

Impact of Covid-19 on Indian Economy

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Abstract: *It has been more than two years since the COVID-19 pandemic penetrated the deepest core of human civilization and made us realize the power of mother nature. In India, after the first wave, we thought that we had gained control of the situation but the second and third wave found us wanting for basic necessities such as oxygen and medical supplies. It might appear that the second wave is on its way out with daily cases coming down to under 60,000 from the peaks of nearly 4 lakh cases, but we have lost over 3.8 lakh precious lives to COVID-19 already. With the hope that the situation will significantly improve on the medical side, it is time to assess the impact of the second wave on macroeconomics. We hope as the economic activity resumes, the situation will get better gradually. It may take some time to normalise, as consumer behaviour, shopping and spending pattern will change when the social distancing norms get a relaxation under the vigilance & supervision of the administration. As per the data released by the 'Centre for Monitoring Indian Economy', the Unemployment rate crossed 8% in April 2021. In December 2020, the unemployment rate was 9.1%, in February 2020, it became 6.9%. Just as the unemployment rate was falling, the second wave of Covid-19 is reversing the recovery. Involvement of the state and local governments may also be crucial in the effective implementation of further fiscal initiatives. Policy makers need to be prepared to scale up the response as the events unfold so as to minimize the impact of the shock on both the formal and informal sectors and pave the way for a sustained recovery.*

Keywords: Covid- 19, Sustain, Civilisation, Unemployment, Effective, Crucial

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