisis in the history of this country. DK Srivastav(Members of the Advisory Council to the 15th Finance Commission) articulates that, "The Indian Economy is in deeply vicious cycle, where demand is contracting so heavily, while the capacity to neutralize this contraction has also contracted equally because of the tax revenue contraction. Therefore, I don't see GDP returning to positive territory for six quarters, until the second quarter of next year"(Jebaraj, 2020).

The Mumbai based think tank CMIE(Centre for Monitoring Indian Economy) has established the highest ever unemployment in the history of independent India. More than a quarter of the workforce has lost their jobs. The jobless sensation has hit hard the urban red zones more than compared to rural areas. However, it does not give us good feeling about the rural areas as well. The difference is scanty between rural and urban numbers. Further, if we see states then Puducherry has crowned the list with 75.8 %, followed by southern state Tamil Nadu 49.8 %.

Jharkhand 47.1 % and Bihar 46.6% have also observed disturbing rate of unemployment. Hilly states Himachal Pradesh and Uttarakhand have viewed lowest rate of unemployment. Maharashtra could keep its unemployment rate below national average along with Uttar Pradesh. Haryana also suffered severely in terms of job losses with 43.2 %(PTI, 2020).

CMIE updated about the status of unemployment in first week of May. We do not have access to current status of unemployment. The out of pocket expenditure in urban cities has emerged as a sign of big worry. It ratifies the severity of the economic crisis, which is becoming immeasurable. Even in countries like USA(United States of America), the number of unemployed people has crossed 30 million mark(Sharma, et al., 2020)

Sometime people doubt the current finance minister whether she has really studies economics or law. How can be the loss of revenue be termed as an act of God?(Jebraj, 2020). The collection of GST(Goods and Services Tax) depends upon the society's purchasing power. GST is indirect tax, which is regressive in nature. The decline taken together demand due to lower private consummation may be attributed to less collection of GST. It is responsibility of the government to make correction through fiscal policy, for example may be by diverting more funds in schemes such as MGNREGA(Mahatma

Gandhi National Rural Employment Guarantee Scheme) which may help to transfer money in people's hand directly. This money will push the aggregate demand upward. If aggregate demand goes up then automatically the GST collection will be higher.

However, government does not have any interest in this. It had more interest in implementing the regressive tax. They have no interest at all to implement reforms in progressive taxation system i.e. the direct tax (Allam, 2016). Surajit Das has described the nature of the indirect tax as regressive i.e. GST. He is of the opinion that, "GST is an indirect tax and is levied at the same rate on the poor and the rich. Following Kalecki (1943), if the poor consume proportionately more out of their income, the incidence of an indirect tax would be higher on the poor than the rich, which makes it regressive taxation. Given, any degree of progressiveness in direct taxation, if the proportion of indirect tax collection increases relative to direct tax revenue in the economy, clearly, the degree of inequality would rise" (Das, 2017).

The shift of the tax burden from producer to the consumer does not give any sort of benefit to the poor but it weakens their purchasing power. Aggregate Demand has been going down since the imposition of demonetization then followed by GST. If we take into account Kalecki's view then, it is evident that the indirect taxes pushes prices up while output most often remains stagnant (Kalecki, 1971). More than 90 percent work force is working in the informal sector in India where hardly they enjoy protection of job security etc. What is worrying, is that, the informal sector has witnessed drastic decline both in growth and output respectively in post demonetization period (Patnaik, Ghosh, & Mander, 2020)

The price of essential household commodities such as Tomato, Potato, Onion, Tinda, Tori, Green Coriander, Pudina, Green Chilly, Shimla Mirch, Ginger and Garlic etc. has doubled in last few weeks (Reporter, 2020). It may be attributed to imposition of agriculture ordinances such as, "The Farmers (Empowerment and Protection) Agreement; The Farmers Produce Trade and Commerce (Promotion and Facilitation) Ordinance, 2020; and the Essential Commodities (Amendment) Ordinance, 2020" (Sharma, 2020).

The current government promulgated these ordinances during strict lockdown imposed by the government. Other than this issue, the fear of getting coronavirus is also one of the major factor behind surge in the prices. Water logging in the north India has destroyed the crops (Staff, 2016). The issue of farmer suicide has received little attention during the strict lockdown. As per the National Crimes Record Bureau about 10281 farmers and workers committed suicide in 2019 alone. Suicide is still a crime in Republic of India. Leading

economist Vikas Rawal who has been working for last 25 years on issue of agrarian distress has belief that thousands of workers commits suicide, but it goes unreported. Further he states in an interview given to New York Times that, “It’s hard to say exactly how many because there was massive underreporting of deaths, and even the media could not reach the hinterlands because of the lockdown”(Singh K. D., 2020)

Rajiv Kumar the Vice Chairman of NITI(National Institution for Transforming the India) labelled the Rs. 20 lakh economic stimulus package as a well-balanced stimulus package(Kumar, 2020). However, Jayati Gosh the leading economist of world had suggested a prescription to deal with the deepereconomic crisis in a different fashion. For Modi government, this suggestion was nothing but it was a kind of act, which dilutes the so-called national interests(Ghosh, 2020). Ghosh suggested some sort of policy reform to achieve economic stability. Therefore, it is moral and ethical responsibility of the government to act on such reforms. The government should not waste this excellent opportunity. It is evident that nowhere in the world, not even a single patient, killed a doctor, who treats him/her and not even a single killer, killed his/her lawyer. However, here opposite is happening. Police filed a supplementary charge-sheet against a prominent leading economist of the world for inciting violence during riots in Delhi. This is sheer misuse of public machinery and law. Misuse of law to hide not a single lie but a bunch of lies is a shameful act in any democracy and anywhere in the world(Trivedi, 2020).

People in states like Uttar Pradesh are dying from starvation. These deaths are no sign of tension for the Yogi government. The local administration has termed these deaths as natural deaths. Few days ago, a 5-year-old girl died due to starvation in Agra. Many cases go unnoticed and unreported. It is investigative journalism of some newspapers, which is investing lot of energy to bring the ground zero report in public domain. The Hindu reported that, “the death of five-year old Sonia Kumari last month allegedly due to starvation has brought the media attention and controversy to the village of Vidhichand in Agra district of Uttar Pradesh”(Chandra, 2020). The village is not very far from the UNESCO(United Nations Educational, Scientific and Cultural Organization) recognized monument Taj Mahal. It is only 7 kilometer away from it. Death from starvation is a shameful act in a country like India where food grain is lying under open space. The government has to just provide the transportation facilities and distribute it. We have robust system of PDS(Public Distribution System. It is high time to use this system. Small initiative on part of policy makers may save many uncounted, unnoticed and unreported precious lives.

Conclusion

The desperate times require desperate measures. The infection number is going up like anything. The continuous denial attitude about community transmission reflects poor understanding on part of government. All is well sort of submission before the higher judiciary does not make democracy more mature. Judicial precedents on removal of encroachments along with railway tracks without any policy on resettlement during a pandemic is a new addition in threats to democracy. However, intellectual class of citizen may criticize the arbitrary nature of unnecessary judicial activism. But, mere criticism is not sufficient until and unless we revisit to the constitution to fix the error in the check and balances provisions in the constitution.

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