

State regulatory measures of the government of India in the situation of the COVID-19 outbreak

Yogender Chauhan,

E. A. Vagner Perm State Medical University (Russia)

Zhanna Mingaleva,*

Perm National Research Polytechnic University (Russia)

Irina Mirskikh,

E. A. Vagner Perm State Medical University (Russia)

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Abstract

The aim of the paper is to analyze the measures taken by the government of India to prevent the spread of coronavirus infection among the population, as well as to mitigate the impact of COVID-19 pandemic on the activities of companies and enterprises and to prevent a socio-economic crisis. The main shortcomings and positive results achieved by the government of India, state and city administrations in the fight against COVID-19 are identified using bibliographic and comparative analysis methods and taking into account the historical context. The authors conclude that the existing “Epidemic Diseases Act,” 1897, which is applied as the main normative act regulating the epidemiological situation in the country, does not take into account all the factors and conditions of the spread of infectious diseases in the modern world and does not reflect the reality in terms of effective response to the outbreak of coronavirus disease.

Keywords: COVID-19, measures of state regulation, regulation of legislative measures, problems of urbanization in India, economic consequences of quarantine.

JEL: E65, E71, K31, K32.

Introduction

In response to the 2019 global coronavirus outbreak (COVID-19), many governments have taken emergency management measures to prevent the spread of infection among

* E-mail of the corresponding author: mingal1@pstu.ru

the population, and also adopted special legislation to mitigate the impact of the pandemic on companies and business activities, as well as on people's daily lives. India is one of the countries where COVID-19 has affected the health, freedom of activity and mobility, and quality of life of more than 1.3 million people.

The government of India announced the introduction of quarantine measures and restrictions on movement (mobility) throughout the country from March 24 to April 18, 2020 (21 days) as a preventive measure against the spread of COVID-19 in India (Gettleman & Schultz, 2020). At the same time, laws were enforced that provide various types of penalties for violating the quarantine. First of all, these are two laws that regulate the norms of behavior in society in the event of epidemic diseases: the "Disaster Management Act" of 2005, and the archaic "Epidemic Diseases Act" of 1897. Both laws were implemented by the Indian government in tandem and complemented each other.

In addition, on March 24, 2020, a legislative package was passed, containing various regulatory measures aimed at easing corporate and tax compliance for companies doing business in India, as well as other measures related to employment and bankruptcy matters.

However, the government's actions to prevent the spread of COVID-19 had unequal opportunities for implementation at the regional level, which led to different results.

1. Legislative measures regulating the epidemiological situation in India

1.1. National laws

The legislative framework for combating COVID-19 in India consists of the two national laws regulating the rules of behavior in the society in case of epidemic diseases: the "Disaster Management Act" of 2005, and the "Epidemic Diseases Act" of 1897.

The first of these laws — the "Disaster Management Act" (Disaster Management Act, 2005) — contains a detailed description of the structure of administrative bodies, such as the National Disaster Management Authority, their responsibility, measures to be taken in a disaster situation, penalties and regulations. The act also allowed the Ministry of Home Affairs to issue an order whereby the Minister of Home Affairs of India, who is also the Chairman of the National Executive Committee, delegated wide-ranging powers to improve COVID-19 preparedness and containment to the Secretary of Health of India. It is important that this order of the Ministry of Internal Affairs of March 11 is retrospective and has been in effect since January 17.

The second of these laws — the "Epidemic Diseases Act" (Epidemic Diseases Act, 1897) — was enacted by the order of the government of India and had a major impact on decisions made by Indian state administrations regarding the COVID-19 outbreak. This century-old law allows states to take whatever measures are necessary to prevent

infections, and anyone who violates it can be prosecuted, including imprisonment for up to six months. Most Indian states apply this law to introduce measures such as quarantine and mandatory screening, although this law is quite short and, according to many legal and health experts, is outdated and needs to be replaced.

The “Epidemic Diseases Act” was passed in response to the Bombay plague, which spread throughout the country and caused the death of thousands of people. The Act is a two-page, four-section document that does not define either a “dangerous epidemic disease,” or an epidemic.

Section 2 of the Act allows state governments to take exceptional measures and prescribe regulations that must be followed to limit the spread of the disease. Section 2A authorizes the central government to inspect ships or vessels leaving or arriving at any port in India and to detain people if necessary. Section 3 establishes criminal liability for disobeying any regulation or order in accordance with the Act. This penalty is provided for in article 188 of the Indian Penal Code, which imposes a fine of 200 rupees and a simple one-month prison sentence for violating an order of a public official (The India Penal Code, 1860). A penalty of 1,000 rupees and a six-month imprisonment may also be imposed, depending on the consequences of disobedience.

