

e-ISSN:2582 - 7219



# INTERNATIONAL JOURNAL OF MULTIDISCIPLINARY RESEARCH IN SCIENCE, ENGINEERING AND TECHNOLOGY

Volume 4, Issue 8, August 2021



INTERNATIONAL  
STANDARD  
SERIAL  
NUMBER  
INDIA

Impact Factor: 5.928



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# Post COVID Opportunities and Challenges in Indian Context

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**ABSTRACT:** During the Cold War, India navigated its external relations guided largely by the doctrine and practice of non-alignment. In these contemporary times, the COVID-19 pandemic is likely to inaugurate a period of heightened geopolitical rivalries, with the United States and China as the principal poles. India will be differently positioned in this post-Covid “new normal” than it was in the era of the Cold War and therefore will need different doctrines to mould its global engagements. While China used the window presented by the Cold War to begin crafting its dramatic rise, India too, will be presented opportunities by the “**new normal**” in the pandemic era. A drastic fall was observed in the Business activity in the services sector in May as the pandemic hindered operations and there was minimal demand in the market. A sharp decline was also observed in Domestic travel and tourism sectors which contributed to the fall in services business activity. In the instance, economic disruption lasts for a long time resulting in several activities being forgone instead of being deferred. In such a circumstance, and assuming incomes and jobs are not permanently lost, the economic growth recovers sharply and returns to the path it was following before the disruption. This is called a “**V**”-shaped recovery. However, in case this recovery is slower and takes more time because the economic disruption resulted in several jobs being lost and people losing incomes, drawing down on their savings etc., then the economy will follow a “**U**”-shaped path. In such a scenario, after the initial fall, the recovery is gradual before regaining its momentum. If this process is more-long drawn than it throws up the “**elongated U**” shape.

Regional cooperation in overcoming the crisis and building the **post-COVID** world makes sense. Paying attention to governance arrangements will play an important role in limiting human losses and keeping societies and economies together. Much depends on the underlying shared values of regional organizations, their institutional structures and capabilities, and the buy-in of its member countries and citizens. Among the risk factors, lack of trust, lack of solidarity and growing nationalism stand out. The opportunities of engaging in collective learning, reducing inequality and contributing to a sustainable world are promising incentives for regional organizations.

First effect of this lockdown is unemployment. Second is substantial loss of revenue of business enterprises including absolutely no income for many units, making them unviable and sick, some temporarily and many terminally. Third feature is pervading fear psychosis perhaps affecting ability to take risk of doing business. Migrant workers in India will hesitate to go back to their old jobs. Fourth is disruption of social life, man being a social animal. Fifth is debilitating uncertainty of future.

It ultimately seeks to highlight key opportunities, challenges and suggestions to protect and promote India’s services interest amid this global disruption. We review the quarterly and monthly services exports patterns from January to July 2020 based on the data obtained from the World Trade Organization and the Reserve Bank of India. The perspective on mode-wise services exports is derived from the **Trade-in Services by Modes of Supply (TISMOS) data** set of the WTO for 2017. The analysis highlights a severe drop in overall services exports, by over 10% during the second quarter of 2020. Travel, transport and financial services have been hit hardest. However, the decline in India’s services exports found as relatively much lower in comparison to other major services exporting economies.

**KEYWORDS :** India, Covid, public, economy, opportunity, challenges, trade, medical

## I. INTRODUCTION

From a sectoral viewpoint, it is quite likely that the same sectors would suffer more in the second wave as those in the first wave. These include construction ((-)49.4%), trade, hotel, transport et. al. ((-)47.6%), manufacturing ((-)35.9%), mining and quarrying ((-)18.0%) and public administration, defence and other services ((-)9.7%). In minimizing the



adverse impact, **fiscal policy**, which directly impacts the ‘public administration, defence and other services’ sector can play a crucial role.[1]

For instance, encouraging **conservation in energy** – through nudges and tariff reforms – can drive down consumption. Promoting reuse, recycling and repair models for consumption can contribute to a circular economy and reduce the waste generated by current business models. Supporting the continuation of work-from-home policies can drive down road traffic congestion and air pollution. An online questionnaire survey to 565 respondents, identified four key areas that are affected by the pandemic: **(1) research, (2) conservation (3) education, and (4) communication and networking.**

By 2030, consumers may get tattoos where they buy mascara; seek advice from the fridge, which talked to the mattress, about what to eat in order to sleep better; and triage their medical conditions at home before reaching out to a doctor. As consumers increasingly consider wellness when they make purchases, the opportunity to serve their needs is growing (exhibit).[2]

The Indian mindset of chalta hai needs to change as it prevents our country from achieving great heights. The compromise in quality at any level should give way to stickler adherence to a higher quality of goods and services. Following rules instead of flouting them and accountability in every sphere of life should be the new norms of leading lives henceforth.[3]

