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The Relationship between Lockdown and Economic Growth in India

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Abstract: Purpose Research in the field of Economic growth have become a dynamic study area over the past few decades and is likely to become even more so as the importance of it is rapidly gaining momentum. Therefore, understanding the Economic growth will be viewed as increasingly important. Lock down due to Covid 19 pandemic has affected the Economy significantly. This article aims at examining the relationship between Lockdown and Economic Growth in India.
Keywords: Economic growth, Lockdown, Covid 19, India

I. ECONOMIC GROWTH

Economic Growth plays a vital role in the economy of any country. If the economic activities are doing good then the economy of the country does well otherwise the economy of the country starts shrinking. The COVID-19 has disturbed the economic activities of almost every country and due to which each and every country around the world is facing a problem. Developed countries and emerging markets are trying to bring economic activities back to operational. If the economic activities of any country whether a developed or developing country does not take place for a long period, the economy of any country would collapse. So, there is a direct relationship between lockdown and its impact on economic growth.

II. COVID 19

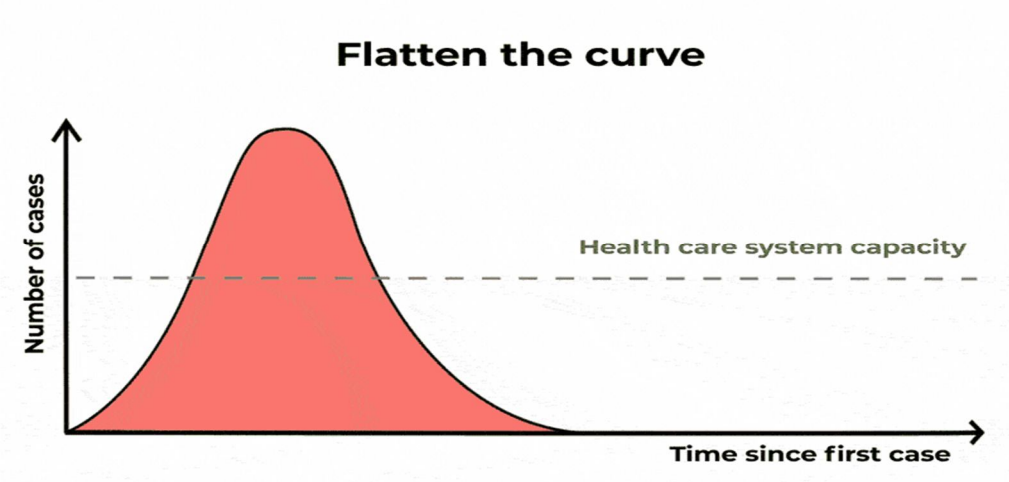
A. Social Distancing

Social distancing is a tool public health official recommend to slow the spread of a disease that is being passed from person to person. Simply put, it means that people stay far enough away from each other so that the coronavirus – or any pathogen – cannot spread from one person to another.

The Centers for Disease Control and Prevention describes social distancing as staying away from mass gatherings and keeping a distance of 6 feet or 2 meters – about one body length – away from other people

Social distancing also means not touching other people, and that includes handshakes. Physical touch is the most likely way a person will catch the coronavirus and the easiest way to spread it. Remember, keep that 6-foot distance and don't touch.

Social distancing can never prevent 100% of transmissions, but by following these simple rules, individuals can play a critical role in slowing the spread of the coronavirus. If the number of cases isn't kept below what the health care system can handle at any one time – called flattening the curve – hospitals could become overwhelmed, leading to unnecessary deaths and suffering.



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Flattening the curve is another way of saying slowing the spread.

There are a few other terms besides social distancing that you are likely to hear. One is "self-quarantine." This means staying put, isolating yourself from others because there is a reasonable possibility you have been exposed to someone with the virus.

Another is "mandatory quarantine." A mandatory quarantine occurs when government authorities indicate that a person must stay in one place, for instance their home or a facility, for 14 days. Mandatory quarantines can be ordered for people who test negative for the virus, but have likely been exposed. Officials have imposed mandatory quarantines in the U.S. for people on cruise ships and those traveling from Hubei province, China.

If done correctly and on a large scale, social distancing breaks or slows the chain of transmission from person to person. People can spread the coronavirus for at least five days before they show symptoms. Social distancing limits the number of people an infected person comes into contact with – and potentially spreads the virus to – before they even realize they have the coronavirus.

It's very important to take a possibility of exposure seriously and quarantine yourself. According to recently published research, self-quarantine should last 14 days to cover the period of time during which a person could reasonably present with symptoms of COVID-19, the disease caused by the coronavirus. If after two weeks they still don't have symptoms, then it's reasonable to end the quarantine. Shorter quarantine periods could happen for asymptomatic people as tests to rule out the virus become widely available.

