

ECONOMIC REPERCUSSIONS OF THE COVID-19 PANDEMIC ON ENTREPRENEURIAL ACTIVITIES AND START-UPS IN INDIA

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ABSTRACT

Covid-19 outburst fabricated a shabby situation for the ballooning of entrepreneurial activities in the country. Under-funding, social madness, dearth of zeal shook the working engine of economy for some time. Hotchpotch created by the covid-19 has put our young entrepreneurs into a baffling situation. The way entrepreneurial activities and new start ups are bruised by the pandemic will have rippling effects on the innovation and entrepreneurial thinking of the newcomers. Growth of the entrepreneurial activities should be considered paramount affairs for the economic development of a country. The current study is an effort to shed some light on the havoc created by the covid-19 pandemic for the growth of entrepreneurial affairs in the country.

Keywords: - Shabby, Entrepreneurs, Under-funding, Economic development, Start-ups

1. INTRODUCTION

World's biggest outbreak Covid-19 will have rippling effects on the running wheel of India economy. A large number of start-ups have been suffered during the pandemic. There has been no doubt regarding the fact that ground-breaking start-ups are very important for the growth of an economy. The havoc created by the pandemic will have multiple effects on entrepreneur's mental health. Covid-19 may be hijacking bodies and taking lives. People have learned now how to live in anxiety. When there are strict social norms like social distancing, self-quarantine-it is hard to groom entrepreneurial skills there. Corona virus is not just affecting physical health of people, but also poses as a threat for mental health and innovative skills. Entrepreneurs are known for their zeal, unorthodox attitude and trendsetters. An entrepreneur is a person who has the ability to foresee a new opportunity and ways to exploit it. An opportunity involves various pitfalls like indecisive events, deficit of demand in the future, underfunding etc. Covid-19 proves to be one of the imminence ever happened to entrepreneurs. Covid-19, being a global crisis has galvanized the entire business world. We should not ignore this fact that there are various opportunities which have been emerged during the lockdown like online fitness services, distance education and IT services.

Despite of various initiatives taken by government like package of Rs.20 lacs cr. to boost the economy, Rs. 3 lacs cr. collateral free loans to small scale business firms, Rs. 5000 cr. to street vendors, Indian entrepreneurs need more push to buckle down.

Many entrepreneurial businesses have pivoted to meet new needs for goods or services borne out of the crisis. While many start-ups will fail to survive the crisis, the pandemic has also given rise to more or new entrepreneurial activity.

Those entrepreneurs in COVID-impacted sectors should be ready to lose 50% to 80% of their turnover, as well as a major portion of their market value.

2. REVIEW OF LITERATURE

Syriopoulos Konstantinos(2020) analyzed in his paper that as the spread of covid-19 pandemic continuous and the gradually interdependence of the global economy increases the business uncertainty, predicting the future seems an impossible task. In fact, SMEs with their limited ability to counterattack the involved risks and afford the costs due to the slowed down business activities, are facing the difficult problems of the lack of funds and liquidity, employees, customers, and technology. Shephrd Dean A. (2020) concluded in his study on "covid-19 and entrepreneurship" that Entrepreneurship has a strong tradition of studying the more fortunate, helping the less fortunate. However in the shadow of pandemic where everyone is negatively impacted, the researcher hope that future research focuses on how victims of adversity engage in entrepreneurial actions that help themselves and others. Kumar Sunil(2020) in his article examined various sectors affected by covid-19. He concluded that its impact on Indian companies will vary and depend upon the extent of the business with China. China's business no doubt is affected. However, current levels of the inventory seem to be sufficient for the Indian industry. If the shutdown in China continues then it is expected to result in an 8-10% contraction of Indian auto manufacturing in 2020.

Positivity about pandemic for growth of entrepreneurship

Entrepreneurs are National Guard; by nature optimistic and resilient. They will overcome this difficult period because it is in their DNA to bounce back. Every crisis has an end point. And this will be the cue for entrepreneurs to undertake something new.

Covid-19 affected sectors and immune sectors

Entrepreneurship has a strong tradition of studying the more fortunate, helping the less fortunate. However, in the shadow of a pandemic where everyone is negatively impacted (obviously some worse than others), I hope that future research focuses on how victims of adversity engage in entrepreneurial actions that help themselves and others. Entrepreneurship has a strong tradition of studying the more fortunate, helping the less fortunate. However, in the shadow of a pandemic where everyone is negatively impacted (obviously some worse than others), I hope that future research focuses on how victims of adversity engage in entrepreneurial actions that help themselves and others.