New amendments to the “Epidemic Diseases Act” adopted on April 23, 2020, include heavy fines for any kind of violence against health workers and imprisonment for up to 7 years (Epidemic Diseases Act, amended, 2020). Section 4 provides for protection by law of officials and/or persons acting in accordance with the law. The “Epidemic Diseases Act” created the foundation of legal regulation in the event of dangerous diseases. This old law, which appeared in British India, formulated the main principles of governance, punishment, and measures to be taken.

A relatively small number of amendments adopted in the XX–XXI centuries proved the efficiency of this legal act. At the same time, it gave the authorities of the Indian states an opportunity to create local regulation, taking into account the specific epidemic situation in the regions.

The “Epidemic Diseases Act” does not contain either definitions of exceptional measures to be taken or a list of them. On the one hand, it has a positive effect, as it allows the authorities to take any necessary measures to limit the spread of the disease. On the other hand, it practically excludes centralized government control and may affect the rights and freedoms of citizens.

Based on the provisions of this law, the Delhi government has announced The Delhi Epidemic Diseases COVID-19 Regulations (The Delhi Epidemic Diseases COVID-19, 2020), Maharashtra has announced The Maharashtra COVID-19 Regulations, 2020, and the government of Himachal Pradesh has announced the Himachal Pradesh Epidemic Disease (COVID-19) Regulations, 2020 (Himachal Pradesh Epidemic Disease, 2020). The Government of Kerala has announced Kerala Epidemic Diseases COVID-19 Regulations, 2020 (Kerala Epidemic Diseases, 2020).

The existence of such regional laws allowed several Indian states to set quarantine periods based on the actual epidemiological situation in the states and cities and extend the period of strict isolation for the necessary period. Thus, the state governments of

Odisha and Punjab extended the isolation regime until May 1 (Taking cues from Odisha, 2020). The state governments of Maharashtra, Karnataka, West Bengal and Telangana also extended the mandatory isolation period (Covid-19: Karnataka, 2020; Coronavirus India Live Updates, 2020).

As part of regional trends, Prime Minister Narendra Modi extended the nationwide isolation (lockdown) until May 3 (4 days before the preliminary end of the strict isolation) (PM Modi announces, 2020). At the same time, those Indian states where the spread of COVID-19 was stopped by anti-epidemic measures or was minimal since the beginning of the epidemic received an opportunity to ease the quarantine after April 20. However, the complex epidemiological situation, as well as the contradictions and shortcomings of the municipal administration system, did not allow these plans to be implemented. As a result, on May 1, 2020, the government of India extended nationwide lockdown until May 17. After that, the National Disaster Management Authority extended the nationwide quarantine until May 31 (Centre extends nationwide lockdown, 2020).

Legislative measures to support business and employment in the country were also extended and expanded.

1.2. Sectoral measures of legal regulation of the Indian economy in the context of COVID-19

Legal regulation of the branches of economy includes laws and legislative acts in a large set of measures, including corporate law, civil law, employment law, tax law, etc. Table 1 shows some of the most important measures to support the economy and business under strict quarantine in the context of COVID-19, restrictions on mobility, a complete prohibition to do business, etc. The main regulators of corporate activities in India are the Ministry of Corporate Affairs and the Ministry of Labour and Employment.

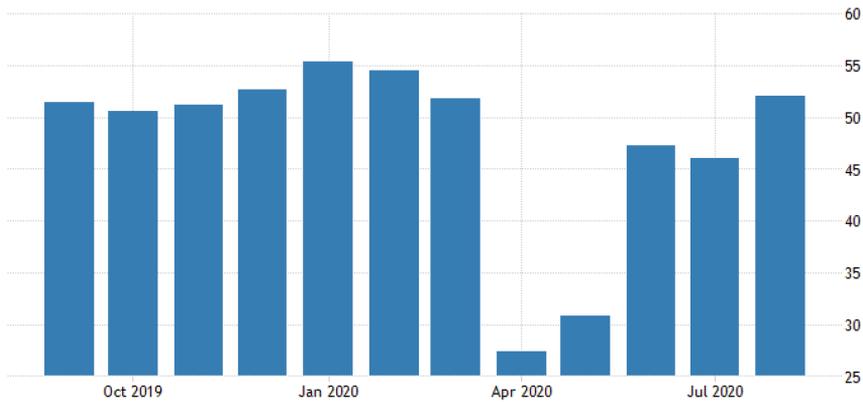
In addition to Table 1, it is important to point out that, according to the Ministry of Corporate Affairs, audit reporting will significantly reduce the burden on companies and their auditors in the 2019–2020 financial year. The introduction of CARO-2020 at this stage may lead to additional health measures for companies and require enhanced complex inspection and information disclosure by auditors.

