T.R.R GOVERNMENT DEGREE COLLEGE

Kandukur,Prakasam District,Andhra Pradesh,Pincode:523105
[Established in 1966,Re-Accreditated with 'B' by NAAC]
Affliated to Acharya Nagarjuna University

Department of Economics

National Webinar on Indian Economy under COVID-19: Problems and Challenges

Program: National Webinar on Indian Economy under COVID-19: Problems and Challenges	**To All the students, teachers, researchers in India**
Date: 6th May 2020	**Resource Person:** **Prof. D. Narsasimhareddy, Prof. Ravi S. Srivatsava, Prof: G. Omkarnath and others**

Objective:

To deliberate up the economic conditions of people and sectors in India during the COVID-19 Crisis

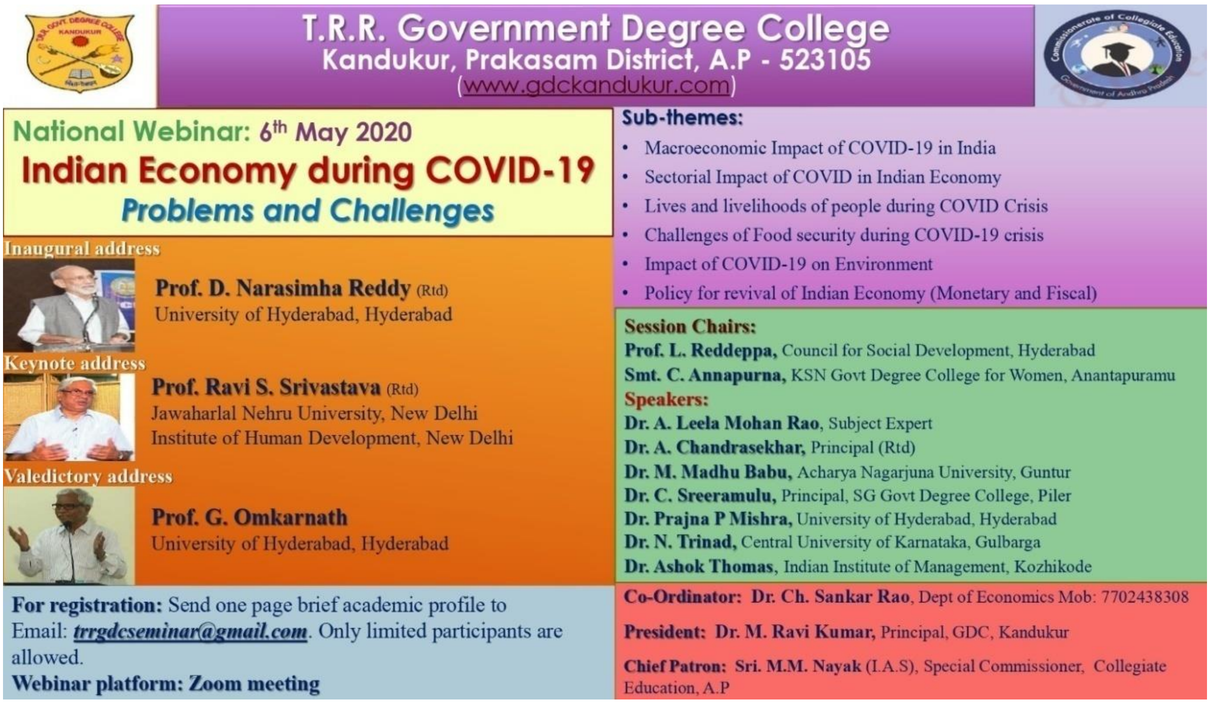
About the Program:

This program was intended for students, teachers and researchers in India. Around 80 members have participated. More than 15 resource Persons have delivered the talk on many different topics.

Outcome:

This is the first of kind webinar in the state on a most pertinent issue that was going on across the world that is COVID-19. The participants have gained the knowledge about the effect of COVID-19 crisis on economy and its people especially poor and vulnerable and about the policy recommendations.

Brochure:



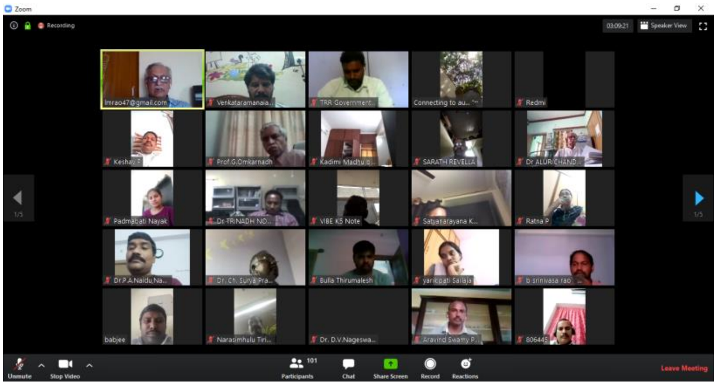
TRR Government Degree College, Kandukuru, Prakasam District, A.P

