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Global Crisis [COVID-19] and its Impact

KAVYASRI .S.J.

1) ABSTRACT

In the early December of 2019, a city in China named Wuhan was the first to experience the outbreak of the novel corona virus. It was first suspected that the reason of this disease had its origin or the etiology from bats. An extremely high rate of potential dissemination resulted in the global pandemic in 2020 becoming an emergency of international concern. In less than a few months there were several cases of Covid 19 reported worldwide reaching a pandemic level. Covid 19 has triggered human casualties and instigated serious global economic loss and it is high time that this disease should be contained to prevent any further damage. Currently various diagnostic kits are proven effective but the vaccine is not yet found. Several global institutions and companies have started doing a profound research to develop effective vaccines for the prevention of Covid 19. Government is also taking plausible and stringent measures for the welfare of the people and its state. Classical public health measures like quarantine, isolation, social distancing, sanitizing the surroundings and disinfecting surfaces, wearing masks; community containment can be used to curb the disease.

2) INTRODUCTION

Corona virus or the commonly known Covid 19 has toppled the lives of many individuals. The World Health Organization declared Covid 19 as a global pandemic ensued by the significant spread of the disease across the world. China was recorded as the first country to witness the outbreak of the virus and it started spreading rapidly from there. Older people are more vulnerable to the disease. It is said to be a SARS virus accompanied by symptoms like fever, breathlessness, cough, sore throat, chills, etc... These symptoms occur between a gap of 2 to 14 days and are contagious diseases. It can be easily spread by human contact even through respiratory droplets from the diseased person. The virus can cause severe respiratory illness like pneumonia and lung failure. Preventions are taken by the government to stop the spread of the disease and lockdown was imposed for the safety of the people. People are also requested to wear masks, sanitize regularly and follow social distancing. As the epidemic started spreading rapidly, Indian government is leaving no stone unturned to safeguard its citizens.

Covid 19 serves as an epidemic of a vicious disease that has spread across a large region affecting people worldwide. It has become one of the fatal diseases in the human history claiming lives of thousands of people. USA has the most confirmed cases in the world followed by Brazil and India. USA has confirmed around 143K deaths and the cases have surged upto 3.9 million (Diaz, 2021). Italy has witnessed the most cases of death due to Covid 19. Some of the earliest known cases of corona virus was found in Wuhan, China during early December of 2019.

The human toll was ratcheting up leading to the cancellation of many events worldwide. As the treatment or vaccine remained unknown, borders were shut,

travelling to countries was banned, schools, universities also had to close. Sporting events were cancelled, airlines, restaurants, movie theatres were shut down leaving many people with no income. Employees were either laid off or furloughed and made to work from home. Over 430 million enterprises are at risk of disruption globally leaving millions unemployed (Nearly half of global workforce at risk as job losses increase due to COVID-19: UN labour agency, 2020). There is a huge void left in case of employment, especially for daily wage workers. . Given the trajectory of this outbreak, governments across the world scaled up efforts to keep up with the pace of the rapid spreading cases. The detrimental effect of the disease has caused a great drop in the global economy. Identification of the pathogen is important to track down the appropriate treatment to control the pandemic.

3) GLOBAL PANDEMIC ISSUES AND CHALLENGES

Pandemics are outbreaks of infectious disease that causes an increase in morbidity and mortality causing a significant loss over the geographical areas in terms of economic and social disruption. It causes individual behavioural changes like fear induced repugnance to public places or gatherings. Depending on the type of pathogen and the spread of pandemic, optimal response strategies are prepared. The measures involved in mitigation of the pandemic can rupture the social and economic conditions of the state.

With the start of pandemic, a coordinated response is necessary along with public health awareness, maintenance of situational awareness and successful planning and response. Some important factors taken into concern during such times are Public health infrastructure, adequate resources, fundamental bureaucratic policies be formulation, mobilizing financial resources. Developed

countries have effective institutions and health sectors along with well managed economies which help in controlling the pandemic effectively. On the other hand under-developed countries suffer from political instability, poor administration and lack of resources in health sector leading to ineffective response system.

Asia alone accounts for over 85% of all the Covid 19 cases. The pandemic has turned over everyone's lives and leading the global economy into recession which may at the current rate may even lead to a stop in growth. Many remained unemployed and can barely afford a meal. Many countries resorted to lockdown confining millions staked in their homes, shutting down businesses and a huge load in the economy. It has left businesses around the globe counting costs and ruminating what the world would look like post the pandemic. According to International Monetary Fund [IMF] the global economy is expected to shrink by 3%, the steepest slowdown since the Great Depression of 1930's. An analysis further released by IMF revealed that a fall in external demand and growing expectations of fall in domestic demand as a result of recession in manufacturing output. Reports have stated that there will be a worse global financial crisis than that of 2009. Emerging and developed economies also tend to shrink due to the lockdown.