It should be noted that measures in the sphere of corporate law helped to contain the wave of bankruptcies among Indian enterprises and provided a fairly restrained position of businessmen and entrepreneurs regarding the prospects and forecasts of business development. In particular, the index of business activity in the manufacturing sector (IHS Markit India Manufacturing PMI) in July 2020 fell to 46.0 from 47.2 in June. This is a good indicator for the situation of a 4-month decline in production activity and the continuation of the ban on activities due to the extension of the quarantine under the conditions of the coronavirus pandemic. However, business confidence rose to a five-month high in July 2020, although it remains well below the historical average (however, IHS Markit's index increased to 52.0 in August; its dynamics is shown in Figure 1).

Table 1. Corporate law and tax law measures to support Indian business in the context of COVID-19

Application sphere	Support measures
<i>Corporate law</i>	
Corporate social responsibility	The work of subsidiaries that provided, on a voluntary basis, any medical help or supplies for dealing with the COVID-19 disaster are regarded as Corporate Social Responsibility (CSR) activities of Schedule VII pertaining to the promotion of health, preventative healthcare and sanitation, and disaster relief
Remote work	As a temporary measure, companies and enterprises had to implement “work from home” until March 31, 2020
Registration of companies	The fees for late submission of applications for the Register of Companies (RoC) forms were canceled from April 1 to September 30, 2020
Audit reports of companies	The Companies (Auditor’s Report) Order 2020 (CARO-2020) will be applied starting from fiscal year 2020–2021 (instead of 2019–2020)
General questions	Timelines for various compliances and other procedures were extended
Tax law	
Income tax	Filing of tax returns for the 2018–2019 financial year were extended until June 30, 2020
Deadlines for all notices, orders, appeals, applications, reports (etc.) by taxpayers were extended until June 30, 2020	
For delayed payments of advanced tax, self-assessment tax, regular tax, withholding taxes (i.e., tax deduction at source and tax collection at source), equalization levy, security transaction tax, and commodity transaction tax made between March 20, 2020, and June 30, 2020, a reduced interest rate of 9% will be charged for this period (instead of 12% or 18% per annum). No late fee or penalty shall be charged for delays occurring in this period	
Goods and service tax (GST)	The deadline for filing of GST returns for the months of March, April and May 2020 was extended to June 30, 2020
The deadline for filing GST annual returns for financial year 2018–2019 was extended	
The deadline for issuing notices, notifications, approval orders, sanctions orders, appeals, return requests, statements, applications, reports, or any other documents that are subject to a GST compliance period, which expires between March 20, 2020, and June 29, 2020, was extended to June 30, 2020	

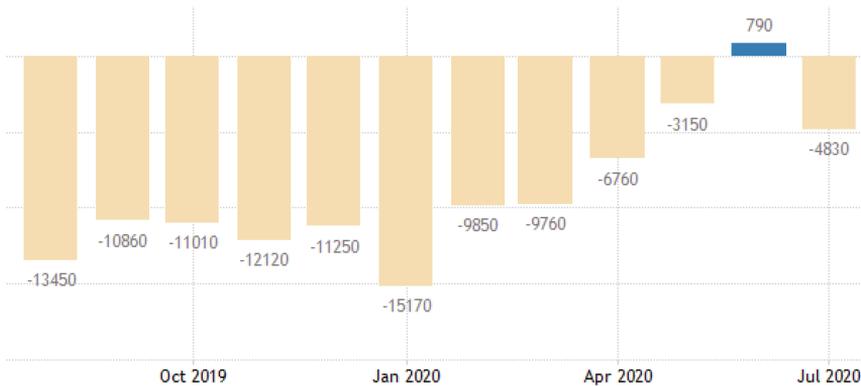
Source: (Robyn, 2020).



Source: India Manufacturing PMI, 2020. <https://tradingeconomics.com/india/manufacturing-pmi>

Figure 1. India Manufacturing PMI (2019–2020)

It should be noted that the support measures, coupled with other measures and factors, have significantly improved the country's trade balance, even despite the development of the COVID-19 pandemic. In particular, India's trade deficit fell to \$4.83 billion in July 2020, compared to \$13.43 billion in July 2019 — almost 3 times (Figure 2).



Source: India Balance of Trade, 2020. <https://tradingeconomics.com/india/balance-of-trade>

Figure 2. India's trade deficit (2019–2020)

As for the dynamics of the trade balance during the pandemic in the world as a whole and the introduction of isolation in the country, since January, the trade deficit was constantly decreasing and even reached a surplus of \$0.8 billion in June 2020.

