Economic Declination Due To Lockdown

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Abstract: To analyze and create awareness about the economic declination of a country due to lockdown. Due to sudden outbreaks of pandemic diseases a country might face economic declination. With fresh coronavirus cases on the rise in India the nation witnesses a second round effect of the virus spread and a complete halt to economic activity. Hence it is important to have an economically literate population to understand and evaluate the socio-economic crisis. Widespread lockdowns and social distancing in economies affected by the coronavirus outbreak are set to cause a massive negative short-term impact on consumer spending and GDP. To minimise the effect in the economy caused by the COVID-19 outbreak, the Union Finance & Corporate Affairs Minister, on 24.03.2020, announced several important relief measures taken by the Government of India, especially on statutory and regulatory compliance matters related to several sectors. A well structured questionnaire containing socio-demographic information, knowledge, attitude, and perception was framed, and circulated through an online survey link. This was conducted through an online survey link, the results were analyzed using statistical analysis. The results were collected and represented in pie charts. From this survey, we can conclude that it is the responsibility of every citizen in a country to be literate about the economy, to evaluate the socio-economic crisis.

Keywords: Country, COVID-19, economy, lockdown.

1. INTRODUCTION:

The growth of a country is based on economic development. Due to the sudden outburst of pandemic diseases the country will be suffering from an economic slowdown. At a sectoral level tourism travelling related industries and companies will be in high risks of economic shutdown. According to the budget document the economic slowdown in India is 4.8% of the economic decline. Developed and developing countries may face major crises, like economic damage, unemployment, lower wages and income, loss of opportunities, increased inequalities, and increased poverty. It is very important that every individual is aware about the fact of scarcity and economy of a country every individual is responsible.

Beyond the public health impacts of regional or global emerging the endemic infections
diseases events lay wider socio economic consequences which are often not considered in risk. *(Smith et al., 2019)*

Slowing the rate that people fall ill with COVID-19 is not the end itself, it means to temporarily reduce the pressure on hospitals and give some time to identify treatments and vaccines, build testing capacity, perform contact tracing, setup the infrastructure for extended quarantine, also for the rapid expand in the production of masks. To restore the economy’s health and economic policy should mitigate the impact of lockdown and ensure the current crisis does not trigger financial debt or currency crisis. *(‘The economic cost of coronavirus lockdowns’, 2020)*

India is swiftly coming in terms with a rare unforecastable impact event. Simplistic way to arrive at the value of the loss in economic activity would be to compute the loss on a daily basis due to the lockdown. Based on the pre-COVID-19 projections the average daily GDP value was estimated at about $240 billion. The recovery may not be a quick bounce back. Hence companies must plan for multiple quarters of lower revenue and cash flow. *(Chandrashekhar, 2020)*

India does not have official high frequency labour market data, the unemployment rate put together by the centre for Monitoring Indian economy. The unemployment rate- last week of March rose to 23.8% and stayed around those levels in the first week of April. The impact of social lockdown is expected to sharply curtail the demand for electricity in the immediate term. *(Jordà, Singh and Taylor, 2020)*

All COVID-19 related challenges are virtually the same in nature: a massive stress test on a global scale. The pandemic pushes essentially every system to its extreme. *(Jordà, Singh and Taylor, 2020; Meng, 2020)*

The outbreak of the virus showed that even a disease with relatively small health impact can have a major economic effect. The health impact and economic impact can be inversely proportional for pandemic diseases. *(Yoldascan et al., 2010)*. Hence the aim of the study is to analyze and create awareness about the economic declination of a country due to lockdown.

Over the past years various research done by our team on evaluation of body function, *(Fathima and Preetha, 2016; R and Sethu, 2018; Abigail et al., 2019; Timothy, Gayatri Devi and Jothi Priya, 2019)*, disorders *(Harsha et al., 2015; Renuka and Sethu, 2015; Samuel and Devi, 2015; Choudhari and Jothipriya, 2016; Baheerati and Gayatri Devi, 2018)*, exercise and physical fitness *(Swathy and Gowri Sethu, 2015; Rj and R, 2016; Shruthi and Preetha, 2018; David et al., 2019)* and in other fields *(Dave and Preetha, 2016; Iyer, Gayatri Devi and Jothi Priya, 2019)*. There is a lack of much information on the current topic of economic declination due COVID-19, hence the aim of the present study is a check the knowledge and awareness about the importance of a country's economy, and the problems faced by the public due to economic declination.