Global economies have rolled out support packages to improve the conditions midst the lockdown. India's economic stimulus package is about 10% of its GDP, Japan's is 21.1% followed by United States (13%) ,Sweden(12%),Germany(10.7%), France(9.3%), Spain (7.3%) and Italy (5.7%). Value of pensions and Individual Savings Accounts [ISA] are affected as a result of shift in stock market. In response, central banks at countries like United Kingdom siphoned off the interest rates. This encourages spending on the economy and boosts it making the borrowing cheaper.

Global industrial activity with respect to oil and gases are affected largely due to banning of travel. The travel industry was largely hit with airlines cutting flights and people cancelling their trips. Many countries banned travelling to contain the virus. Demand for oil and crude oil dried up due to the lockdown. Brent crude is the benchmark used by countries like Europe. Its price dropped below \$20 which is the lowest in the last 18 years.

Ensuing the lockdown in China, U.S and Europe the lockdown is affecting the demand of industrial metal. IMF has also reported a disruption in food chain supplies due to border delays, food security concerns, export restrictions has a great impact on the reduction of food prices by 2.6%. During the lockdown the price of vegetables, meat, fruits ,dairy products and all others hiked up adding to more difficulty of the people. This greatly affected the unemployed, daily wage workers, rural families and was mayhem for them.

The more the economy grows, the more is the wealth and the employment rate. Many people have lost their jobs as a result of the pandemic or incomes being cut due to the crisis. Unemployment rate have increased across the world. In U.S the proportion of people unemployed has not 10.4%. The rate of unemployment in India has reached 8.87% at the end of July. The urban unemployment has risen to 11.26% from 10.69% and the rural unemployment has reached 7.78% from 7.62% from the data of Centre for Monitoring Indian Economy (CMIE) (Online, Jobless rate rises again; more people to remain unemployed than pre-COVID level: CMIE, 2020). According to the Bank of America Securities India's GDP will contract upto 7.5% in FY21 (Fiscal Year 2021) if the vaccine for Covid 19 is delayed. Irca a domestic agency revised the GDP of India and reported that there will be a contraction in the current fiscal year to 9.5% from ,5% due to the continuous lockdown (Noronha, 2020). The epidemic has annihilated the world like no other crisis and it is predicted that

the global growth will rise to 5.8% next year only if the virus fades away in the second half of 2020 (Jones, Palumbo, & Brown, 2020).

A number of pharmaceutical are racing up to develop test potential drugs to bring things back to normal. Governments around the world are investing millions for developing the vaccine. The pandemic has disrupted the whole economy until any medical intervention or vaccine is available, no country is safe.

4) INDIA'S HEALTH CARE SYSTEM AND COVID 19

Public health care system organizes in activities that protect public health, tackle emergencies, prevent diseases and prolong life span of the public. It should assure public health infrastructure, promote healthy communities, protect environment and prevent spread of any disease or harmful hazards. It should also ensure proper food and water and must have basic facilities to fight down the outbreak of any infectious disease. India's public health care system has been efficient for the past 70 years and has endured many changes along the way. The government has introduced lot of schemes for the welfare of the people. Primary healthcare centres, community health centre and government hospitals are among the steps to promote public health care in India. India has had its equal share of drawbacks in the health care sector. Pandemics like covid 19 has proved that public health care system is crux of the society. It is the need of the hour that the government should focus on investing more in this sector so as to provide health coverage to all its citizens and cope up with the pandemic.

With the constantly changing scenario and getting adjusted with the new normal amidst the threatening world it is imperative that the government and the public should work together to bring up the situation. Social determinants of health and

economic issues must be dealt with a consensus on ethical principles – universalism, justice, dignity, security and human rights.

As the numbers of cases start to shoot up in India, patients find it difficult to get admitted in the hospitals that are allotted exclusively for the corona affected ones. With the capital New Delhi reporting over 1,000 cases a day, most hospitals are running at full capacity and beds are filling up fast. At present, with 8,500 hospital beds dedicated to COVID-19 treatment, the city had 17,712 active cases (29,943 cumulative); The total number of coronavirus cases in the western state of Maharashtra, home to the financial capital of Mumbai, has risen to 85,975, surpassing China's total tally of around 84,000 cases, while 3,060 deaths have been reported in the state; In Mumbai, alone, of the total bed capacity of 9,092 at dedicated hospitals, 8,570 beds or 94% are occupied. Of the 1,097 intensive care unit beds, 98% are occupied. Some 378 patients are on ventilators, while the total ventilator capacity in India's commercial hub is 442 (Kapoor, 2020).

According to the Global Health Security Index report, 2019 created based on the response to sudden outbreak of a pandemic and the ability to handle the crisis, India stands in the 54th position implying that it is more vulnerable to pandemic and is likely to experience high rate of mortality. Being a developing country India only invests 1.3% of GDP in the health sector while countries like Brazil invests 7.5% in health sector, Bhutan investing 3.6% and Bangladesh allocating 2.2%. Even developed nations spend a whopping amount in health sector to prevent damages like South Korea at 8.1%, Japan at 10.9% and United States at 8.5% from their GDP'S towards public health.

