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POVERTY AS THE VOMITING OF PANDEMIC, DECENTRALISED IMPLEMENTATION OF POLICIES IS THE ONLY TREATMENT

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ABSTRACT

The worldwide pandemic of Covid 19 has inversely influenced almost all parts of the globe. The entire Indian economy contracted by 7.2 % growth rate in 2020-21. Due to the inadequate supply of farm inputs due to the lockdown led to the hike in the cost of production. The nation witnessed the return of immigrant workers to their native places within India. This led to a shortage in the supply of labour by 20 percentage and increasing demand for labour by 60 percentage and thus again increased the wage rate and the cost of production. It became a reason for cost push inflation. The pandemic negatively affected Indian banking sector and banks limited their service hours and it also led to the fall in the money supply in India for short run and it decreased the effective demand. The terrible thing is that the Offline education replaced with online education. The children who are the most sensitive strata of the society, lost their Mid-Day-Meals from schoolhouse. Poverty, a multidimensional phenomenon, reached at its peak due to the above-mentioned taboos penned by Covid 19 and so many nations trapped in the vicious cycle of poverty. In the Informal sector, unemployment reached at its peak and it created a kind of deterioration in the standard of living of informal sector employees. The lock down and the subsequent closure of schools in India led to a deterioration in the percentage of women who engage in paid works. Majority of the women compelled to remain at home by sacrificing their dreams just to take care of the children who hadn't offline classes due to the lockdown. So, the volume of unpaid women workers increased in India. It also deepened the depth of poverty around the world. It is the developing and underdeveloped countries which paid a lot in the era due to their increased health expenditure. The poor section trapped their lower Income equilibrium and now it is the time to rebuild their previous standard of living by booster programme of the government. Being a country with highest level of population explosion with the epitome of poverty and unemployment, India suffered a lot in this pandemic era and it's really a challenge to the government to rebuild India through the effective participation of Local Self Governments towards its pre-Covid prosperity.


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INTRODUCTION

It was on 11th February 2020, World Health Organization gave an official name for the Virus which started its root on our day to day life. WHO named the Virus as COVID 19

which is the acronym for Coronavirus disease 2019. According to the official data of Ministry of Statistics and Programme Implementation for the Indian economy showed a negative growth rate of 7.3 % in the

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CLEAR International Journal of Research in Commerce and Management

April June quarter of 2021. This was the deep decline in the quarterly growth rate since 1996 when the ministry had used after publishing quarterly growth rate. The unemployment rate rose and was in between the range of 7.9 % to 12% days during April June quarter of 2021. Many MSMEs shutdown their business and the workers in the informal sector lost their jobs and fell into acute poverty. Return migration increased and the areas like tourism coma automobile industry, manufacturing sector etc. adversely affected due to the pandemic. And unemployment along with the inflation economy led to stagnation throughout the nation.


POVERTY IN THE ERA OF PANDEMIC : CAUSES AND CONS

Covid 19 paved a kind of stagnation all over the world. Every sector of the society is inversely affected due to the evils of the Pandemic. It is the poorest countries which affected a lot. Underdeveloped and developing countries fell into deeper and long-lasting Crisis. The condition of acute poverty is a trap. The vicious cycle of poverty can be depicted from demand side as well as from supply side. When we analyse the vicious cycle of poverty from the demand side the country lying on poverty means they have lower per capita income and it will lead to demand crisis due to the lack of purchasing power. When there is demand deficiency, it will make the Marginal Efficiency of Capital low and thus investment will also show a negative trend due to the narrow profit expectations. If there is no investment, there will not be the creation of new employment opportunities and per capita income will also be narrowed. This is the case of vicious circle of poverty in demand side . When we analyse the supply side effects of vicious cycle of poverty, we can see that the country which is facing poverty and have low level of per capita income can't put aside

anything as saving for future. It will lead to lower level of investment and this cycle continues. In order to break this vicious cycle , a big push is required. The government should make bulk investment instead of bit by bit funding of the programmes.

According to the World Bank Organization, "Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not having access to school and not knowing how to read. Poverty is not having a job, is fear for the future, living one day at a time. Poverty has many faces, changing from place to place and across time, and has been described in many ways. Most often, poverty is a situation people want to escape. So, poverty is a call to action -- for the poor and the wealthy alike -- a call to change the world so that many more may have enough to eat, adequate shelter, access to education and health, protection from violence, and a voice in what happens in their communities."