Everyone must practice social distancing in order to prevent a tidal wave of cases. I am a geriatrician who cares for the most vulnerable people: frail older adults. Certainly, such individuals should be doing all they can to protect themselves, diligently practicing social distancing and significantly changing their public ways until this pandemic blows over. People who are not frail need to do all they can to protect those who are, by helping to minimize their exposure to COVID-19.

If the public as a whole takes social distancing seriously, overwhelming the medical system could be avoided. Much of how the coronavirus pandemic unfolds in the U.S. will come down to individuals' choices.

III. LITERATURE REVIEW

In 2020, Gita Gopinath published an article; The Great Lockdown: Worst Economic Downturn Since the Great Depression, in the IMF blog. This article focuses on drawing attention towards the world economy in present and in coming year. The blog shows that the global growth in 2020 to fall to -3 percent, which is a downgrade of 6.3% points. This makes the great lockdown the worst recession since the great depression and far worse than the global financial crisis. It has been highlighted that the cumulative output loss over 2020 and 20201 from the pandemic crisis could be around 9 Trillion Dollars. Both Advanced economies and emerging market and developing economies are in recession. It has also been highlighted with Alternative adverse Scenarios and Exceptional Policy Action.

On April 13 2020, The Economic Times published an article; World's biggest lockdown may have cost 7-8 lakh crore to Indian economy. It highlighted that, the lockdown has shut 70 per cent of economic activity, investment, exports and discretionary consumption to a standstill. It also showed the statement of Centrum institution Research stating the country again stares at the possibility of low single-digit growth for FY2021 (April 2020 to March 2021). It highlighted many other points related to different sector and impact on GDP.

On April 14, 2020, Martin Wolf published an article in Financial Times; The World economy is now collapsing. The article highlights that the reality the global economy would be collapsing even if policymakers were not imposing lockdowns. It says that it is the biggest crisis the world has confronted since the second world war and the biggest economic disaster since the Great Depression of the 1930s. It gives the data of; Rising spreads show flight from risky assents in developed countries and emerging economies. It has also explained the depth and breadth of the coronavirus recession will be far worse than in 2009.

On May 6, 2020. World Economic Forum published an article under Strategic Intelligence; Covid-19. The article focuses on the Media's role during Covid-19, Government response to Covid-19, Covid-19 workforce impact, Avoiding Covid-198 infection and spread, Finding a Vaccine, Covid-19's impact on trade, Covid-19's impact on travel and Covid-19's impact on financial markets.

On April 24, 2020. Yen Nee Lee wrote an article which was published in CNBC; 7 charts show how the coronavirus pandemic has hit the global economy. The article highlighted how the rise in unemployment has been a huge problem. US being the world's largest economy, more than 26 million jobs were lost over the last five weeks. It also focused on how the service industry has hit hard as plunge in retail sales as Covid-19 spreads in china has brought to -15.8% and in US -6.2%. It also focused on how service activities in major economies like China, U.S, Japan and Euro zone has been impacted. The slump in Manufacturing in major economies, Covid-19 impact on Factory Output and how is Global economy is going to shrink in 2020.

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A. Observation

On completing an extensive secondary research and literature review, the following conclusions can be made.

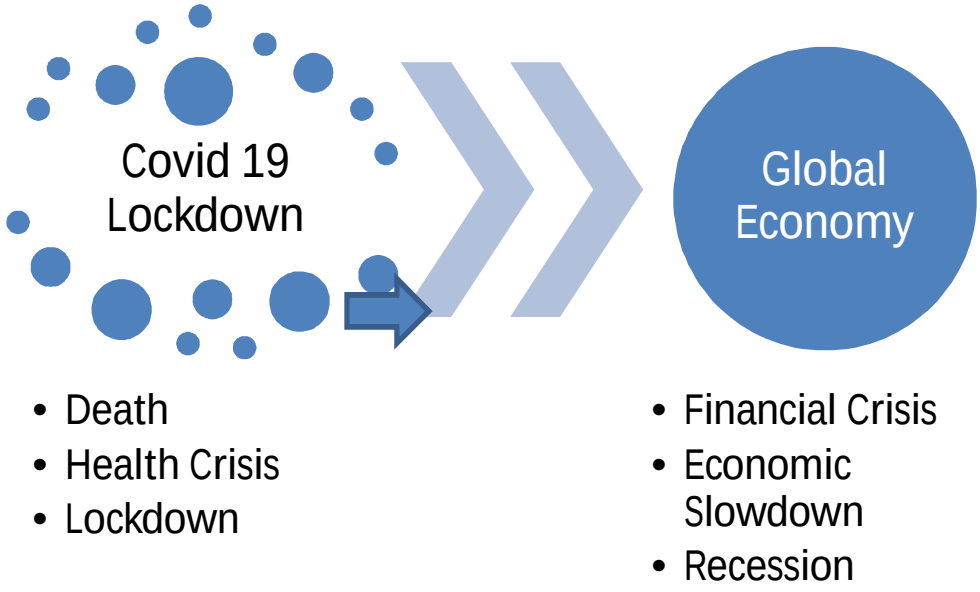
1) There is a direct relationship Global Economy and Lockdown in India

2) Covid 19 Lockdown has affected the global Economy.