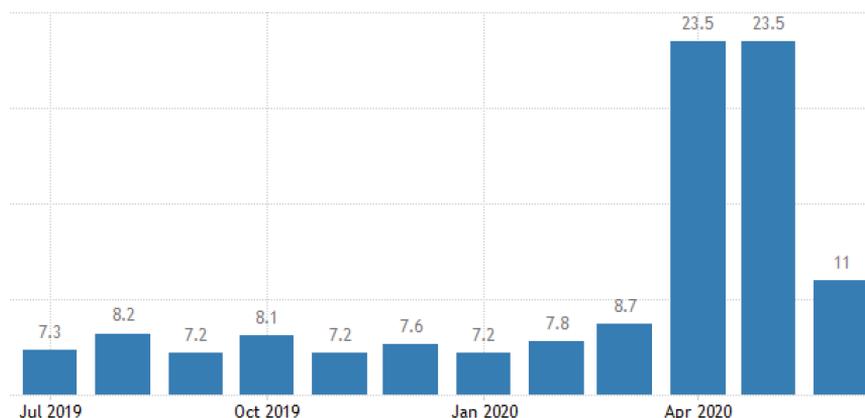
The third most important branch of law is labor law. Table 2 shows some of the most significant support measures for the economy and business under strict COVID-19 quarantine imposed by Indian labor law. The main regulatory body is the Ministry of Labour and Employment.

Table 2. Labor law measures to support the economy and business in India in the context of the COVID-19 pandemic

Application sphere	Support measures
Filing the Unified Annual Return	The deadline for filing the Unified Annual Return for 2019 was extended to April 30, 2020
Wages	Enterprises and companies are prohibited from reducing the wages of employees
Corporate services	Enterprises and companies are prohibited from terminating the services of their employees
ESI contribution and payment	The deadlines for filing and paying the ESI contribution were extended
Contribution to the Employee Provident Fund Organization (EPFO)	<p>The Government of India will make an employer's contribution (on behalf of companies) and an employee's contribution (on behalf of employees of those companies) to the Employee Provident Fund Organization (EPFO) over the next three months for establishments with up to 100 employees meeting certain basic salary thresholds</p> <p>All EPFO members (employees) can now withdraw up to 75% of their total EPFO fund, or the equivalent of three months of their salary, whichever is lower. The amount withdrawn from EPFO is non-refundable, and the employees do not need to return it to their EPFO account</p>
Remote work	Enterprises and companies in India must implement remote work as a temporary measure. To confirm this, Indian subsidiaries must voluntarily send the remote work information to the MCA web portal

Source: (Robyn, 2020).

The dynamics of employment and unemployment in India during the quarantine period were very uneven in some months (Figure 3). It should be noted that before the introduction of the restrictive regime, the average unemployment rate in India fluctuated between 7–8% monthly in 2019 until March 2020 when the quarantine was introduced.



Source: India Unemployment Rate, 2020. <https://tradingeconomics.com/india/unemployment-rate>

Figure 3. Dynamics of unemployment in India (2019–2020)

After the quarantine was imposed on March 24, the unemployment rate in April was 23.5% due to the fact that many enterprises, especially medium and small ones, resumed operations and dismissed employees. First and foremost, this applies to seasonal and temporary workers. The extension of the quarantine until the end of May 2020, left this level unchanged, as there were no hiring or additional layoffs. At the same time, the ratio of urban and rural areas to the growth of unemployment was uneven: the unemployment rate in urban areas in April-May 2020, reached 25.8%, while in rural areas it was 22.5%.

The gradual lifting of the ban on the activities of service companies, as well as in the sphere of trade and small businesses, led to a sharp drop in the unemployment rate to almost pre-quarantine levels – in June, the unemployment rate was 11%. At the same time, the structural differences in the unemployment rate between urban and rural areas remained the same: the unemployment rate in urban areas dropped to 12.0% in June 2020, and in rural areas – to 10.5%.

Finally, it should be noted that in the process of preparing anti-crisis measures in response to the inevitable worsening of the situation after the introduction of quarantine, special measures were also developed within the framework of bankruptcy legislation. In particular, according to the announcement with regard to the “Insolvency and Bankruptcy Code, 2016” (Insolvency and Bankruptcy Code, 2016), the default limit for initiating insolvency proceedings under the IBC is raised from INR 100,000 (\$1,300) to INR 10 million (\$130,000).