Covid-19 affected various sectors in the economy, however there are various sectors in which it proved to be auspicious like online education, Pharmaceutical sector and managed office spaces. Covid-19 has become an economic crisis today. Businesses are badly suffering due to disrupted supply chains, sales depletion and manpower migration.

Corona affected sectors	Sectors immune to corona virus jitters
Live events	E-commerce
Shopping malls	Pharmaceutical
Gym	Artificial intelligence
Restaurants	Life sciences & labs
Real estate	Managed office spaces
Transport	Education technology
Marriage palaces	
Hair spa & saloons	
Beauty parlors	
Entertainment industry	
Fashion industry	
Manufacturing industry	

India's start-ups have been badly bruised by the covid-19 outbreak. The early stage businesses have been worst affected. E-commerce sector reported huge losses in the time of lockdown. Travel & tourism sector are also a proof of slowdown.

Most of entrepreneurs in India are busy to find a solid exit strategy to turn over a new leaf. It has been rightly said that time has been rough and only those will survive who are tougher. Youngsters can think for health and wellness sector, online education for placing them in the market.

Sectors likely to shine in the pandemic

Pharmaceutical, life sciences & labs

These sectors proved to be immune from covid-19 jitters. The pharmaceutical company, who will launch Covid-19 vaccine, is likely to become market conqueror. All entrepreneurs in the field of this sector have been geared up to launch new magical vaccine of covid-19.

Managed office spaces

Another sector that would rise above the rest is managed office spaces, start-ups and commercial real estates. Work from home culture has given a big push to this venture. Corporate sector, SMEs and even start-ups are looking forward to arrange MOSs because it is worthwhile.

Education technology

Online education, web courses, workshops & webinars have become the need of the hour, when schools and colleges are not allowed to function.

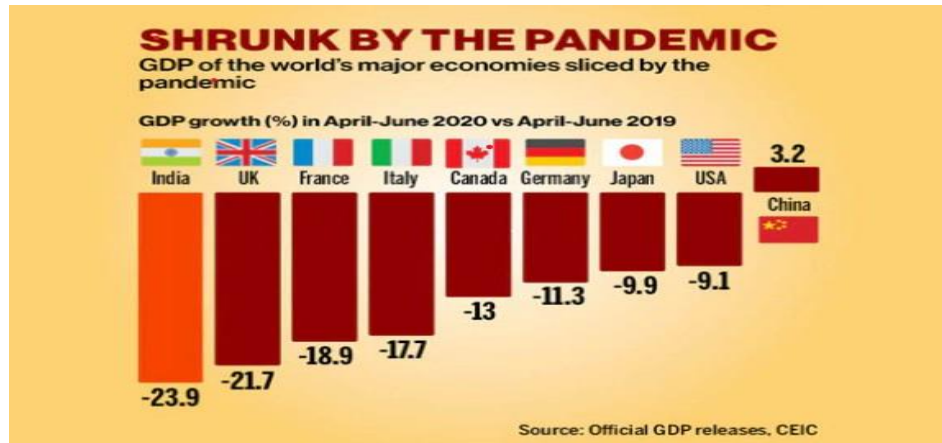
Online gaming

People are refrained to visit public places like parks, movie halls and bars. Online gaming attracted the new entrepreneurs in the tough time to start their ventures.

Above discussion shows that entrepreneurs are known for their zeal, visionary and risk takers and those who are visionary are already working behind the curtains.

Covid-19 and Indian GDP

India's economic growth suffered its worst fall on record in the April-June quarter, with the gross domestic product (GDP) contracting 23.9 per cent. The corona virus-related lockdowns mainly weighed on the already-declining consumer demand and investment.



3. CONCLUSION

The chaos created by virus started from Wuhan of china has affected the whole world badly. Except china, all other major economies of the world have witnessed the slow growth of GDP. The economic riot caused by the pandemic in market has become a national issue of every country. Growth and upliftment of an economy depends upon the growth of entrepreneurial skills and start-ups. There are both the sides of pandemic like some start-ups cherished during the lockdown and some got bruised. Start-ups like online education, online gaming and pharmaceutical sector got a big push in the lockdown. Entrepreneurs are known to be tougher and visionary. Pity situations like today does not affect the morale of star entrepreneurs. It can't be ignored that entrepreneurs are the savers of an economy.

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