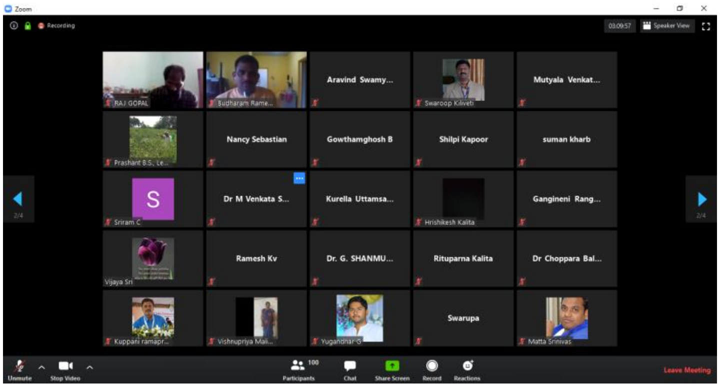
National Webinar on Indian Economy during COVID-19: Problems and Challenges

Program Schedule - 6th May 2020

9.45am to 10.00am	Joining Zoom Meeting and Instruction to Participants	
10.00am to 10.10am	**Opening Remarks**	Dr. M.Ravi Kumar, Principal, TRR Govt Degree College, Kandukur
10.10am to 10.40am	**Inaugural Address**	Prof. D. Narasimha Reddy, University of Hyderabad, Hyderabad
10.40am to 11.20am	**Keynote Address**	Prof. Ravi S Srivastava, Jawaharlal Nehru University, Institute of Human Development, New Delhi
11.20am to 11.30am	**Questions and Discussions**	
11.30am to 1.00pm	**Technical Session I: Chair**	Prof. L. Reddeppa, Council for Social Development, Hyderabad
	Impact of COVID-19 on Macroeconomy	Dr. A.Leela Mohan Rao, Subject Expert
	Impact of COVID-19 on Marginal Sections of People	Dr. A. Chadrasekhar, Principal (Rtd)
	Impact of COVID-19 on Agricultural Sector	Dr. Madhu Babu, Acharya Nagarjuna University, Guntur
	Cascading Effects of Corona Pandemic on Global and Indian Economy	Dr. C. Sreeramulu, Principal, SG Govt Degree College, Piler
1.00pm to 3.00pm	**Lunch Break and Rest**	
3.00pm to 4.30pm	**Technical Session II: Chair**	Smt. C. Annapurna, KSN Govt Degree College for Women, Anantapuramu
	Impact of COVID-19 on Environment	Dr. Prajna P Mishra, Univeristy of Hyderbad, Hyderabad
	Impact of COVID-19 on Food security	Dr. N.Trinadh, Central University of Karnataka, Gulbarga
	Role of Monetary and Fiscal Policies during COVID-19 Crisis	Dr. Ashok Thomas, Indian Institute of Management, Kozhikode
4.30pm to 5.10pm	**Valedictory Address**	Prof. G. Omkarnath, University of Hyderabad, Hyderabad
5.10pm to 5.30pm	**Concluding Remarks & Vote of Thanks**	Dr. Ch. Shankar Rao, TRR Govt Degree College, Kandukur

Photos:




Aravind Swamy...
Mutyala Venkat...
Nancy Sebastian
Gowthamghosh B
Shilpi Kapoor
suman kharb
Dr M Venkata S...
Kurella Uttamsa...
Gangineni Rang...
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Certificate

T.R.R. GOVERNMENT DEGREE COLLEGE

Kandukur, Prakasam District, A.P -523105.

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Webinar Participation Certificate

This is to certify that Sri/Smt/Kr/Dr Babjee Pothuraju, Government College (A) Rajahmundry has participated in the National Webinar on "Indian Economy during COVID-19: Problems and Challenges" held on 06 May 2020.

Coordinator

Dr. Ch. Sankar Rao

Principal

Dr. M. Ravi Kumar

Proceedings, Inaugural, Keynote and Valedictory Lectures by Eminent Persons

Welcoming Speech by Principal

On behalf of TRR Govt Degree College, Kandukur,

I, Dr. M. Ravi Kumar, the Principal, is very happy to organise the National Webinar on most important current topic - Indian Economy during COVID-19: Problems and Challenges.

About the Webinar:

COVID-19 – coronavirus disease - worst pandemic and economic disaster - thrown to the humanity by nature and globalisation. It is adversely affecting all the economic activities those involve human mobility, physical interaction and gathering.

As a measure of containing the spread of COVID-19 and its impact, Governments across the globe including India have imposed either restrictions or lockdown of the economies. And it is likely that this COVID-19 would stay with us till it gets the vaccine. Hence restrictions on economic activities would continue on even in future.

Given the poor health and economic conditions, the effect of COVID-19 on people and economy in India is expected to be much worse than in advanced nations.

There is a situation of cyclical downturn in the economy where both the supply and demand cycles are crashed at once. If continues for the long period, the Indian economy may be pushed into economic depression much worse than the Great Economic Depression of 1930.

The impact of COVID-19 on Indian Economy is already evident in various forms – fall in growth, employment, trade etc in the economy and rise in vulnerability and suffering of people. Economy and people continue to suffer despite of relief measures by governments and RBI.

In this context, it is proposed to organise a national Webinar to deliberate upon impact of COVID-19 of Indian economy and the strategies to face the situation

The specific objectives of the seminar are-

To discuss the impact of COVID-19 on different sectors and different sections of the people in Indian economy

To explore various strategies to revive the economy and reduce the suffering of the people

There by, to educate the participants about the seminar subject which may trigger the further research.