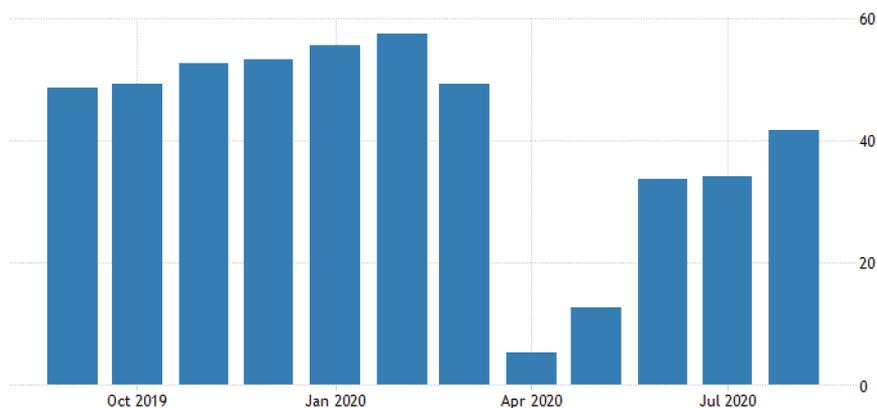
2. Economic consequences of quarantine and the first stage of lifting restrictions

Assessment of the dynamics of the basic socio-economic indicators of the country’s development during the period of strict quarantine and the subsequent gradual lifting of restrictions on the movement of people (mobility), production and business showed uneven and multidirectional changes in the main indicators.

The first sector of the economy most affected by quarantine, which has had a serious impact on the standards of living of a large part of the population of India, is the service sector. Figure 4 shows the dynamics of the IHS Markit India Services PMI since the beginning of 2020.

As shown in Figure 4, in April 2020, after the introduction of a complete nationwide prohibition of the activities of service companies, the IHS Markit India Services PMI dropped to a record low of 5.4%. This is the fourth most significant decline in activity in the service sector in almost 15 years of data collection.

At the same time, the situation before the pandemic was very optimistic. For example, the hospitality and tourism industry in the service sector “has emerged as the main driver of the service sector in India; it contributes 6.23% to National GDP and 8.78% of the total employment in India, contributing to significant economic growth” (Sharma & Sharma, 2019, p. 25).



Source: India Services PMI, 2020. <https://tradingeconomics.com/india/services-pmi>

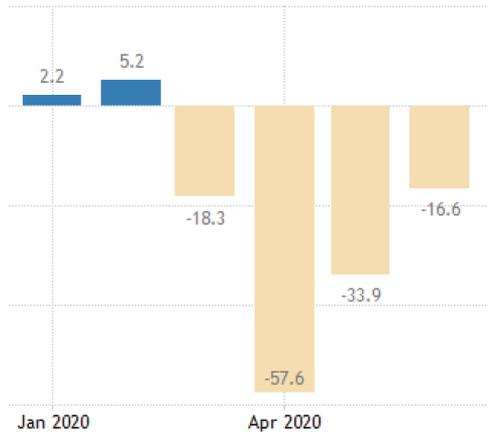
Figure 4. Dynamics of the IHS Markit India Services PMI (2019–2020)

Thus, until March 2020, the service sector in India grew at the fastest pace in the last 7 years, reaching 57.5% in February 2020. This was the highest growth rate in the sector since January 2013. This growth was supported by an increase in exports and, consequently, an increase in new orders. However, the development of the pandemic and the introduction of quarantine led to a sharp (9 times) drop in the IHS Markit India Services PMI, which changed business sentiment to negative, led to suspension and termination of a number of major projects, as well as a reduction in the supply of new services. Hence, the need to remove restrictions on the activities of service companies became obvious.

The second most important area for the economy of India is the manufacturing industry. According to statistics, since March 2020, India's industrial production dropped by 23.5% compared to February 2020, after a slight increase in January 2020. The introduction of quarantine on March 24 practically "crashed" the country's industry — in April, the decline in industrial production was 57.6%. However, in May and June, due to work permits for the country's most important enterprises (including textiles), the rate of the decline was reduced to 33.9% in May and 16.6% in June. As for the industrial sector, production in the manufacturing industry decreased by 17.1%, in the mining industry — by 19.8%, and electricity supply — by 10.0%. From April to June, industrial production as a whole fell by 35.9% (Figure 5).

