

**AN OVERVIEW OF THE SCENARIO OF INDIAN SERVICE SECTORS WITH
REFERENCE TO THE COVID-19 OUTBREAK.**

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Abstract:

COVID-19 is now stamped as a global tragedy because of the fact that it will not only become the history but also will change everybody's way of life ahead. It is feared by the experts that COVID-19 will remain on the earth for 100 years and thus will the changes in the human life forever.

There are multiple dimensions where by the life would be affected because of the COVID19 right from the common life to the entire economy of the world. Some of the effects have been seen as the Indian economy has experienced significant slowdown over the past quarters. In the third quarter of the current fiscal, the growth rate of the economy was at a six-year low that is of 4.8%. India's growth rate projection which was around 6% for the year 2020-2021 has been slashed to 0.8%. Service Sector of Indian economy is struggling to alive in the critical situation of the Corona outbreak. According to the data collected it is proved that the service sector has been significantly affected due to Covid 19 pandemic.

Service industry requires direct physical connectivity among the people, hence the social distancing would cause a hurdle in operations. After the COVID-19 outbreak, it is difficult to maintain various precautions for social distancing e.g. travelling of staff to the workplace, actual working on the job and so on.

Thus, the service sector has been significantly affected due to covid-19 pandemic and the covid-19 pandemic put significant impact on the way the business is carried out.

Key Words: COVID-19, Outbreak, Pandemic, Service sector, Economy.

1. Introduction:

COVID-19 is not only a global tragedy but also has become a historic fact that would change everybody's way of life through the coming era. It is feared by the experts that COVID-19 will be on earth for 100 years and thus would change the entire life style of the people around the world forever. In phase of the compulsory lockdown imposed by the countries worldwide, the companies throughout the world have realized that the employees can work from home; jobs can be done remotely with the availability of the Internet connection. The world giant companies such as the Google and the Facebook have already announced for all of their employees that they are not necessarily needed to come office till 2021.

COVID-19 has caused millions of people to leave the cities and to go back to their home to be with their family. Hence as a consequence it is for sure that the cities will not be the same as those were earlier, many of the people realized that they will not get jobs, food, shelter in the cities further and they can equally work near their villages to earn money for their survival. It has been seen that millions of people have migrated from the crowded cities to

small towns. The cities in India like Delhi, Mumbai, Kolkata and every other metro city would not be the same after opening of the lockdown as far as the life style is concerned. This would definitely put a serious impact on the overall economy of the country. The concept of office, jobs, workplace can be dead and thus many sectors of the Indian economy and the business will be needed to struggle for their bare existence than the progress.

1.1 Economic Crises in India after COVID-19.

The Indian economy has defiantly experienced a significant slowdown over the past quarters. In the third quarter of the current fiscal, the economy grew at a six-year low rate of 4.8%. India's growth rate which was projected to be remaining around 6% for the year 2020-2021 has been seen as slashed to 0.8%. However, the new corona virus epidemic has made the recovery extremely difficult in the near to medium term. The outbreak has posed a series of fresh challenges for the Indian economy now, causing severe disruptive impact on various types of industries which has the potential to derail India's growth story on the economic front.

COVID-19 has played major role in the downtrend of the Indian economy. On the backdrop of the corona virus crisis it is likely to put serious impact on the employees and businesses as well. The study presented here has been carried out with a quick survey of service industry to explore the facts as to find out how the service business are coping up with this crisis and to understand various strategies they have adopted to meet the challenges in association with the post lockdown period.

2.1 Structure of Indian Economy

As a basic preamble policy and objective every economy tries to maximize the return of economic activities it engaged in. The economic activities are broadly classified into three categories which are known as the three sectors of the economy. The sectors are broadly classified as under.

Primary sector- Agriculture, forestry, fishing, fuels, metals, minerals etc. are the Primary sector where the natural resources are used directly.

Secondary sector- this sector includes manufacturing sector in which raw materials of the primary sector used to produce.

Tertiary sector – This sector includes all economic activities where different services are produced such as education, banking, insurance, transportations, tourism, Beauty parlors, Saloons etc. this sector provides livelihood to the largest number of people in economy.[1]

Service sector also known as the tertiary sector falls in the third tier of the three sector economy in our country. Characteristically there is a difference between the business models based on the physical product and the service as a product. In addition to it, it is also significant that both the industries also work in a slightly different way. Service industry includes IT, hospitality, media, transportation, healthcare, education, professional services, etc.

The services sector is not only the dominant sector in India's GDP, but has also helped to attract significant foreign investment, contribute to exports as well as provided large-scale employment in addition. India's service sector covers a wide variety of activities such as trade, hotel and restaurants, transport, storage and communication, financing, insurance, real

estate, business services, community, social and personal services, and services associated with construction.

In the year 2018, in all the 31.45 per cent of India's employed population was working in the services sector. Being the key driver of India's economic growth, the service sector has contributed with 54.17 per cent of India's Gross Value Added at the then current price in 2018-19.[2]

Corona Virus: The timeline.