In this context

Its my privilege to heartily welcome the eminent academic personalities

Prof. D. Narasimha Reddy, University of Hyderabad, Hyderabad

to deliver Inaugural address

Prof. Ravi S. Srivastava, Jawaharlal Nehru University, New Delhi, Institute of Human Development, New Delhi

to deliver Keynote address

Prof. G. Omkarnath, University of Hyderabad, Hyderabad

to deliver Valedictory address

I heartily welcome important resource persons to deliberate on the specific issues

Dr. A. Leela Mohan Rao, Subject Expert

Dr. A. Chandrasekhar, Principal (Rtd)

Dr. K. Madhu Babu, Acharya Nagarjuna University, Guntur

Dr. C. Sreeramulu, Principal, SG Govt Degree College, Piler

Dr. Prajna P Mishra, University of Hyderabad, Hyderabad

Dr. N. Trinad, Central University of Karnataka, Gulbarga

Dr. S. Satyanarayana, Indian Economic Service

Dr. Ashok Thomas, Indian Institute of Management, Kozhikode

I heartily welcome the chairs to the sessions

Prof. L. Reddeppa, Council for Social Development, Hyderabad

Smt. C. Annapurna, KSN Govt Degree College for Women, Anantapuramu

I heartily welcome the rapporteurs to the sessions

Dr, P. Rajagopal Babu, Govt Degree College, Kandukur

Dr. M. Venkata Ramanaiah, SG Govt Degree College, Piler

Last but not the least I heartily welcome all the participants across the nations and even one from Singapore and our college staff and students to this august online gathering.

About our college

TRR Government Degree College, Kandukur, Prakasam District, is founded in 1966, the oldest prestigious college in this backward region of the state, cater the higher education needs of the students in this area mostly poor and marginal sections.

It functions under Commissionerate of College Education, Department of Education, Govt of Andhra Pradesh. It is affiliated to the Acharya Nagarjuna University, Guntur.

Important Lectures by Eminent Persons:

Inaugural Address by Prof D. Narasimha Reddy, University of Hyderabad, Hyderabad

There are lot of things said about the current COVID-19 pandemic effect on economy but substantially one sided, but it has be corrected.

The current health calamity by the corona virus is unprecedented. But actually we are suffering from two viruses. One is health related virus – corona. The other the biggest virus which started much before which is the root cause of this human tragedy in terms of suffering everyday for the last few years that is the neo-liberal virus.

The dream idea of development and structural transformation is as the economy develops there would be gradual increase of workers form unorganised sector to organised sector. But in early 1990s when we switched to neo-liberal policy it was assumed that with in 10 years, all the workers would shift from unorganised to organised sector with all protections to workers in terms of employment, social and health. But in reality, none of these things were happening. On the contrary there has been increasing proportion of workers are unprotected in either terms. This issue was marked and focused by the NCEUS committee report, where there was a pointer about that the process of neo-liberalism, instead of organising or formalising the unorganised or informal workers, it has unorganised even the organised areas of work and workers. In this situation the workers are unprotected. The NCEUS commission has called for attention to address to this, but it was neglected. This has contributed to current crisis that we are seeing on the road and in cities. It has beaten our conscious. This suffering has to be located in terms of set of neo-liberal policies. This policy is stood suborn in not protecting the workers one would dream of.

Why neo-liberalism is the root of the present crisis?

Our economy started declining or slowdown or moving towards a depression by 2018 itself. The growth itself was severely effected. The high growth of about 8 percent in previous years has came down to 2.7 percent in the current year. This continuous falling growth rates are to with all fundamental problems in the economy. The fundamentals economy such as saving, investment and employment were all reporting disturbing trends much before setting in the current pandemic. The saving ratio to the national income has been steeply declining from 35 percent in 2011-12 to 30 percent in 2017-18. Much of this decline is seen in households category from 25 per cent to 17 percent during the same period. It has lot to do with incomes of those households that has been declining. The investment ratio to the national income also has declined from 39 percent in 2011-12 to 30 percent in 2017-18. The corporate investment is also continuously declining because of fall in demand for their goods. The taskforce on redrafting direct tax which submitted its report in November 2017, documented that the corporate investment was falling from 2011-12 to 2016-17. However, the report was not released to the public like that of periodic NSSO Employment and Unemployment Report. Under the neo-liberal regime, the public expenditure as the ratio of national income has also started declining from 13 per cent in 2013-14 to 12 per cent 2018-19.

While these all -saving, investment, public expenditure were declining, the government was toying the idea of ease of doing business and cutting the resource mobilisation. The corporate tax was heavily reduced from 35 per cent to 25 percent during the last year. Also the heavy tax concessions given to corporate sector around 86 thousand crores in 2017-18 and further increased to 1.09 lakh crores in 2018-19.

When it comes to tax collection effort, the government is not serious in collecting taxes from corporate. The extent of tax arrears has increased from 6 lakh crores in 2013-14 to 11 lakh crores in 2018-19. The CAG report observes that 98 percent of these arrears have no way of recovering.

This shows, under neo-liberalism, there is neglect of public resource mobilisation and public investment which has implications on fall of employment that was seen in very high unemployment rate of 6.1 per cent in 2017-18 which was unheard of in last 45 years.

The similar trends are seen in agricultural sector where the rate of investment in agriculture as percentage of agricultural GDP, has declined from 18 per cent in 2011-12 to 13 per cent in 2016-17. In that case much of the agricultural investment had to come from private household farmers who are already distressed and majorly depend on informal credit sources.

These all show that the Indian economy has started declining much before the corona virus. The corona virus effect has much worsened the situation of economy. This effect is much on the informal labour especially the migrant labour. Hence their sufferings are to tackled urgently.

