

# Pandemic Economy: India, world drains out

By [Shivaji Sarkar](#) - April 21, 2020



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Coronavirus has sought some targets. World bodies are crumbling. Poor migrant labourers are suffering. Middle class lives in fear. Opposition parties ruling about half the States are in a quandary. The world economy is getting into minus three per cent 'growth' in a year, according to the International Monetary Fund. It is to lose \$9 trillion. Indian economy like the rest of the world is getting into the level of 1991 growth of 1.6 per cent. Growth is now projected around 1.9 per cent.

People sinking into poverty are to phenomenally rise. India's geriatric and the weaker sections remain most vulnerable without social security and pension, a gift of the market non-economy. The RBI Governor S Das announces Rs 1 lakh crore infusion into banks. This is expected to make lending available for industry, housing sector, farmers and micro-lenders. But this step will not infuse the desired cash. It will not address the poor labourers or informal sector. Micro-economic scenario is grim, it says.

The economy is draining out every day. The lockdown has halted Indian economy, says Das. It is impoverishing every Indian, not businesses alone. One wonders why 726 districts are in lockdown while 62 are hit and 325 remain untouched.

Indian economy, according to Care Ratings, during the lockdown is losing 80 per cent production, taking a hit of Rs 35,000–40,000 crore daily, a cumulative of Rs 6.3 to 7.2 lakh crore in Lockdown-1. Together in 40 days it is likely to lose Rs 13 to 15 lakh crores — a huge hit for a poor nation aspiring to be developed. Different sectors are losing at their level such as tourism by at least Rs 5 lakh crore to hit about 4 crore people. Actual national losses may be more than estimated.

Would it fulfill the dream of \$5 trillion economy? Rather it may even in rupee terms be a lesser economy than it is in 2019–20 (the rupee has slipped to Rs 76.86 to dollar). Government revenues are tottering. People are getting into distress. Farmers are losing billions. Floriculturists and vegetable growers have already lost crores.

There is much brouhaha about US President Donald Trump denying funds to the World Health Organisation. The US leaders, including former President Barack Obama, condemn it. They forget that in the past at least six US presidencies they have been closing the tap of various world bodies, the United Nations included. The UN Secretary General Antonio Guterres says that it has funds enough to pay only a month's salary! The WTO's dispute resolution system has been paralysed by the US' tactics as it wants it to succumb to its diktat.

Bilateralism is being pressed by the US, EU and China at the cost of multilateralism. Bilateral Free Trade Agreement (FTA), which has many shackles, is being forced on poor nations. India is no exception. Somehow India has been resisting in its bid to re-energise multilateralism. Its BRICS initiative has yet to stabilise. China's Belt & Road Initiative (BRI) has emerged as a parallel.

Simultaneously, Trump has made entry of Indian goods into his empire expensive as he has imposed severe duties on steel and aluminium, to textiles and other simpler items. Instead of any concessions, he hurled threats for getting hydroxychloroquine COVID-19 drugs. Trump is treating India and China with the same stick though pressurises New Delhi to maintain a distance from Beijing.

Unhesitatingly, it's not a kind world. Corona is more a political syndrome than a health issue. Has Indian lockdown been forced by it? Or simply put is the lockdown a bigger conspiracy to keep India unstable and poor? May or may not be, but it has certainly unnerved the entire domestic political moves. Both the ruling and Opposition parties appear to be in the same predicament. Both see conspiracies in helpless migrants' movement. The language used by both surprisingly is the same. Uttar Pradesh Chief Minister Yogi Adityanath sees conspiracy in Bareilly, and his counterpart in Maharashtra Uddhav Thackeray sees it in Bandra, Mumbai.

In Delhi, on April 15, thousands of poor gather at the Yamuna Pushta wondering if they can go back home or get some support. Delhi Chief Minister Arvind Kejriwal's gruel kitchen is good propaganda and less reality. There is little empathy for the poor, helpless, hungry migrants locked out of jobs, wages, food or shelter.

The elite middle class blames the migrants for bringing bad name to their masters. It's appalling.

Everybody forgets that across the country – Hyderabad, Mumbai, Bhubaneswar, Chennai, Kochi, Surat, Ahmedabad, Jaipur, Anand Vihar, Ghaziabad, Bareilly – the migrants, numbering over five crore at the minimum, are in grave distress. They have been demanding nothing major but a train back to their homes or some wages.

Sadly, the Railways has been cruel to them. It booked tickets till April 13, issued circulars for running *Jansadharan* (unreserved) trains to clear the migrant crowd before suddenly canceling all. Even China gave eight hours before Wuhan lockdown, not the entire country.

The poor, small and medium businesses, the largest employers, need cash support for their survival and revival of the economy. Activity of any sort does require lubricant. The lowest class is the largest buyer. Maybe Rs 5,000 cash to each would be a life-saver for not only small but even larger industries. But an "incentive" to large sector has often drained banks and cost the economy.

The migrant labourers, cheapest input, socially and politically are being treated as non-entities. Had these people not toiled at less than minimum wages, the real estate and many industries would never have been there. The informal sector suffered the most in 2016 note-ban, and now corona is hitting them equally hard. A package must be worked out to help them and save small retailers.

As the US and EU are taking the poor nations for granted, the poor are being treated so in their homes. This is despite Prime Minister Narendra Modi giving a call to all in his April 14 national address to empathise with the poor

Remember, the factories — legal, illegal, small or big; transport — taxi or truck drivers, rickshaw pullers, coolies, loaders or semi-skilled have added to the GDP. Post-COVID-19, India has to treat the labour with utmost care and respect. The reverse migration to villages may change Indian economy. It would take over three months to normalise operations after the lockdown. The nation must not wait any longer and open up with health caution or selected lockdown.