India in this technology-driven, new global world order should be a righteous, determined and virtuous nation that can shoulder the responsibility of tomorrow’s world both at the domestic and international level. We are prepared for the fight ahead and geared up for the transformation that the coming times will see.[4]

The digital revolution and new technologies have added a new axis of geotechnology to the intersection of geopolitics and geoeconomics. **National power today is more about technology** and about systems and processes rather than territory.[5]

We facilitated procurement of critical drugs such as **Remdesivir, Tocilizumab, Favipiravir and Liposomal Amphotericin-B.** When demand for Remdesivir shot up in the country, we had to ensure that our domestic manufacturing capacity for this vital drug was significantly augmented. This required enhanced supplies of raw materials which were facilitated by our Missions from diverse locations such as the US, Europe and China. Another example is the case of Tocilizumab which is not currently manufactured in India. Roche Pharma, Switzerland is the sole supplier of the drug. We reached out to the leadership of the company and, through consistent efforts, supply to India increased significantly over the last year. We also scouted for alternate sources and were able to get supplies through foreign assistance. We were also able to **secure supplies of antibody** cocktails from Roche.[6]

**A number of initiatives and programmes** have exceeded expectations, and are the source of genuine transformative and large-scale development gains. These include:

- Lowering the cost of and access to vaccines and medicines in the poorest countries.
- Using mobile money and microfinance to drive financial inclusion and small business development.
- Using community-based approaches to tackle malnutrition and sanitation.
- Using cash transfers to enhance food security.
- Using insurance and other adaptation measures to enhance resilience to disasters and climate change.[7]

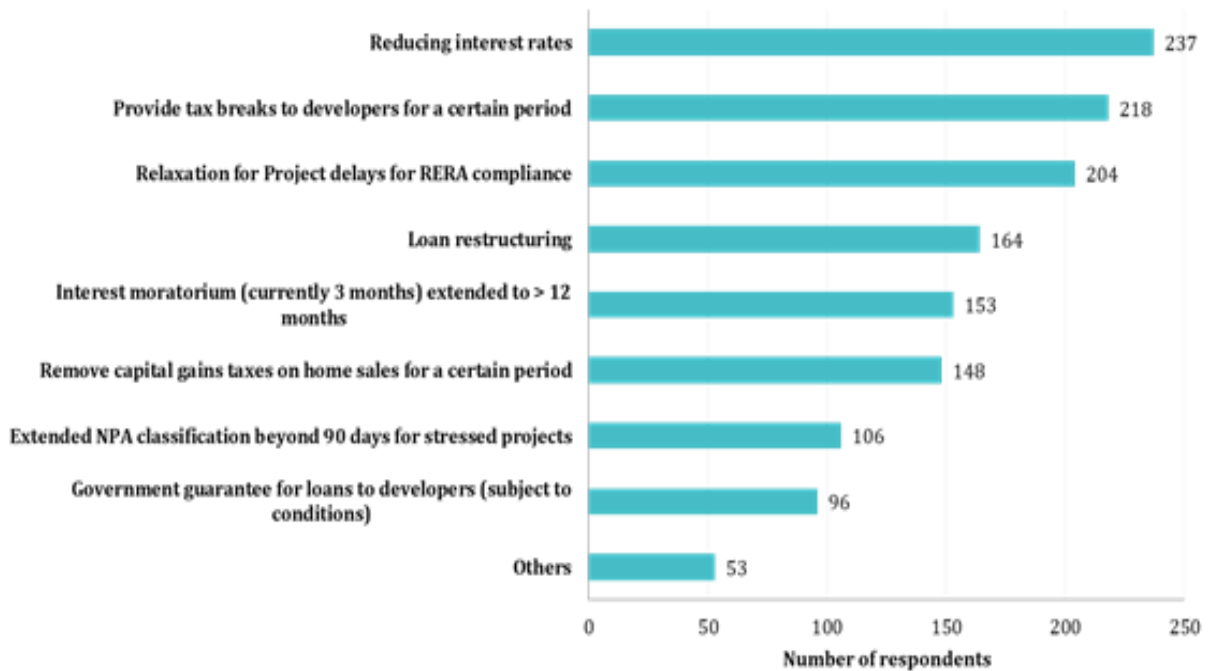
## II. DISCUSSION

India has already unleashed bold and transformational reforms which will bolster our efforts in becoming a global champion and the manufacturing hub of the world. The production linked incentive schemes, reforms in labour laws, GST, corporate tax rationalization and an overall ease in doing business will give a fillip to India’s growth. India must seize the opportunity in sunrise areas of growth - this would require size, scale, speed of action and a focus on technological disruption. India’s ability to lead and globally drive these sunrise sectors of growth holds the key to our sustained growth, advancement and job creation.[8]