Since, the January of 2020 which starts the last quarter of the financial year, the growth seems to be negative. The eight core sectors started showing drastic decline in their growth rates in the months of march and April. According to one estimate, almost 70 per cent of the total economy has come to the grinding halt. Therefore, its not difficult to see what would be its effect and the revival. The unemployment rate as per CMIE shows that it has come to very high level of 23 per cent in April which is unprecedented and it can be understood when the 70 percent of economy is shutdown.

The government response to this crisis is support of 1.7 lakh crore which is equal to around 0.8 per cent of GDP in which some of them are already included in the budget like Rs 20 increase of wages under MNRGES, the first instalment of 2000 per farmer under PMKISAN program which also reached till now to only 3.1 crore families out of 12 crore eligible farmers. Other are the Rs500 per months per Janadhan account holder is very meagre especially when they lost employment and income sources. Other provision such as additional 5kg grains, 1 kg dal and one cylinder of gas for three months under this program. These all are superficial kind of interventions.

To compare the situation from elsewhere the neo-liberalism countries, the Indian neo-liberalisam is different in terms of employment protection to the workers, social protection, health protection. Even the USA -the leader in neo-liberalism, has strong employment protection. They have the system of unemployment allowances. Recently more than 30 million people have registered for unemployment in USA showing they have a security against their loss of the basic job. This employment protection is missing in India neo-liberal case.

Even before this crisis, the strategy of the government to address the economic slowdown was to raise sources through disinvestment even profit making PSUs such as railways, ports, Bharat Petroleum, Coal India, ordinance factories etc. There were around the list of 250 items were identified for privatisation.

To tackle the current corona crisis, everyone is uniform – political parties, academicians including Nobel laurate Abhijeet Banarjee say that state intervention is necessary in a big way to protect informal workers, the self-employment households by transferring Rs 6000 per workers per month for three month period. It is inhuman to keep the migrant workers at destinations instead of taking them to their home. It is sad on the part of governments – centreand state - to count to the transportation cost to transport the migrant workers to their homes. They are ready to pay it, but it is atrocious to collect money from them.

One of the major difference between the neo-liberalism elsewhere and India particularly from 2014 is that, India does the things which are totally unplanned for, of the consequences both economic and human that the people face. The example aredemonetisation in 2016 and GST in 2018 which have created so much destruction in the economy. As a result the micro and small enterprises were deeply hurt. And most of the MSMEs are tiny operate with less than 10 persons. Similary, during the current crisis, if these MSMEs are allowed to suffer more than a month, they will be closed down.

Hence it is the time to transfer money to informal labour, self-employed people, MSMEs in a big way. These all will create demand which is important for the revival of the economy.

People say that there will be automatic bouncing back of economy after opening up. However, it will not happen automatic with out keeping the money with the hands of people in advance to create the demand. It is important to give the cash equal to the income lost in advance before the economic activities start resuming to the people those who have lost the employment. Otherwise when demand collapse, there is no way that anybody could come forward to produce even with 30 percent capacity.

Under these circumstances, as an immediate measure, it is important for the state to intervene to address the suffering of 90 percent workers in the economy such as informal workers where ever they are in. The focus should be on migrant labour. There is need for bringing all unorganised or informal workers under the fold of uniform workers. An extend all kind of protections for employment, social security and health to all workers instead of dividing and also provide them minimum wages and some kind of employment guarantee. Otherwise, there is no way of revival of Indian economy in the long run with satisfaction because another shock similar to what we see today would repeat and the people of the country have not prepared for it.

Keynote Address by Prof Ravi S. Srivastava from JNU,New Delhi

The corona pandemic is unique occurrence, where our entire economic social behaviour is being conditioned. The nature of the pandemic is such that the economic crisis is reverberating throughout the world. It is estimated that the advanced economies record negative growth rates in 2020-21 where it is -10 percent in USA, - 8 per cent in UK, - 6 to - 8 percent in EU economies. The early estimates by IMF and World Bank indicated that India would have positive growth rates. But any back of the envelope calculations would tell us that India will not likely to have positive growth rate in 2020-21. The order of the negative growth would depend on what happens over the next few months. The reason for the developing economy like India will not have negative growth rates as in the case of USA and UK, as it has the buffer in the shape of informal economy. The sectors such as self-employed, agriculture cannot go below zero percent of growth rates. Hence perhaps, India growth rate will not be same as growth rates of USA and UK.

The nature of economic crisis that we are currently facing is entirely unprecedented. Many people say perhaps this is the most severe crisis after the great depression in 1929. We still do not know whether this could be more severe than the 1929 crisis which took the global economy for 4 to years for the recovery. Under the current circumstances, the global economy would take at least 4 to 5 years to recover. The situation therefore is very serious.

We have learnt many things about great depression and economic management. The question is whether we can apply the same economic management principles that we have learnt in about last one hundred years ago.

It is understood that we have to go through the economic consequences of this pandemic. But the economic consequences in India are due to the strategy perceived by the government. The government of India has followed the strategy to contain the pandemic which was of country wide severe lockdown that was suddenly imposed with the notice of four hours on 23rd of March 2020.

It is well known that the lockdown has given a space to the government to build up emergency health infrastructure and services in the frontline in order to cope with the pandemic. However, whether the lockdown should have been as sudden as it was, whether it should have taken into account the broader economic circumstances across the country, the economic and population geography of the country, before the announcement that was made.