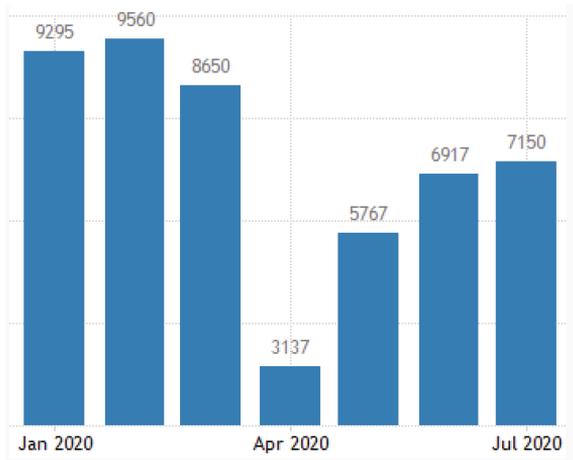
Steel production in India is an example of companies that have quickly restored production. After a sharp reduction in April 2020 (almost 3 times), production growth was achieved in May, and by July it almost reached the level of March 2020 (Figure 6).

As for the general characteristics of the dynamics of input prices, the prices of raw materials continued to decline throughout the entire period of isolation, that is why output costs also decreased. However, production declined at a slightly faster pace because of low demand. In addition, the volume of new orders continued to fall significantly.



Source: India Industrial Production, 2020. <https://tradingeconomics.com/india/industrial-production>

Figure 5. Industrial production in India (2020, %)



Source: Steel Production in India, 2020. <https://tradingeconomics.com/india/steel-production>

Figure 6. Steel production in India (2020, tons)

In general, when analyzing the impact of exports on the situation in industry, it should be noted that since the beginning of the pandemic, exports decreased by 10.21%. The main items of the fall were: sales of petroleum products — by 51.54%, precious stones and jewelry — by 49.61%, leather and leather products — by 26.96%, artificial yarn and fabrics — by 23.33%, and total textiles — by 22.09%.

However, as already noted, the country’s trade balance improved during the quarantine period (see Figure 2). This was made possible because of the reduction in imports, which dropped by 28.40%. The main items of the reduction in imports were: purchases of coal, coke and briquettes — by 53.76%, equipment, electrical and non-electrical equipment —

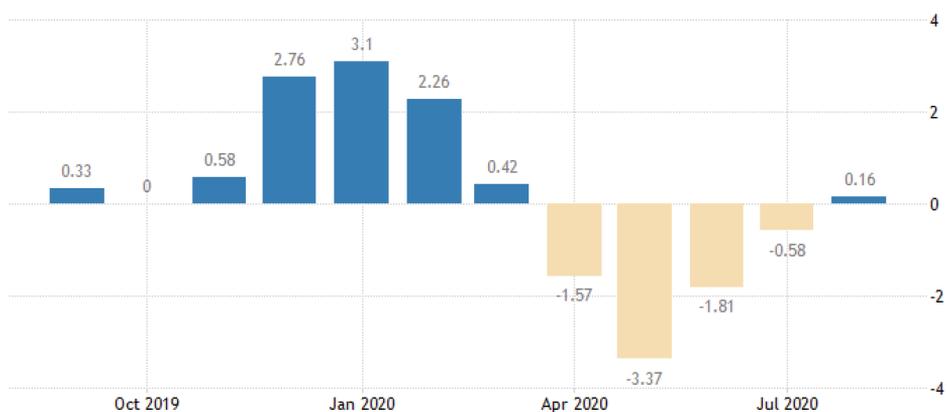
by 32.89%, oil, crude oil and products – by 31.97%, organic and inorganic chemistry products – by 12.22%, and electronic goods – by 4.31%. Overall, as previously noted, India's trade deficit narrowed to \$4.83 billion in July 2020, compared to \$9.68 billion in March 2020.

As for other significant economic indicators that characterize the stability of the financial and economic situation in the country, the inflation rate was higher than the Reserve Bank of India's medium-term target set earlier as a forecast for this period.

In July 2020, retail price inflation in India rose to 6.93% year-on-year and exceeded both market expectations (6.15%) and the Reserve Bank of India's target (4%). The indicator remained high due to the increase in food prices (9.62% against 8.72% in June), which occurred due to failures in supply chains.

Other groups of products that had a negative impact on price inflation were: personal hygiene products and personal items (growth by 13.65% per month), tobacco and intoxicants (12.35%), transport and communications (9.95%), housing payments (3.25%), clothing and footwear (2.91%), fuel and light (2.80%), other goods (6.95%).

As for wholesale prices, Figure 7 shows that, in general, during the 4 months of the quarantine, wholesale prices in India have always shown a drop – the largest happened in May 2020. In July, the rate of decline in wholesale prices was only 0.58%, which is due to a gradual recovery in production and business activity. At the same time, wholesale prices for fuel and electricity fell by 9.84%, which is lower than the June decline of 13.6%. At the same time, prices for food and industrial goods rose (4.08% in July against 2.04% in June, and 0.51% in July against 0.08% in June, respectively).