### 2. MATERIALS AND METHODS:

This is a cross-sectional descriptive survey that was conducted among the general population. This survey consists of 13 self-structured questionnaires. This was conducted through an online survey link, the results were analyzed using statistical analysis. The survey was cast to create and gather data among heterogeneous populations. Non-probability convenience sampling was done to eliminate response bias. Demographic information, knowledge,
attitude and practice were the output variables. The descriptive statistics was done using SPSS software.

3. RESULTS AND DISCUSSION:

In the survey conducted, 61% were female and 37.8% were male. (Figure 1). 85.3% of the population were affected by the lockdown. (Figure 2). 79.4% of the population has faced a financial crisis (Figure 3). 77.5% of the population think that they can manage the financial crisis (Figure 4). 65.7% of the population responded that their business had been affected by the spread of COVID-19 (Figure 5). 30.4% of the population had their business affected due to unavailability of staff, 36.3% due to finance (Figure 6). 43.1% of the population found the government’s advice somewhat useful, 20.6% found it very useful and 28.4% of them found it not so useful (Figure 7). 52% of them find lost income as their concern at this moment, and about 35.3% of the population’s concern is reduced productivity (Figure 8). 62.7% of the population runs a business (Figure 9). 53.9% of the population work for a company (Figure 10). 62.7% of the population think that lockdown might lead to severe poverty (Figure 11). 39.2% of the population think that daily wage workers will be the most affected, 39.2% of the population think that company staff will be most affected (Figure 12). 38.2% of the population think that work from home is better than working in office, whereas 61.8% does not find work from home better (Figure 13) 30.4% of the population think work from home is more profitable, whereas 69.6% does not find it profitable (Figure 14). We have seen the association between gender and the ways in which business has been affected (Figure 15), current concerns (Figure 16), about lockdown leading to severe poverty (Figure 17), about work from home being better than working in office (Figure 18), about work from home being more profitable (Figure 19).

From the survey conducted it is evident that most of the people are affected economically due to the lockdown. Government’s around the world were compelled to reduce the business activity in response to minimize the threat of coronavirus. Comparing it with the present study about 65.7% of them are affected economically due to shut down of business. (Dickmann, 2020)

In a similar study, it was stated that global efforts and cooperation is needed to fight with the COVID-19, this might lead to a dio in economy. Hence, this might lead to a financial crisis due to loss of jobs. The results are similar to present study where 79.4% of the population has faced a financial crisis. (Bhalekar, no date)

In another article, the paper studies the economic determinant due to spread of viruses across time and space. (R and Sethu, 2018) Which might pose a threat to the economy, and business crashing, due to the decreased availability of staff, lost income, which is similar to the present study where 52% of them find lost income as their main concern. (Adda, 2016) The ongoing situation due to COVID-19 has changed the lifestyle globally as people are mostly staying home and working, but does not make any way more profitable. (Channapathi and Thatikonda, no date)

Authors contribution:
Aarthi K- data collection, collection of reviews, drafting manuscript.
Jothi Priya A- structuring study design, revising manuscript, final approval of manuscript.

CONFLICT OF INTEREST: The author declares that there was no conflict of interest in the present study.

4. CONCLUSION:

From the survey conducted, we can conclude that due to sudden outbreaks of pandemic diseases a country might face economic declination. Each and every individual should be responsible to maintain the economy of the country. We should know the economic management techniques when financial collapse calls for resilience and strong leadership in business, government, society and health care relief measures during economic recession and turnover. Also, the recovery may not be a quick bounce back hence, companies must plan for a multiple quarters of lower revenue and cash flow. The survey helped in analysing the struggles faced by the public due to the shut down in business, financial loss etc, and analyses the knowledge of people regarding the importance of the country’s economy. Therefore it is important to have an economically literate population to evaluate - socio economic crises.

REFERENCES:


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Figure 1: Pie chart showing percentage distribution of responses on gender. Majority of the participants were female for about 61.17% (Red), and 37.8% were Male (Green).