The three features of this lockdown must be noted. First, the lockdown was preceded on the 18th of March 2020 as trial. Janatha kurfew on 20th , however the cancellation of public transport was started before the Janatha kurfew. All the distant transports - buses, trains, plains started getting cancelled on 19th itself and they kept on getting cancelled on 20th, 21st and 22nd too. By this, the long distance interstate mobility ceased to exist even before the Kurfew.

Secondly, the lockdown was nationwide. India is huge country. The government of India would have consulted the relevant stakeholders – at the centre and state level. The imposition of nationwide lockdown in India on 23rd is relevant or not is sopen to debate as the spread of the virus on the 23rd March was still localised. It was due to the passengers coming from abroad.

The third point is that the understanding of the government at that point seems to be that the lockdown would break the chain of the transmission. We know very well that lockdowns do not break the transmissions. It only helps to flatten the curve and give time to public authorities to cope with the crisis. Peaks invariably happened after the lockdown was ended. Therefore, the question of lockdown breaking the transmission is not valid.

Finally, that the physical distancing had to be linchpin to break the transmission is somewhat misconceiving in the context of population dense areas in large cities, slums where physical distance is not possible. We have to follow other strategies like using masks, sanitisation, restricting hand to mouth contacts to restrict the spread of virus. There was a room for more consultations, more celebrated strategy at the beginning of the lockdown itself.

The implementation of lockdown was more severe in India. The Oxford University survey says, based on the scale of severity, the Indian lockdown was the most severe across the globe. In the first phase of lockdown all the economic activities in the rural and urban areas were blocked. Only the activities continued were public administration, formal employment with some relaxations and the supply of essential services like health, food and so on. Almost 80 to 85 per centage of economic activities were blocked in the first phase of lockdown. In the second phase of the lockdown, the restricted access was given to agricultural activities. In the third phase of the lockdown a differentiation was made based on the spread of the virus such as green zone, orange zone and red zone. As of today, only 30 to 35 per centage of economic activities are resumed in the country. We are still in a phase where economic activities are severely restricted. But it will have huge repercussions on the economy and people.

Who are most effected people in the lockdown? In India, 93 per cent of the workers are in the informal economy. Out of these workers, we can exclude 5 to 6 per cent of the workers who are in the upper layer or cream of the informal workers the self-employed, the professional, technicians etc. That still leads to 85 to 86 per centage of workers are in the informal sector. About 43 percentage of workers are in the agriculture. This crisis was most fall up on the informal workers in the non-agricultural sector. They face the brunt of the crisis. Among the non-agricultural informal workers, the maximum impact of the crisis was on the circular and the seasonal migrants. There is a lack of understanding about these migrant group pervades all across the policy spheres in the country. Labour migrants in the country are considered as peripheral to the workforce. However, the percentage of the seasonal and circular migrants in the country was heavily underestimated. If we include the short-term seasonal and circular migrants and long-term circular migrants to the workforce, two out of five workers in the country happen to be migrant worker in India. Therefore, labour migrants are the mainstay of labour force of the country especially in major urban centres.

Migrant labour faced the major impact of the lockdown crisis because of three reasons. Their income and employment were blocked from day one of lockdown. Half the seasonal and circular migrants do not earn daily as they work. They start with wage advances from their contractors, they are paid a subsistence allowances called *kharche*during their work and at the end of the work period their wages are adjusted against the advances they have taken. When there are disruptions in the work cycles, their *kahrches*are stopped and their wages are not adjusted. Therefore, they have no savings and no resources to do anything.

More than two thirds of seasonal and circular migrants live in work sites. Remaining them live in tenanted or open places. The moments they stop working, they stop living at work sites because many of their employees block the work sites. When they lose accommodation, they do not have the capacity to pay the rent.

Their physiological and psychological stress is more with them as they are living away from their families. When there is threat or epidemic, they want to reunite with their families. However, these migrant workers were denied their right to reunite with their families. This was serious policy failure. Before the lockdown imposed, the migrant labour would have been given the opportunity to go back their own places. It would have been better for them to go back to their own place and reunite with families. There at least they will stay in their own home. Also, these migrant labourers were living in the urban areas like Surat, Ahmedabad, Mumbai, Thane, Malegao, Delhi, Bangalur, Chennai, Hyderabad where the spread of the virus was growing exponentially. Keeping migrant labours in these vulnerable places health wise and make them to live in work sites, hawvellsetc is not good. The ideal situation would have been to disperse them to their own places. Even, now the central and state governments are dithering to do that. They do not want to be part with this involuntary work force. Instead of transporting these migrants to their places, they have set into motion a highly bureaucratic and inefficient ways in which the migrants continue to suffer. Even when they try to find the ways to go back their own places, they are getting lathi charged, there are facing an extraordinary lengthy and bureaucratic procedures before they can think of going back. This is happening because the central government and state governments at destinations want to delay their going back at the cost of their human rights and humanitarian cost. Every delay that takes place now will further delay the rehabilitation of the economy.

The entire informal economy in India has been hugely impacted. Some parts of it have been effected that was not necessary, had the government consulted the stakeholders and taken timely steps. The migrant population should have been allowed to go back to their own places before the onset of the lockdown.