- December 31, 2019 a large number of patients with unexplained pneumonia were admitted in hospitals in the city of Wuhan in China. The cause of the disease further was identified early in January as a new corona virus, The virus was detected in two Chinese women who arrived in Bangkok from Wuhan . In Hong Kong, dozens of people returning from the mainland were hospitalized, but no infection was confirmed. The first cases emerged in Wuhan in central China's Hubei province.[3]
- The first case of the COVID-19 pandemic in India was reported on 30 January 2020, originating from China. As of 18 May 2020, the Ministry of Health and Family Welfare have confirmed a total of 96,169 cases, 36,824 recoveries (including 1 migration) and 3,029 deaths in the country.[4]
- The outbreak has been declared an epidemic in more than a dozen states and union territories, where provisions of the Epidemic Diseases Act, 1897 have been invoked, and educational institutions and many commercial establishments have been shut down.[5]
- On 22 March 2020, India observed a 14-hour voluntary public curfew at the instance of the Prime Minister Narendra Modi. The government followed it up with lockdowns in 75 districts where COVID-19 cases had occurred as well as all major cities.[6]
- Further, on 24 March, the prime minister ordered a nationwide lockdown for 21 days, affecting the entire 1.3 billion population of India.
- On 14 April, the prime minister extended the ongoing nationwide lockdown till 3 May.
- On 1 May, lockdown across the country was further extended by two more weeks till 17 May. Administration ordered the closure of shopping malls, cinema halls, gyms, night clubs, swimming pools, coaching centers, spas, crèches and video game parlors.

Since the country has been shut down since march 25th it is estimated that the Indian economy might have suffered with a loss of Rs.18 lakh crore. In an interview recorded on 4 April, the former RBI Governor and the renowned economist Mr Raghuram Rajan said that the corona virus pandemic in India may just be the "greatest emergency since Independence". In addition on 28 April, the former Chief Economic Advisor Mr Arvind Subramanian also have said that India would need Rs720 lakh crore (US\$10 trillion) stimulus to overcome the contraction that would be caused due to the corona virus pandemic.

In reaction to the lockdown and the economic crisis, the managing director of the Indian Auto giant i.e. M/S Bajaj Auto, Mr. Rajiv Bajaj, wrote in an opinion piece in the Economic Times

that the "lockdown makes India weak rather than stronger in combating the epidemic," and that the current "arbitrary" lockdown was totally unsustainable and a "recalibration" is needed. Rajiv Bajaj writes that "India may have to sell itself out of the corona virus crisis" Thus it is for sure that the lockdown imposed for prevention of the pandemic has compelled the world to rethink on it's policies and the strategies of doing the business.

3.1 Data collection

This study presented here is mainly based on the data collected from the secondary and the tertiary sources such as social networking sites, Govt. authorized websites, News channels, e-newspapers and the organization's websites etc.

3.2 Objectives of the study:

The objectives of the present study are as follows:

1. To study the effect of COVID-19 pandemic on different sectors of economy in general
2. To study the effect of COVID-19 on the service sector in particular.

3.3 Hypothesis.

Following Hypothesis have been formulated for the present study:

1. The economic sectors have been significantly affected due to covid-19 pandemic.
2. The covid-19 pandemic put significant impact on the way the business is carried out.

4. Observations, Findings and Discussion.

While going through the entire study, numerous opinions were collected and recorded. Impacts are found on various stream of industry as follows.

Service Sector of Indian economy is struggling to alive in this Corona outbreak situation. According to secondary data it is proved that the service sector has been significantly affected due to Covid 19 pandemic. The outbreak has been declared an epidemic in all countries.

Many commercial establishments have been shut down since 21st march 2020.Huge losses suffered by the service industry i.e. Educational Institutes, Hotels, Restaurants, Travel Industries, Fitness Industries, Sports Industries, Photo-Video Industries, T.V. and Film Industries, Event Management Business, catering business have faces huge losses which can be very much difficult to recover in coming days. The businesses are completely closed and not a single penny has been earned in this period but they had to pay monthly overheads i.e. worker's salary, establishment expenses etc.

Service industry is related to physical touch so there social distancing is needed. After COVID-19 outbreak, it is difficult to maintain various precautions for social distancing. E.g. travelling of staff, workplace.

Most of the institutions in Aurangabad city have been found affected by the pandemic issues and are taking various precautionary measures for safety of their industry, economy, employees and customers.

From the above discussion and findings it is confirmed that, "The service sector has been significantly affected due to covid-19 pandemic." Hence The hypothesis is accepted.

It is also noted that "The covid-19 pandemic has put significant impact on the way the business would be carried out in India ahead."

Suggestions.

There is uncertainty in the business and the business life cycle of every business, hence the business researchers and the strategists working in the field of the business, economy and industrial policies in the country, must keep vigil on the local as well as the global situation time to time.

Since the future is uncertain in the ever changing scenario of business management, the business dynamics must be observed and interpreted for the challenges and the opportunities hidden under the situation by the strategy planner and implementers.

Finally, as no one can conformably claim about future uncertainty and the new challenges to come with new opportunities. Everyone should learn to live with corona virus after the lockdown situation. Everyone should adopt new lifestyle.

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