B. Research Gap

Research has been conducted extensively on the relationship between Global Economy and Covid 19 Lockdown. This research shows how Covid 19 Lockdown affects the global economy.

C. Conceptual Model



The Conceptual Model shows the balance between Covid19 and global economy. This means that Covid 19 that consists of Lockdown, Economic growth crisis and death affects the global economy leading to Financial crisis, Economic slowdown leading to recession.

IV. CONCLUSION

On doing an extensive Secondary Research and Literature Review about the relationship between Covid 19 and global economy, it has been concluded that primary research on 100 entrepreneurs conducted as a next step in order to test the correlation between Covid 19 and global economy. This research aims at shifting the focus of Economists to the current global crisis caused due to the pandemic.

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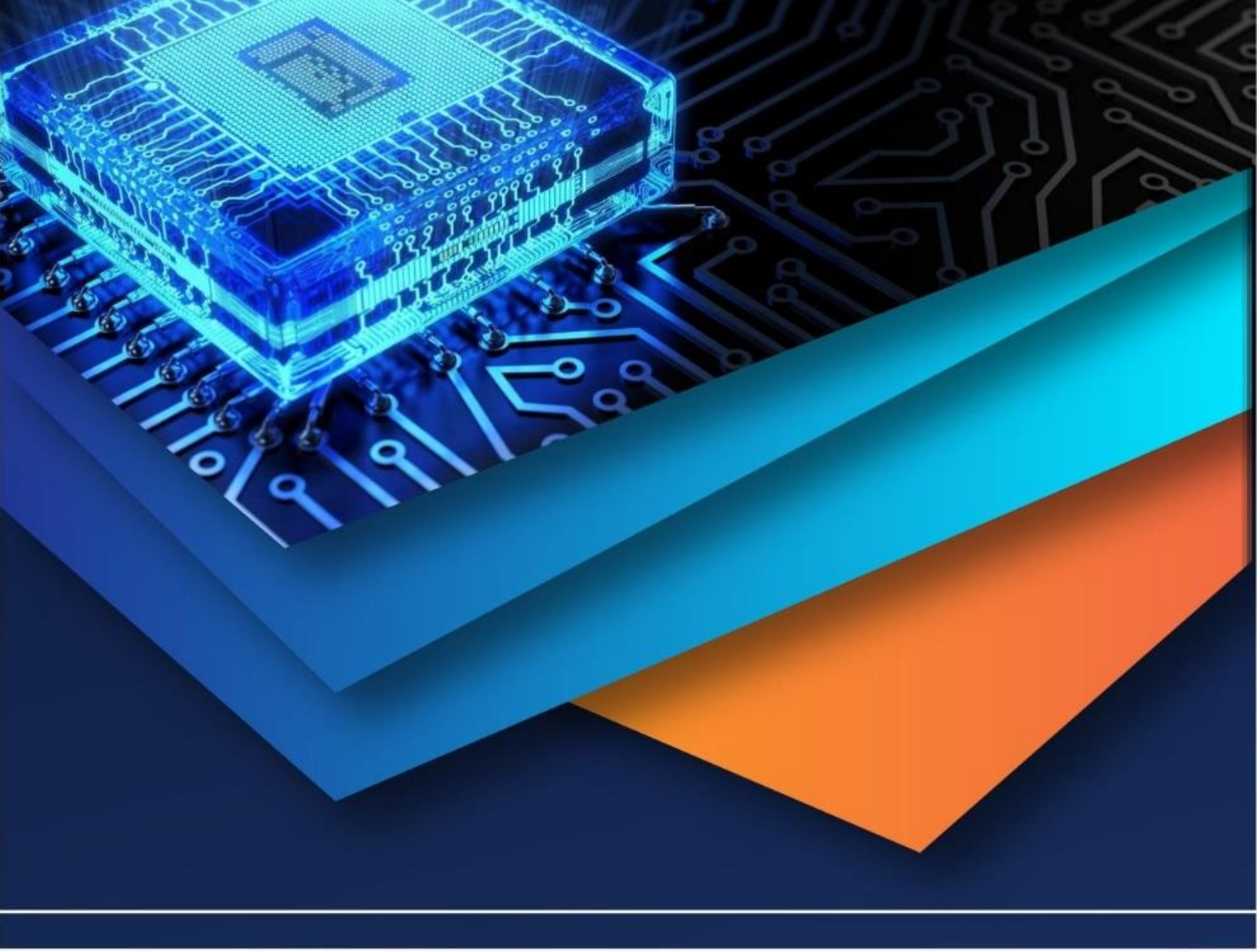
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