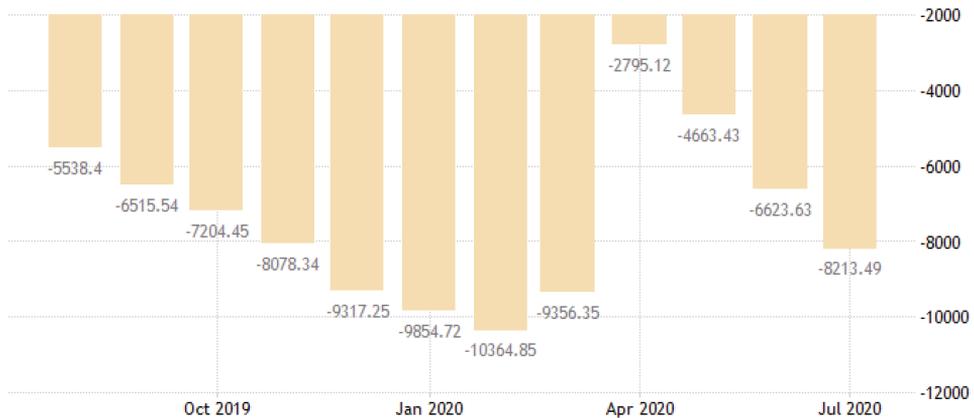


Source: India Wholesale Price Index Change, 2020. <https://tradingeconomics.com/india/producer-prices-change>

Figure 7. Dynamics of the wholesale prices in India (2019–2020)

Finally, an important indicator of the sustainability of a society is the indicator of budget security and budget deficit. In June 2020, India's budget deficit was INR 6.62 trillion, which is less than the average for the previous fiscal year (Figure 8). This amounts to 83.2% of the state budget estimate for the current fiscal year. The budget

deficit was caused by a 47% reduction in tax and other revenues (INR 1.535 trillion), which was caused by the crisis due to the coronavirus pandemic. At the same time, total expenditures increased by 13.1% (INR 8.16 trillion), which was also due to the anti-epidemic measures.



Source: India Central Government Budget Value, 2020. <https://tradingeconomics.com/india/government-budget-value>

Figure 8. Budget value of the central government of India (2019–2020)

3. The impact of urbanization on the effectiveness of COVID-19 control and the specifics of administrative regulation of measures to facilitate the isolation regime

The difficult socio-economic situation in the country, caused by the mass lockdown of enterprises, growing unemployment, and a sharp deterioration in the quality of life of the population, increasingly demanded an easing of the isolation regime and a gradual normalization of economic activity, especially granting of work permits to small family businesses and services. The problem of allowing people to move between cities and states has also become more acute.

In order to ease isolation, the government divided India's districts into three groups, depending on the spread of the virus — green, red, and orange. At the same time, the largest and most economically important cities, including Delhi, Mumbai, Bangalore, Chennai, and Ahmedabad, were marked as red zones and remained under strict isolation (Lockdown for 2 More Weeks, 2020).

Further developments followed the path of easing the isolation. On May 30, it was announced that isolation would be extended for the “red zones” until June 30, and restrictions for other areas would be lifted. Services would be resumed in stages starting from June 8. Prime Minister Modi explained that the isolation phase in the country had ended and that “unblocking” had begun (Lockdown phase over, 2020).

A total of 3 phases of unblocking were envisaged at the national level:

1) “Unlock 1.0” (June 1–30).

Since June 8, it was allowed to open hotels, restaurants, shopping centers, and religious places. Movement between states became available. Still, people were not allowed to organize meetings. The curfew was maintained from 10 pm to 5 am (Sharma & Ghosh, 2020).

2) The second phase of unlocking (Unlock 2.0) was announced for the period from July 1 to July 31 with lighter restrictions (Tiwary, 2020).

The main activities and business operations were allowed. Strict isolation measures remained only in several districts belonging to the “red zones.” The curfew was maintained from 10 pm to 5 am.

3) Unlock 3.0 was announced for August (Unlock 3.0 guidelines, 2020).

On August 5, gyms and yoga centers started to operate, and all trips between and within the states were allowed. The curfew was canceled.

However, the introduction of the quarantine measures and further gradual unblocking faced a number of problems related to the specifics of the urbanization process in India and the administrative management of cities. Experts believe that the counteraction to the spread of COVID-19 would be better if there were no peculiarities of city management (Randolph, 2020). The main problems of urbanization in India are reflected in the following processes.