The Policy Issues

In contrast to the government decision to immediate imposition of lockdown with in four hours, the policy response of government to deal with the crisis is extremely tardy and slow. In other words, we can see two contrasts. The lockdown was done without due consultations whereas the Oxford university has told that the India stands first in terms of rigidity and hardness of the lockdown but the response by the government is the slowest and the lowest in the world. Even if we see the responses of the countries next to us such as Bangladesh and Srilanka, were faster and more adequate when compare to India.

What is the nature of the policy response that we have had so far? The government of India has come up with a very inadequate and very poorly package called Prime Minister Garb Kalyan Yojana. Although on paper it supposed to spend Rs 1.7 lakh crore or 0.8 per cent of GDP, leaving already old programmes, under new programs announced it spends around less than 0.5 per cent of GDP.

The government of India mainly targeting the crisis through monetary policy which has been announced under the aegis of RBI. These were necessary but not adequate. The measures announced by the RBI can be classified into two. First one is to increase the liquidity of cash with banks in order to lending. Second one is three months moratorium regarding payment of EMIs by entities to the bank.

First class of measures are not able to alleviate the situation. The liquidity of banks has increased, but the banks are so risk averse, instead of lending to the entities which are already in credit stressed and are in need of money, the banks are putting money back into RBI. Therefore, the increased liquidity has not paid dividends in revival of the economy. Regarding the deferring of EMI, it is not adequate measure. It only defers the crisis with entities the MSMEs and the consumers. Because, they will have to pay the three months interest rate down the line. Because the interest rates are still being compound over the period the EMIs.

The state governments have been clamouring for relaxation of the fiscal rules and borrowings. The Government of India has not done it. All it has done is the relaxing the ways and means that the state governments can barrow form the RBI. No transfers have been made to the state governments which has to bear the implementation brunt of the crisis.

Regarding the migrant labour – both internal and international type, the government of India should have taken the responsibility, transporting them back to their homes. Instead of doing that, it has passed the burden on the state governments which have passed the burden on migrant workers. Therefore, there is extremely ironical situation that the migrant workers who do not have the resources to pay for their meal, who are standing in three hours line to pick up just a lunch packet, now have to arrange the money to pay to their journey to back home. It is well known what happens in the crisis like situation. When there are about 5 lakh workers ready to go back to home, when the government arranged transport to 5 thousand workers, there will be scarcity market with emergence of exploitative intermediaries. In this scarcity situation, the poorest and most vulnerable migrant labour who could not pay the additional money will be left behind.

What is required under current circumstances? Regarding the central government the following measured to be taken. As the Indian Society of Labour Economics has submitted a memorandum to the central govern, the first priority in this crisis is to provide unconditional free food to every one regardless of the PDS card and locations. The second urgent requirement is income transfer. People loss their income as the result of action by the government. Therefore, there is a need for the government to provide a compensatory income transfer which should be equal to the minimum wage rate. And it should be an universal transfer which should be made to all the households. As per current minimum wage rate at Rs 202 per day, it requires around Rs 6000 per worker per months for three months to the everyone in the country who have not paid income tax. The rationale for this measure is very clear. First of all, in this crisis, almost entire population is affected. Hence, there is no need to have a targeted approach.

The 80 to 85 per cent of the vulnerable informal workers who are severely affected in this crisis are two broad groups. One is self-employed who engage in micro enterprises and the second is the wage labourers. When the micro entrepreneurs need some working capital to restart their business, they have no access to the formal lending sources like banks etc, therefore, this universal transfer will provide some working capital and will allow them to reopening their shop, kiosk etc.

The second urgent requirement is to look after MSMEs who are starved of the working capital and their debts are not restructured. Two issues to be tackled regarding MSMEs. There has to be a credit guarantee irrespective of the liquidity provided to the banks.

Therefore, government of India has to provide a large credit guarantee fund through banks which they can lend to MSMEs in direct or indirect ways and relive them from credit distress. Alternatively, the method of Special Purpose Vehicle is also worth exploring but it has to operate with some banking entity. Therefore, role of the banks in central will continue. Regarding, rescheduling of debt, a moratorium on payments for three months is not enough because the interest payment will keep mounting on these small entities and at the end of the day, they will have deal with which may difficult for them. The government should consider of waiving of interest cost for three or six months. There could also be a class of enterprises. Micro enterprises with loan of below Rs 50000 can be considered for waive-off. The enterprises with loan worth of between Rs 50000 to Rs 50 lakhs, should be having interest waiver for three months. So that at the end of three months, the entity should be in a position to pay back the loans.

Regarding handling sectorial issues, as matter of urgent need, there is need for package of 5 to 7 per cent of GDP requiring Rs 10 to 12 lakh cores. The government should declare an emergency assistance equal to Rs 5 to 7 lakh crores for first three months which shall include the cash transfers and small stimulus revival package for medium, small and micro enterprises. This should be followed by a calibrated package which should be in the range of Rs 10 to 12 lakh crores.

Apart from the above packages, the COVID-19 crisis requires three others things. First, there is need for the different kind of labour reforms to end the duality between the formal and informal or organised and unorganised workers categories in the labour market. The COVID-19 crisis sent a message to us that India can not live with duality of workers. It is sad that the government of India do not have the figures of its migrant workers. In the Supreme Court, it has put fictitious figures about the migrant workers affected by the crisis. All this has happened because of informality and no way of registering the migrant workers. It is the time to end this duality in the labour market. Every worker in the unorganised sector should be a registered worker and they should have a direct relationship with their employer and should be treated on par with other organised workers.