The world bank defined international poverty line by considering the income of \$1.90 per day as benchmark for being poor and they estimated that there were about 97 million people under this poverty line at initial stages of the disease. India is infamous for having largest number of poor and this situation worsened after the outbreak of Covid 19. Along with the hike in global poverty, poverty level in India also reached at its peak level during the Pandemic. According to the statistics of world bank , the income level of the lower strata of the world, that is the income of the 40% of from the bottom of income distribution reduced by 6.7%. On the other hand, the income of the top 40% in the income distribution has reduced by 2.8%. Even though the income of the rich as well as the poor has diminished, but the poor paid a lot in the emergency period. The most interesting fact is that the richest section has

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CLEAR International Journal of Research in Commerce and Management

started their recovery from this depression and they recovered more than 40% of their income loss after the downturn of the disease in 2022. And the striking fact is that the poor section of the society is unable to go back to their previous state of living conditions as soon as the rich.

Children are the most sensitive section towards the Covid 19 and it affected their health as well as education. Various news reports showed that the mostly affected stratum is the Primary educational sector. Primary sector needs more personal attention for each and every student and that was not possible to execute through online. It is really a tedious task to make the young ones calm and attentive before the screen. The secondary sector also negatively affected due to the replacement of offline education with online education. It was too difficult for the students to learn the basic science without a proper lab experiment. The teachers also suffered a lot to transmit the ideas in the syllabus through a narrowed and difficult path of online education.

When the new Covid curriculum organized the way to Classroom learning to digital learning, some teachers and students took a lot of time to adjust with the new method of teaching and learning. Online exams, online valuation, online seminars, etc... came into existence after the implementation of Online classes.


The outbreak of Covid 19 became too severe at the time of March-April 2019. And the pity is that it was the time for final examinations for Indian students and this made a serious trouble in conducting their final examinations. Some examinations cancelled and some conducted after a long time. And this created a kind of messiness in their educational routine. The rhythm of our education calendar collapsed. It was a dark time when we realised a kind of stagnation in educational sector. It

also adversely affected the internships of professional students, campus placements got cancelled etc. And all these also inversely influenced our young aspirants and it decreased the employment generation in our nation. And it has also the effects in short run as well as in long run. So many skill enhancement opportunities for the young blood washed away in Covid 19.

The stating point of all the troubles caused by Covid 19 is the epitome of financial inequality prevails in our nation. As per the Oxfam report of 2020, it is the richest 10% of the population on our nation possess almost 74% of total wealth pool of the nation. This fact is the major reason for the inadequate spreading of online education among the depressed sections of the society.

As a result of the dispersion of Covid 19, and the followed lockdown, majority of our citizens lost their jobs. The situation worsened in India, a developing nation, whose major chunk of population directly or indirectly engaged in unorganised sector of employment. As a result of the uncertainty in jobs, their financial condition became more and more vulnerable and they faced too many troubles for meeting their basic amenities. So as a result, it was a migraine for the poor ones to make sure the accessibility of online platform for pursuing their children's studies. They were fighting hard for meeting the two sides of their life and was craving for the food too. As a result, so many students dropped out from the education pyramid.

The worst thing happened during the pandemic is the loss of jobs for the millions as a result of the long lockdown. The nation also witnessed the return of immigrant workers to their native places within India. The return was at the peak rate from Kerala and this led to a shortage in the supply of labour by 20 percentage and increase in demand for labour

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CLEAR International Journal of Research in Commerce and Management

by 6 percentage and it led to a kind of hike in the wage rates in India. The increased wage rates contributed to the cost push inflation for agricultural commodities. The inflation became too severe due to the inadequate supply of the farm inputs due to the lockdown scenario. And unemployment paved the way towards acute poverty and it was the need of the hour to boost their lives with adequate food and basic facilities to them. Unemployment along with the inflation pushed down Indian economy into the depth of stagnation.

The pandemic of covid-19 adversely affected the banking sector of India. The lockdown forced the banks to limit their working hours and it ended with a decrease in money supply in the economy. Many customers faced too much trouble during this lockdown period and had to wait in queue for hours before the banks for executing financial activities that is to be done through banks to stop the flow of credit to the firms and individuals decreased during the pandemic and is evident from the following figure. There are many reasons for this steep decrease in credit and that can be classified under the headings of Demand side factors and supply side factors. The demand side factors mainly imply the effect of lack of effective demand in the economy. Unemployment and poverty were the major outcome of covid-19 in India. Supply side factors include a kind of policy from the path of commercial banks to insulate themselves from the bad evils of the pandemic by 2012, bankers began to be more careful while giving credits because of the huge amount of Non-Performing Assets. The banks started to follow a kind of conservative lending as a part of their risk aversion behavior. And it also decreased the total amount of credit supply in the economy.