The first feature is the extremely high dependence of the urban economy on seasonal migrants, who number about 100 million people. These people, often referred to as “long-distance passengers” in India, tend to work without contracts and receive a daily wage. During the pandemic and the closure of many businesses and activities, these day laborers were left without any income. Loss of earnings and uncertain job prospects forced millions of day laborers to leave the shelters where they had previously lived and go home on foot (traveling by train, as well as by bus, during the initial stages of the pandemic and the introduction of quarantine was completely prohibited).

At the same time, this huge seasonal migration is explained by the existing social security system in India, in which assistance programs are linked to the place of residence of people. This deprives poor people of many state subsidies when they move to cities. First of all, this applies to the state system of subsidized food rations, which are issued exactly at the place of residence. It should be noted that in the conditions of isolation and a sharp deterioration in the social situation of a huge mass of people, the authorities of Delhi and Rajasthan changed this subsidy procedure by their orders, and proof of residence under quarantine in these cities during the analyzed period is no longer a mandatory requirement for obtaining this benefit. Although this was a temporary measure during isolation, many politicians, sociologists, and human rights activists in India hope to change national legislation in this sphere. Recent research has proved that “Economic reforms have been not uniformly implemented because of the faulty national economic policy which has discouraged the growth of urban employment and is a cause for concern that requires political attention” (Sarkar, 2019, p. 1213).

The second feature of urbanization in India is extremely high population density, especially in poor areas. For example, in the Dharavi district of Mumbai, the population density is estimated by Indian experts to be more than 200,000 people per square kilometer (for comparison, the population density of Manhattan is about 27,000 people per square kilometer). Naturally, with such a population density, it is impossible to maintain social distance. This also led to a faster spread of COVID-19 in the surrounding slums.

Thirdly, the slums surrounding many Indian cities have virtually no basic urban sanitation and public infrastructure. “Rapid urbanization in India has been accompanied by an increase in population in urban slums and shanty towns, which are also very inadequately covered by basic amenities, including health services” (Gupta & Mondal, 2015, p. 192). Residents of such areas have to use public toilets and water from street pumps and shared taps. The catastrophic lack of water does not allow constant washing of hands, and the lack of disinfectants does not allow additional treatment. At the same time, hand washing and treatment is one of the main means of sanitary hygiene in COVID-19 conditions and prevents both personal infection and the spread of the disease.

Another major problem with the urban infrastructure system which contributes to the spread of COVID-19 is poor ventilation of buildings in Indian slums. At the same time, the lack of proper ventilation is one of the main factors of the high rate of various respiratory diseases among urban Indians.

One more factor affecting the spread of any respiratory diseases is high level of air pollution (one of the highest in the world). At the beginning of the pandemic, 21 of the 30 most polluted cities in the world were located in India.

Fourthly, as noted, India’s socio-economic policy is primarily focused on the rural poor, while “urban health has received relatively less focus compared with rural health in India, especially the health of the urban poor” (Gupta & Mondal, 2015, p. 192).

Residents of many cities, especially New Delhi and Lucknow, suffer from serious chronic diseases of the immune, respiratory and heart systems caused by systematic and long-term exposure to poor air quality in Indian cities. This, in turn, made people more vulnerable to COVID-19 and led to a massive spread of the virus.

Thus, the spread of COVID-19 has revealed a number of serious structural problems in Indian cities under the influence of uncontrolled and unregulated urbanization processes that need to be urgently addressed. COVID-19 has demonstrated the disastrous effects of slums on public health, as residents of such areas do not have enough basic sanitation to protect themselves. As a result, there are growing concerns that the infection could easily spread from slums to safer, affluent urban residential areas.

Conclusions

Indian authorities have worked out many acts to improve legislation and reduce the tension from the introduction of quarantine in the context of the COVID-19 pandemic. Measures taken by the Indian authorities in the sphere of corporate and tax law have helped to protect business and prevent bankruptcies of Indian enterprises. These support

measures have significantly improved the country's trade balance. The unemployment rate during the quarantine was rather high, but it decreased after the gradual lifting of the ban on business activities. Old legal acts, such as the Epidemic Diseases Act, 1897, which appeared during the time of British India, set out the basic principles of regulation in the event of an outbreak of dangerous diseases. Besides, Indian states are able to create local regulation and take any measures they need to limit the spread of the disease.

However, the fight against COVID-19 was not effective enough due to the specifics of the urban processes in Indian cities, as well as the peculiarities of the social security system. The country's complex social security system, according to which state aid programs are linked to a person's place of residence, caused a massive outflow of day laborers from cities to their official places of residence in rural areas, which accelerated the spread of the virus throughout the country and led to its penetration even in isolated villages. Thus, social legislation should be improved in India, and modern health legislation should be adopted.

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