Secondly, there is a need for universal social security for every worker in the country. NCEUS report had said that every worker should have a universal social security number to access the universal social security. This is not a very costly package and a feasible and workable package. The NCEUS has worked out a detailed package that should be funded by Centre, state and the workers. The government of India should implement this social security package to every worker in the country within 2020-21.

Thirdly, this package should be part with social protection floor which consists of social security and package of essential services including health for all. In post COVID-19 juncture, it becomes the responsibility of the governments – Central and State that every workers should have the good health both in the places where they live and work. Employers and governments will have to invest more in their health .

Finally, the message from the COVID-19 crisis is that India can not afford to live with large rural-urban, regional inequalities. We abandoned the regional policy, agricultural sector with liberalisation. We have to go back to the basics. We have think of revival of the agricultural economy and the rural economy. We shall have the strategies to encourage the laggard regions to grow. This will allow the distressed migrant labour to absorb in their places. This will allow the healthier migration, not the distressed migration that we witness today. It will serve the destination but with the end of duality in labour migrants, labour will be able to get their work with greater degree of social protection and dignity. COVID-19 would also give us policy lessons of how to deal with the future.

Valedictory Address by Prof G. Omkarnath from University of Hyderabad, Hyderabad

The current COVID-19 related global pandemic is not just economical but its fundamental. It is primarily a humanitarian catastrophe with strong economic dimension. Nevertheless, we should not miss that it is something more than economics. Right now, no one is clear – medical people, scientist, epidemiologist, economists, international agencies about how the COVID-19 is going to pan out all over the world, how long it is going to stay with us. It is very clear that even certain revival economic activity might be in the offing in the foreseeable future, the complete recovery from the virus itself is contingent upon many different issues like complete universal testing, medical infrastructure, medical personal, paramedical staff and also the availability of vaccine.

But the present indication is that the causality or suffering that India has gone through is certainly a serious although it has relatively less cases compare to advanced countries.

As a result of this crisis, the world itself is going to be reorded in one way or other in post pandemic era. Its not just in economic. There will be rethinking in the GDP growth and its manner. It was in the 1969, the famous Noble laurate Sir Arthurs Lewis wrote a book called "Theory of Economic Growth". In the end of the book in an appendix there is small note saying "Is the economic growth desirable?". In India it was Prof V.K R.V Rao who actually saw the environmental problem, economics of education, economics of health which are now fashionable things.

In the global level it is very clear that one hopes we may rethink about many things. Earlier, the environmentalists thought about earth space, its resources scarcity, environmental degradation to support the development. Now the civil societies of the world would think about it. It will exert certain pressure on whole life about human in general not just national problems. The will be rethinking about mad rush for economic growth, catching up of growth GDP rates, targets like 5 trillion dollar economy, global power etc. Hope it will don up on the civil society across the world that the development means primarily is educated, aware, heathy populations who are able to enjoy their cultural advantages rather than simply use and throw consumerism of the kind promoted first by Americans.

Coming back to immediate issues, the global pandemic given its wider ramifications, is also going to effect the economist's received notions of what is demand and what is supply, the inter relations that actually separates the macro economic terms of demand from its supply in the dynamic sense of all, what is public sector and private sector, what is capitalism and non-capitalism, what is gig economy or permanent economy, what is formal economy or informal economy. It will also influence us to rethink about our ideas about inflation and its targeted policies which has been a terrible failure in India and elsewhere. Despite of changes in policy rates, the inflation never came down in India during Raghuram Rajan's time in RBI. That tells something about the illiteracy of our economic experts. The American PhD holders can never understand the social ontology of India. The person who could predict the financial crisis of the globe, can not understand the crunching powerful role of money lender in a village.

One thing is clear that all of us have agreed the devastating character of the pandemic and the effects of the lockdown in India. In this crisis, our received economic knowledge and wisdom is going to be challenged in terms of any economy in the world, not just Indian economy, that shows our knowledge is still inadequate. We do not know exactly about the revival of the economy, the way in which it will come back both in India and across the world. There is nothing like automatic bouncing back.

There is lot of uncertainty about how Indian economy is going to revive itself after the pandemic. The economy may take very long time at least 3 to 4 years for its reasonable revival of full scale. How do we look at the immediate policy imperatives? We should not think in conventional ways like fiscal versus monetary policies, or roads of money like pump priming or helicopter money and multiplier and so on to solve the crisis. We should disaggregate the problem starting with human side and try to attack it bit by bit. The first step in this direction is to identify well defined livelihood groups in India. Here again we should move from our conventional notions of poor and the informal sector. These all are black boxes which do not have an analytical rigor and foundations, they are just lazily used. We know something about formal and know nothing about informal. In that case what is informal is that which is not formal. Similarly, rural and urban. These are dichotomies which are loosely used. Hence, they are not be taken granted for the policy imperatives. There policy options or imperatives must think in terms of people, not just GDP growth rates and its other forms.

In India, the livelihoods are structured variously. First livelihood group is agricultural farmers dominantly marginal, small, tenant farmers. The granary of Andhra Pradesh in Godavari and Krishna delta areas, the agriculture is largely around 90 per cent, organised by tenants not the owner farmers. The second livelihood group is farm labourers. The third one is the handloom workers. These three always over last seventy years remain as the primary livelihood groups in India. The fourth group is the migrant labours both agricultural and non-agricultural. They are footloose labour with short term seasonal and circular migration from rural to urban, rural to rural, urban to urban etc. The fifth livelihood group is the return migrants from the Gulf nations typically in low end scale and low end non-permanent software NRI professional. The last two groups who are going to return to their own place are going to add the labour force and might become disguised unemployed. We need to a specifically tailored economic resurrection of these groups.