And unemployment rate touched its peak in informal sector and it will lead to a kind of deterioration in the standard of living of informal employees . The return migration also increased among the inter-state migrants of the country. As per the Action Aid Studies, only 63 % of the respondents reported that they had two meals per day during the lockdown of 2020. And chronic indebtedness was the curse of lockdown. Due to these reasons the effective demand and the aggregate demand decreased in India and it created a kind of stagnation in manufacturing and investment sector. And the existing plants was worked on underutilization of the plant capacity . No fresh capacity addition makes sense and according to CRISIL the capacity utilisation of plants remained between 65 percentage and 75 percentage in 2020.

The nationwide lockdown sealed not only the interstate borders but also the international borders. The Government of India initiated a program name Vande Bharat mission VDM on 7th May 2020 to repatriate the immigrant Indian study abroad during the pandemic Era. As per the data of ministry of external affairs, until 11th September 2020, over 1,385,670 Indian national who trapped abroad had repatriated. But the disappointing fact is that, in order to acquire a ticket under VBM the passengers had to give high amount of money as per the guidelines issued by the central government. The interstate return migrants who lost their jobs re integrated with M G N R E G A programme for having their livelihood. But it was a tad years task to reintegrate the return migrants from foreign countries with Indian economy . Kerala was the only state in India which provided a one-time cash benefit of ₹5000 to them (Mathrubhumi, 2020). The Government of Kerala also launched the ‘Dream Kerala Project’. It provides a platform for the business sector to tap the expertise of

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	<p>Indexed Impact Factor Journal</p>	

CLEAR International Journal of Research in Commerce and Management

skilled human resources returning to Kerala after losing jobs abroad (Press Trust of India, 2020). The central government also announced a program with a fund of US dollar 6.9 billion which is known as ‘Garib Kalyan Rozgar Abhiyan’. This program aims at utilising the ability of high skilled return migrants who lost their jobs due to covid-19 into productive purposes. And it also targets at connecting the above-mentioned program with Women Self Help Groups for enhancing employment opportunities (Ministry of Rural Development, 2020).

When we analyse the case of child poverty, they paid a lot during this period of Pandemic. Children who do not have an earning capacity for surviving themselves, that's why the situation worsened. They lost their mid-day meals due to the closure of schools. The findings of World Health Organization and World Bank revealed that more than half a billion people fell into extreme poverty due to the increased health expenditure. UN secretary general Antonio Guterres expressed his view that " We must urgently strengthen our health systems to ensure they are equitable, resilient and capable of meeting everyone's needs, including for their mental health." by 2022.

This can be only achieved through a systematic and planned investment strategy of governments all around the world and the investment proposals must concentrate more on uplifting the depressed section of the society. This can achieve through the active participation of local self-governments at grassroot level.


Various studies showed that it is the decentralized economy which boosted the process of mitigation of the impact of covid-19. In the case of India, the activities to prevent the further spread of the pandemic and to implement a proper vaccination to all citizens is through the local self-governments.

CONCLUSION

Covid 19 was like a cancer cell which adversely affected all sectors of the nation. stagnation and extreme poverty were the major outcomes of covid-19. Almost all sectors faced a downturn. In order to prevent the spread of the pandemic, the government had started free vaccination programme to the citizens. The states and the Centre can do a lot of activities through their 'cooperative federalism scheme' to increase the vaccination drive. The total number of Covid infected persons is decreasing day by day. But the new giant has come into our economy in the name of Omicron. India has reported a total of 578 cases of the Omicron variant to date (27th December 2021) as per the data of Union Health Ministry. It is the time to do a decade preventive measures to stop the spread of new disease in India. This can be done by using our decentralized system of governance by giving more powers and autonomy to local self-government. It is the only measure to prevent the diffusion of the Omicron along with Covid 19 at local level. According to the Our World in Data and JHU CSSE covid-19 data, 42% of the population fully vaccinated in India until 26 December 2021. According to the Our World in Data and JHU CSSE covid-19 data, the total number of infected persons are 3.47 crores and the total number of deaths is 4.77 lakh as per 18 December 2021. Covid 19 also negatively affected our mental health status. Being a country with highest level of population explosion, India suffered a lot in this pandemic era and it is really a challenge to the government to rebuild India towards its pre-Covid prosperity.


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