

# A Study on the Economic Impact of Covid 19 among Different Sections of People

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## ABSTRACT

Covid19 or Corona virus has been creating instability in all most all the aspect of human life. The foremost Objective of this paper is to find out the extent of impact of Corona virus in context to a village of Biswanath district of Assam. The study is conducted with both primary and secondary sources of data. 90 household are chosen at random using stratified random sampling procedure. The findings are derived from the random sample of ninety households. The study reveals that the middle class people are the biggest sufferers during the COVID 19 pandemic, followed by poorer section and the richer section of the people are more or less neutral sufferer during the pandemic. The study also found out the about the pattern of employment of the household and current source of economic activities of the people of the particular area. Thus this paper is an attempt to analyze the economic impact of Covid19 among different classes of people living in Golia, a village from Biswanath district of Assam.

*Key words : Covid-19, Impact of Covid-19, Economic impact of covid-19*

## Introduction

The pandemic of COVID19 has left no place of the entire world safe for human beings. The whole globe is overwhelmed by its borne brunt coverage. The World Health Organization (WHO) has already called it a Pandemic for which social distancing is only a way to get rid of from it. (COVID 19; Bachman, 2020).

Corona viruses are a group of RNA which transmits from one component to another within an ecosystem (Devi, 2020). The virus at present is creating tremendous situation worldwide (Barro *et al.*, 2020; Boissay and Kitkul, 2020; Fund, 2020). Bhueji (2019b) pointed out that the pandemic impacts not only financial the financial poverty but it has also an effect on physical poverty in the form of malnutrition. According to Mohamed Buheji and Katiane (2020), during COVID days it is hard for the poorer sections

of society to follow restrictive isolation policy. For Summer *et al.* (2020), Global poverty may increase for the first time since 1990.

In this paper, a case study concerning a village of Biswanath district of Assam is conducted. The total of 90 samples household is selected at random and according to the findings, the interpretation is made. The households are divided into three sections based on the annual income of the family. Thus the economic impact of COVID19 among different classes of people of that village of Biswanath district is tried to analyze with some macroeconomic variables.

## Area of the Study

The village Golia Ara Bari is a large village located on the Biswanath district of Assam, which is the distance at less than 5 km. from Biswanath Chariali via Biswanath Ghat Road. The village is comprised of

721 households (Census 2011) residents and 3, 237 numbers of the population. The sex ratio and literacy rate in a particular village are much ahead of the National average of Assam in the year 2011. In the East of the village a river 'Golia Nadi' is there, in the West B.Ghat road is found, in the North village 'Navapur' and in the Southern part village, 'Girenta' is located. The village is a mixed village with all the classes of the population.

### Objectives

The study contains the following sets of objectives:

1. To check the impact of Coronavirus among different classes of households residing in the village.
2. To relate the impact based on the employment of the household.

### Methodology

The study is done with the help of both primary and secondary sources of data. The primary source includes field surveys with a set of schedules. The multi-stage sampling procedure is applied while making the study. The particular village is purposively chosen according to the convenience. Then from different strata or class, random sampling is used for data collection. Thus a total of 30 households from each class are selected with the help of a random sampling method. The impact is derived with the help of some macroeconomic variables like the trend of consumption expenditure, family income, and savings pattern of the current situation. The diagrammatic presentation is done using the SPSS.

### Findings

From the study, it is found that in the middle class sections of the society is the real sufferer as their income declined the most, the poor people responded mostly as increasing income and the richer class responded as neutral in case of effect of COVID19 on income. In case of consumption expenditure the poorer section of the society are found more sufferer because of the lockdown their consumption declined, followed by middle class and the richer class people said that they are neutral in case of consumption too. For saving the middle class people affected mostly as there are running current economic activities from savings. The poorer people generally are low savers, so their savings too declined; saving of

the rich class people did not affect much during Covid-19.

The study also focuses on the employment type of the different sections of the society of the Ara Bari village. It is found that rich sections of the society are mostly involved in either government/ semi-government/pension earner services. Middle-class people are mostly engaged in self-employment and poorer section of the people of the village is engaged in labor and wage-earning job.