The **Unicommerce report on E-commerce Trends 2020** has noticed an overall order-volume growth of 17% in the COVID-19 period up to June 2020. Numerous leading companies have been operational in India’s e-commerce logistics market. These companies have focused on adopting organic growth strategies, such as supply chain expansions to sustain their position in expanding the Indian market. For instance, in January 2020, **Mahindra Logistics Ltd.** had launched a distribution center for the pharmaceutical industry in North India, which managed the distribution and warehousing for its clients. The e-commerce sector may have performed better if smart transportation and logistics



existed in India. However, despite substantial growth in road mileage and entry of foreign players in the Indian commercial automotive sector, the Indian commercial transportation and logistics systems have failed to integrate with the **digital supply chains (DSCs) and transport intelligence.**[9]



**Figure 1:Government intervention expected by real estate developers in response to COVID-19**

The government on its part has given a **massive relief package** in order to boost the economy post the lockdown. The government’s relief measures for the real estate sector announced between April 2020 to August 2020 can be grouped under three major heads:

1. **Increase liquidity in the system:** Steps such as lowering interest rates, infusion of INR 15,000 crores in NHB (in two tranches) to improve long term funding requirements of NBFCs and HFCs, moratorium on all term loans for a period of 6 months and the recent announcement of a one-time loan restructuring.[10]
2. **Compliance under RERA and IBC:** invoking force majeure<sup>1</sup> clause under RERA and extending project registration and completion timelines by 6 months for all projects registered under RERA. Increasing threshold limit for Insolvency proceedings from INR 1 L to INR 1 crore.
3. **Reduction in taxes to boost housing demand:** Reduction in stamp duty on affordable housing projects by states such as Karnataka (stamp duty reduced from 5% to 3% for properties valued less than INR35L and to 2% on properties valued less than INR 20L) and Maharashtra (stamp duty reduced from 5%-2% between September-December 2020 and to 3% from January to March 2021 in urban areas across price segments), reduction in TDS on sale of property by 25% and extension for filing GST and Income Tax.[11]

### III. RESULTS

Science-based environmental policies, increased funding in research and adoption of technology in agriculture are other areas of focus and action. It is ironic that during the pandemic, which many think is a result of such environmental degradation, India has approved many infrastructure projects in eco-sensitive areas.

In the service sector, most of the IT companies have been following work from home (WFH) during the lockdown and are likely to continue to follow it in the future as well. Many of them see this option as a vital option as it has saved major operation and maintenance cost of these companies.[12]

**Tele-dentistry** is “a combination of telecommunications and dentistry, involving the exchange of clinical information and images over remote distances for dental consultation and treatment planning”and includes the use of phone, photos



and videos to facilitate delivery of oral healthcare and oral health education services. To engage in tele-dentistry, the patient must have a smartphone and Internet access. For the dentist, a cloud-based tele-dentistry platform can support both real-time streaming of videos and “store and forward” of clinical data collected, including data from the electronic health record (EHR) and photos received from the patient. Such a platform is able to aggregate all data allowing the dentist to remotely evaluate the patient and develop recommendations. Services provided as part of a tele-dentistry visit may include problem-focused and urgent care evaluations (e.g., acute swelling/pain) with pharmacologic management; follow-up care after emergency visits; and virtually triaging of patients for COVID-19 symptoms.[13]

**Women Self Help Groups** in India have risen to the extraordinary challenge of COVID-19 (Coronavirus) pandemic. They are meeting shortfalls in masks, sanitizers and protective equipment, running community kitchens, fighting misinformation and even providing banking and financial solutions to far-flung communities.[14]

#### IV. CONCLUSION

**Indian health industry** is expected to reach 372 billion USD and as the IMA noted in its report, the country has the potential to become the ‘hospital’ for the world by providing world class healthcare to the global community. However, the government needs to develop a comprehensive healthcare policy, keeping in mind that the **small clinics and nursing homes are the backbone of the country’s primary and secondary healthcare**. Research should focus on preventive measures to tackle future outbreaks of serious infectious diseases.

The rise in the use of **digital technologies and Artificial Intelligence** in several industries, necessitated by the pandemic has come as a game-changer. The move has accelerated the adoption of disruptive business models and innovative solutions, thus rendering traditional business models and manufacturing processes obsolete sooner than expected.

We aim at broadening the scope of management research, by exploring the impact of the COVID-19 on HRM. The study identifies the main challenges and opportunities that have arisen from this new pandemic and it offers insights for managers and **Human Resource Management practitioners** into possible future organizational directions that might arise from these opportunities.[15]

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**INNO SPACE**  
SJIF Scientific Journal Impact Factor  
Impact Factor:  
5.928

**ISSN**

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