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Prioritizing Financial Crises Due to COVID-19:

An Economic Safety and Sustainability Approach in India

Meghana Mishra, Sports Authority of India, India
Pravudatta Mishra, CMA, India

ABSTRACT

In order to reduce the community-transmission of the novel coronavirus, precautionary measures require major attention. Reducing coronavirus transmission in the Indian population has included utilization of protective masks, which ranked in the first level, followed by hand hygiene, self-observations, respiratory manners, social distancing, and environmental cleanliness and ventilation, respectively. But the Indian Government has taken a good initiative by ordering a lockdown to provide safety to its population and sustainability to the environment or nature. People in some sectors are doing work from home to still the rate of transmission, but the financial transactions also stop. In some sectors (product/service), it is also not possible to work from home, and in India, the infrastructure or facilities or science is not that developed. Hence, the Indian economy is suffering. In this paper, an effort is taken to find the financial crises in India due to Pandemic COVID-19 and prioritize it by Topsis method.

KEYWORDS

COVID-19, Financial Crises, Grey-TOPSIS, India, Indian Economy, Safety

1. INTRODUCTION

COVID-19 or Corona Virus is a idiosyncratic case of virus in India. Even though India has faced some Epidemic previously but first time is challenged with an Pandemic. Indian Economy being an mixed economy has half of India's worker involved in agriculture, the other one third worker's employed by the service industry, which contributes two third of India's output. Indian's follow the concept of circular flow of income and expenditure. It has two basic flows, the real flow and the money flow. In case of circular flow, if two sectors are considered (i.e, house hold/ domestic sector and the firming sector) due to Covid-19 all financial institutions and business sectors has been shut down and no service of the workers is required .As there is no production of goods or and no services provided, small business firms and household sector not able to provide remuneration to their employees.

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If factor payment not done then the standard of living of household sector decreases. So they are unable to pay the firms in form of consumption expenditure. Considering market equilibrium, in this scenario, due to panic of corona virus and shutdowns, people are tempted to buy more goods, accessories, and groceries, etc. So some shops raise the values of goods to gain profit. People having no choice are forced to buy it with high cost and price as the production sector is closed down the supply is declined. In this case the demand is much more than the supply. So the firms do not enter into any competition to sell their products. So price of goods raised automatically. In short Indian economy will fall backward economically 20 years according to experts.

In India very few people are involved in economic activity as per paying capacity but many people are unable to afford and purchase their required goods and services. As many people stop buying certain goods business organisations stop supply of those goods. This leads to a collapse in stable national income of India. As transportation and other service sectors clamped down farmers are unable to buy and sell their goods, this leads to wastage of efforts and goods and imbalance in economy. As intermediate goods from primary sector is unavailable the secondary sector also retires.

The lockdowns and shutdowns have direct effect on tertiary, quinary and quaternary sectors.

Large population- As India is a country with huge population the need of every section of people in the society is not fullfilled. This has increased significantly during the present situation of covid as the product and service delivery partially paused, leading to disturbance in the circular flow of income.

Unemployment increased rapidly due to shutdown of different sectors of economy and Slow down in procurement of national wealth.

2. LITERATURE REVIEW

One of the pandemic also termed as "swine flu/ Spanish flu" was initially reported in Mexico on 26th April 2009, after the last reported flu pandemic on July 1968. As on 15th June 2009 and within lesser than 50 days, it was reported of affecting over 76 countries with 35,928 cases and 163 deaths. Chawla et al. (2009) have described the mitigation approaches for combating flu pandemic at local, state as well as national levels. Bats are natural-reservoirs of a number of novel as well as highly pathogenic viruses like corona-viruses. Li et al. (2016) have considered a total of 183 and 236 hospitalized children with acute encephalitis-like syndrome and respiratory tract infections in order to explore the cytokine expression profiles in them. Anti-CoV IgM antibodies were detected in 22 out of 183 i.e. 12.02% and 26 out of 236 i.e. 11.02% patients, respectively. Further, the "Cytokine analysis" revealed of significantly higher level of serum granulocyte-colony stimulating-factor (G-CSF) in both CoV-CNS as well as CoV-respiratory tract infections in comparison to healthy controls. Wacharapluesadee et al. (2018) have revealed that corona-virus related infections and shedding was found in more juvenile as compared to adult bats. Park et al. (2018) have discussed about the transmissibility as well as severity of "Middle-East Respiratory-Syndrome (MERS)" infection and it was reported of having differences by outbreak-regions & characteristics of patients. The first identification of a typical pneumonia through SARS-CoV was made in November 2002 in Guangdong (China), and the infection was exposed quickly to Beijing, Hong-Kong, Canada, Singapore, and Vietnam in March 2003 as a highly infectious disease with respiratory-droplets as major transmission routes (Hui and Zumla, 2019). The "coronavirus envelope (E) protein" is a small, integral-membrane protein associated with several virus-life-cycle aspects such as assemblage, budding, envelope-formations, and pathogenesis (Schoeman and Fielding, 2019). Hierlihy et al. (2019) have reported from their analysis that the mitigation measures for the mosquito-borne virus such as Chikungunya have been placed into six categories like insecticide uses, behavioural protective-measures, public-education, blood and blood products' control, biological vector-control, and quarantine of infected persons, respectively. Salamatbakhsh et al. (2019) have assessed the worldwide burdens of premature-mortality owing to "Middle East