According to the study the following report is found about the present source of their economic affair of different sections of the people living in the village. Middle-class people are running their business through savings and debt. Many poorer people informed that they are running their family by current income and also by debt and the rich class people are of the view that their economic activities are performing with current income.

### Discussion

This descriptive study is conducted with the help of some important macro variables that represent the impact of Coronavirus basically from an economic perspective. We all know that COVID pandemic has created tremendous impact in human life in all respects continuously for a few months. This study is made to analyze the initial impact of Covid 19 among different classes of the people living in a representative village of Biswanath district of Assam. The village is a representative in the sense that there all the classes like poor, middle and rich class is living in mostly same ratio. Here different sections of society are classified according to the annual household income. The household with annual income more than 5 lakhs is taken as richer section, the household with annual income 1-5 lakhs is considered as middle-class section and the household, whose annual income is less than 1 lakh is taken as poorer class people. The data regarding the macroeconomic variable and their behavior are collected with the help of an interview schedule, visiting people directly, and asking them.

The results from the study are discussed with the help of a diagram below:

#### Field survey (May, 2020)

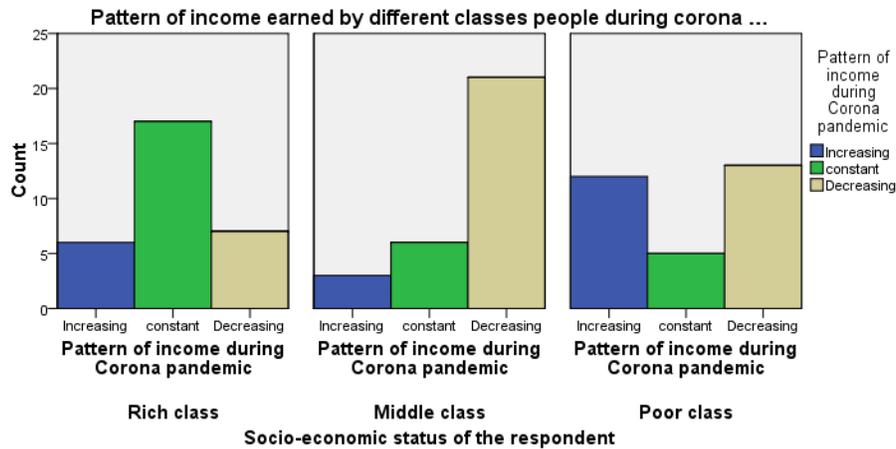
If we see the increase in income, then data clearly shows the increase in income is mostly for the poorer class people as they are mostly engaged in

the informal rural sector, which income rise according to the demand. Since the scarcity is prevailing in the informal labor market, where most of the poorer people are engaged. As the most of the poorer respondent are daily wage earner (Fig. 1) so the scarcity of labor leads to higher the wage. So their wage tends to increase during the period. Rich people told that income is not much affected till the date as they are mostly government employee people (Fig. 4) and in Assam till today the government is able to pay its employee. For middle-class people income is said to be decreased due to the loss of a job. Middle class people are mostly found migrant worker. They moved to their native place during the pandemic

and lost the service. So, their income is decreasing these days.

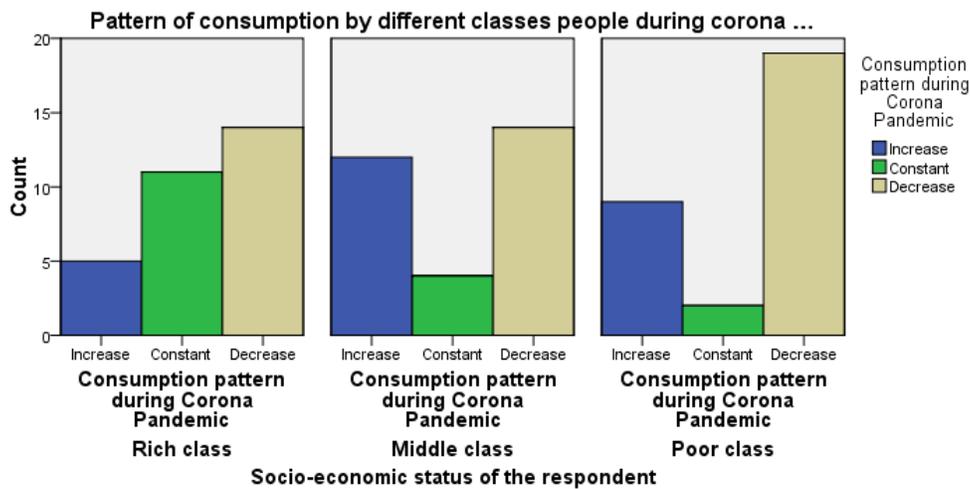
**Consumption pattern by different people during Covid19**