What are the policy priorities from the stand point of each of these groups? This is an exceptional situation calling for exceptional policies. The immediate policy without any option should be the social subsidisation across the system covering the above five livelihoods groups. This should be without thinking about issues of fiscal prudence or monetary constraints. This policy of social subsidisation includes the transfer of both cash and commodities for at least three months. It is also important to think about efficient delivery system of cash and commodities under this policy. The Village and Ward Volunteers System in Andhra Pradesh could do well by door delivering the governments provisions to every household in the state. This method of administering of social subsidisation in A.P is worthy of emulation throughout the country.

The second policy initiative to address the problems of farming community is public procurement of the crop output. In other words, no marginal and small farmer in the country should go without being able to sell his/her crop output at remunerative prices in the current season. The Telangana state government has been doing a commendable job in this direction where it said that the last kilogram of grain produced by a farmer in the state would find its buyer from government agencies. That is how cash can flow to the households, it may not need exactly the helicopter money etc. Even the multiplier may not work in this case like a Hydraulic Keynesianism where the economy works with pressing buttons like in an engine.

The third one is to ensure credit to the farmers and handloom weavers. This require a lot of refinancing of credit channels like NABARD, Cooperative Societies for Agriculture and Weavers irrespective their current problems. If necessary, government shall made special administrators for this purpose who will ensure smooth flow of credit cycle for the next crop season. This may include refinance, rescheduling, interest subventions etc. There should be a special focus on pure tenant farmers in getting adequate subsidised credit.

Handloom weavers have become slaves to the master craftsmen, urban businessmen. The state without worrying about the type of list – centre or state or concurrent – ensure enough credit. If necessary, appoint special officer to oversee weavers' cooperatives to ensure credit flow to every handloom worker. So that they do not starve and their economic machine start working.

For return migrants – both internal and international, who will not get employment immediately since the urban economy will not revive so soon, there is a need for identify special schemes like rural infrastructure. If necessary, we can divert some money from MNREGS and other flagship program for this purpose. De-clogging or opening the back channels of credit for these group would contribute for the revival of the economy.

How to design the rural infrastructure programs? This should be entirely in a different way. Rural health infrastructure in terms of primary health centres, drinking water, roads, any durable asset etc which would ensure the return migrants who have experience of the construction industry can be employed. The rural infrastructure program will improve the social consumption of services in rural areas. For the Gulf and low-end software return migrants, the establishment of hardware industry specially to capture the likely Chinese flying capital and industries. However, the capital flight in a global scale is unthinkable since the entire globe is caught up in crisis.

Focusing on agricultural allied activities is one good option. In the last 50 years, these activities have come on their own. These are fisheries, poultry, dairy, horticulture, floriculture etc. Wherever, we can identify a livelihood group associated with rural economy, we can form a society and provide credit on easy terms and develop them. Indian banks are suffering from huge NPAs not because of default of these small livelihood groups – farmer, weavers, small micro entrepreneurs etc but because of big business groups. Because of these small livelihood groups, Indian GDP growth will never turn negative. Hence it is always good to refinance the livelihood groups by providing finance directly to them or refinancing their cooperatives. The informal sector contributes almost 45 per cent of our GDP. The poor or petty producers produce their own GDP. If the 85 to 90 per cent informal workers vanish in India during this pandemic, then only GDP growth rate will be negative in India.

The whole point is how to ensure in the short run the social subsidisation across the system to ensure they do survive.

Regrading broadly urban economy, the small scale and other ancillary industries who provide major employment depends on the outsourcing business from the large industries. It is important to ensure cash flow to them. For that, the government and RBI may give special instructions to the large industries and corporates to make payments due to the small and ancillary industries. This will alleviate the cash need of urban poor and circular or temporary migrant labour who depend on the these small and ancillary industries. The other aspect regarding the urban small and ancillary industries is to provide input subsidy through proper credit channels. These things will ensure support to urban informal sector.

Not much was said about the revival of the industrial sector in India. It is difficult to say because the industry is interdependent. We can not just say if steel industry is revived, the other will fallow. There has to be mechanism which calls coordination of all the industries beyond the price mechanism because prices will not serve as the good signal for the revival of the organised sector. The corporate sector has to choose between the profits in service and manufacture.

One has eschew the received notion of sectors, fiscal fundamentalism, healthy monetary system etc. It important to relax these all and think of this as a human catastrophe. All the policy direction shall need a direct cash transfer from the government and de-clogging of the credit channels – micro, cooperative etc.

As the teachers of the subject at undergraduate and post graduate level, we have to rethink about how to teach economics, particularly our syllabi, curriculum, mode of teaching Indian economy etc. How do we creatively carry the deliberation in the seminar on various aspects of the issues to the class room and students, and do further research on the issues especially when our economics text books and class room transaction remain the same. The global pandemic gives good opportunity to rethink about the economics education all over the world and particular in India where 50 per cent of people do not command a nutritionally adequate diet. That is the symbol of backwardness in India. It is going to remain backward as long as we have large proportion of people are under-fed. Understanding economic backwardness in the midst of global capitalism which itself is in strain, is big challenge for the teaching and learning practices of the economics about the gross roots.