Figure 2: Pie chart showing percentage distribution of responses on the population affected due to lockdown. Majority of them for about 84.4% responded Yes (Green) and 14.5% responded No (red).
Figure 3: Pie chart showing percentage distribution of responses on financial crisis. Majority of the participants for about 78.6% responded Yes (green) and 20.39% responded No (red).

Figure 4: Pie chart showing percentage distribution of responses on managing financial crisis. Majority of them for about 76.7% responded Yes (green), 22.3% responded No (red).

Figure 5: Pie chart showing percentage distribution of responses about the business being affected due to lockdown. Majority of them for about 65.05% responded Yes (green), whereas 33.9% responded No (red).
Figure 6: Pie chart showing percentage distribution of responses on the ways in which the business is affected. Majority of them for about 35.9% responded Financial (green) whereas the remaining 30.1% responded Availability of staff (red), 22.3% responded None (orange) and 10.6% responded Other (yellow).

Figure 7: Pie chart showing percentage distribution of responses on whether the government’s advice was useful. Majority of the for about 42.72% responded Somewhat useful (orange) whereas the remaining 28.16% responded Not so useful (green), 20.3% responded Very useful (yellow) and 7.7% responded Not at all useful (red).
Figure 8: Pie chart showing percentage distribution of responses about the current concerns. Majority of them for about 51.46% responded Lost income (red), 34.95% responded Reduced productivity (orange) and 12.62% responded Other (green).

Figure 9: Pie chart showing percentage distribution of responses on the number of people running a business. Majority of them for about 62.1% responded Yes (green), and 36.8% responded No (red).
Figure 10: Pie chart showing percentage distribution of responses on the population working for a company. Majority of them 53.4% responded Yes (green) and 45.6% responded No (red).

Figure 11: Pie chart showing percentage distribution of responses about lockdown leading to severe poverty. Majority of them for about 62.1% responded Yes (green) and 36.8% responded No (red).

Figure 12: Pie chart showing percentage distribution of responses about the most affected population. Majority of them for about 38.83% responded Daily wage workers (orange), whereas the remaining 38.83% responded Company staff (green), 19.42% responded Business owners (red) and 1.94% responded None (yellow).
Figure 13: Pie chart showing percentage distribution of responses about work from home being better than working in office. Majority of them for about 61.17% responded No (red), whereas the remaining 37.86% responded Yes (green).

Figure 14: Pie chart showing percentage distribution of responses on work from home being more profitable. Majority of them for about 68.93% responded No (red), whereas the remaining 30.10% responded Yes (green).

Figure 15: Bar graph represents the association between gender and ways in which business is affected. X axis represents the gender and Y axis represents the number of responses. Majority of females have answered finance and the majority of males answered that availability of staff were the ways in which business has been affected due to lockdown, but
on analysis there was no statistical significance between
gender and ways in which business has been affected. Chi square test was analysed to be 5.046; p value = 0.168 (>0.05), statistically not significant.

Figure 16: Bar graph representing the correlation between gender and current concerns of the participants. X axis represents gender and Y axis represents number of participants. Majority of the participants have answered that lost income was the major concern at the moment, but on analysis there was no statistical significance between gender and current concerns. Chi square test was analysed to be 2.246; p value = 0.134 (>0.05), statistically not significant.

Figure 17: Bar graph showing the association between gender and about lockdown leading to severe poverty. X axis represents gender and Y axis represents number of responses. Majority of the participants have answered yes but on analysis there was statistical significance between gender and response to lockdown leading to severe poverty. Chi square test was analysed to be 6.240; p value = 0.012 (>0.05), statistically significant.
Figure 18: Bar graph represents the association between gender and about work from home being better than working in office. X axis represents gender and Y axis represents number of responses. Majority of the participants have answered yes and on analysis there was statistical significance between gender and response to work from home being better than working in office. Chi square test was analysed to be 9.945; p value = 0.041 (<0.05) statistically significant.

Figure 19: Bar graph represents the association between gender and about work from home being more profitable. X axis represents gender and Y axis represents number of responses. Majority of the participants have answered yes, but in analysis there was no statistically significance between gender and response to work from home being more profitable. Chi square test was analysed to be 3.912; p value = 0.141 (>0.05), statistically not significant.