In the case of consumption expenditure during the Pandemic period, the worst sufferer is the poorer-class people with immediately followed by middle class people of the village. The poorer section of the people could not find free market to buy excess products for consumption which they generally do with increase income but lock down restricted their consumption. Middle class people are engaged mostly in self-employment, and many of them are



Source: Field Survey(2020)

Fig. 1. Pattern of income of different people during the pandemic



Source: Field Survey(2020)

Fig. 2. Field survey (May, 2020)

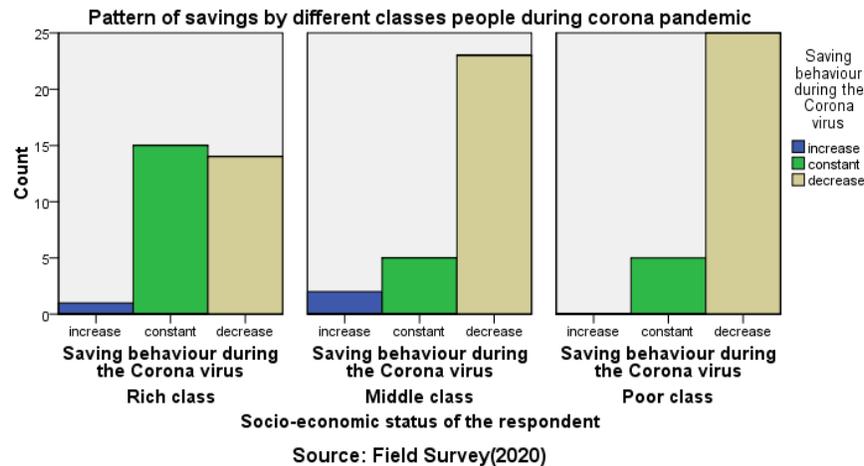


Fig. 3. Field survey (May, 2020)

migrants to other places for income. These days they have no employment, so consumption and income both are decreased. For the poorer class, the increase in income is due to the increase in wages these days and as they are labor class or poorer sections so they got the benefits of many government services, which lead to an increase in their income and consumption. Rich people told that their consumption is not affected due to the pandemic to that much extent.

#### Pattern of saving by different sections of people during the pandemic

Savings data clearly shows that most of the richer class responded to a neutral in savings behavior as their consumption and income remains neutral. Savings of the poorer section of the people has a general tendency to be lower and the more the income, less will be the saving, and such behavior leads to decrease of saving. The middle class people have also decreasing saving behavior during the ongoing corona pandemic; it is due to their decline in income. But for Middle people current source of income is previous savings and debt as income is decreasing for most of the middle class people.

**Implications of the study:** There are only a few studies on the economic impact of coronavirus and lockdown among different sections of society. This study can be used as a sample to represent the prospect of this problem for the wide coverage and Government can take necessary step to reduce the gap by implementing various schemes and policies to reduce the negative impact of coronavirus from economic aspect. Different researches also can be done

by increasing its coverage in near future to analyze the problem of inequality and the initial impact of COVID19.

#### Conclusion

Assam is witnessing by a large number of COVID cases from the migrant workers. Assam government's battle against the virus is a successful one as a recovery rate of COVID patients in Assam is very high. The extent of the impact of COVID 19 in varies from place to place and also from household to household in India and at the global level also. In this study, we can see that in the particular village of Biswanath district, the impact of the Coronavirus is different for all three classes of the society. From an economic perspective, the rich sections sufferings are much lower than the other two sections of the society. But other sections like the middle class and poorer class people are affected significantly. So, inequality in society is estimated to be increased more. So, the government and policymakers should be very concise in focus while implementing policies in the future. Their collective objective is should be focused more on bringing equality in society by reducing wide gap.

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