India is lacking health care workers and a report from the Health Ministry data from October revealed that the ratio of doctor to public is 1:11,082 while World Health Organization mandates the ratio to be 1:1000 (WHO, 2020). In rural

areas the ratio is 1:10,926 as per National Health Profile, 2019. According to the data from Organization for Economic Co-operation and Development available for India for 2017, India has 0.53 beds for 1,000 people compared with 0.87 in Bangladesh, 1.1 in Indonesia, 2.11 in Chile, 2.73 in Turkey, 1.38 in Mexico, 4.34 in China and 8.05 in Russia. In a recent study, the Center for Disease Dynamics, Economics & Policy (India) and Princeton University said the country currently has 713,986 beds, including 35,699 in intensive care units, and 17,850 ventilators for 1.3 billion people (Kapoor, 2020).

The government was frantic and imposed the first lockdown in March but it didn't seem to have worked out as expected. It failed miserably because no proper measures were taken. Transparency of government and the medical practitioners would help to make the situation better by the public having a clear view of what exactly is happening and regarding the policies formulated. Quarantine and isolation are the crux of cluster containment and is highly reiterated by the doctors for the safety of the people. The past weeks have recorded some downcast of people fleeing isolation wards in hospitals and hiding travel histories. This shows the public's trust deficit in the public health care system and the only way to regain it is by increasing the health care expenditure.

Also the faith in the system cannot emerge suddenly as a response to the pandemic and it has been difficult in India to make people realize the importance of quarantining as an effective method. India ranks the lowest in the world investing only 1.5% towards the health sector and around 52% urban households and 44% rural households use private health cares (Chatterje, 2020).

The treatment for Covid 19 is mostly taking place in government hospitals all over the country and patients are not satisfied. The hospitals lack funding, experienced doctors, well trained nurses and are not really hygienic unlike the

ones run by the rich and powerful. This does not change overnight. Amendments need to be made so that the public start building trust in the government for a healthy response.

5) IMPACT OF COVID 19 ON MENTAL HEALTH

Covid 19 has made the government impose a lockdown like never before leaving millions forced to stay at home. Many were either left unemployed or made to work from home for half the salary. Daily wage labourers had no means of employment and were left starving. Many people were left stranded at different countries or different states and were unable to reach home because of the ban in travel but later special arrangements were made to fly them back to India. All those who are stranded in other countries were brought back to India by the operation of Air India airlines. They helped in preparing special flights for evacuation purposes and due preventive measures were taken. Hundreds of Indian students were left stranded in Italy, Malaysia, United Kingdom, United States and Philippines amidst the lockdown were flown back. All these people were quarantined for a period of 2 weeks before sent home. There was a silver lining to this lockdown too which id people get to spend quality time with their family members and make up for the lost times. Many were made to stay away from home and were worried about their well-being.

The outbreak is leading to additional health problems like anxiety, fear, anger, loneliness, insomnia and symptoms of depression. The pandemic was unprecedented and undoubtedly has psychological impacts on the front line workers and health care workers. Measures to protect the mental health of these people should be enhanced during the outbreak by protecting and promoting their psychological well-being.

Depressive and anxiety symptoms have been reported in 16–28% of subjects screened and 8% self-reported stress which are common psychological responses to the pandemic (Rajkumar, 2020). Subsyndromal mental health responses are common to this outbreak. These affect both the public and the health care workers. The new normal of work from home, furlough, online schooling and lack of physical contact with friends and family can take time to get used to. Coping with the fear of contracting with the virus and worrying about dear ones who are vulnerable to the disease may greatly affect mental health. This is a challenging time for everyone so we have to keep ourselves safe and follow the rules to get back to normal. Anyone who is having mental troubles or someone we know has got some issues, we have to encourage them to seek for help and help them get better.

6) EFFECT OF LOCKDOWN ON MIGRANT WORKERS

Impact of lockdown has definitely affected the migrant workers. The step was taken for the welfare of people so as to prevent further infection but it left thousands jobless and starving. Migrant workers usually get paid for their daily work and as a result of this lockdown they aren't being paid. As the lockdown was imposed several inter-state migrant workers tried to return home but since all the public transport was suspended temporarily, they couldn't make it and decided to go on foot. Subsequently the Government made arrangement for people to return and operated few buses and trains.

More than 300 migrant workers died with reasons ranging from unemployment, starvation, exhaustion, accidents, suicides, police brutality and poor medical care. Due to unemployment many families suffered from starvation and the government decided to provide the poor with additional food grains free of cost.

This didn't work effectively as expected because the ration cards were area specific or they were inaccessible. Since many started to travel on foot due to lack of transportation in groups they were stopped by the cops at inter-state borders for violating the lockdown and were beaten up brutally. Some died of exhaustion and others by road accidents. Around 120 migrant workers were allegedly beaten up by the police in Gujarat for violating lockdown on 31 March, forcefully rounded up in a lorry and dropped in Maharashtra despite being wounded (Shantha, 2020).

The government launched Garib Kalyan Rojgar Abhiyaan to help migrant workers in India. It is a rural public scheme launched on June 20, 2020 targeting 116 districts in 6 states with an initial funding of Rs.50, 000 crore (PM Modi to launch mega Garib Kalyan .., 2020). Between May 1 and June 3, more than 58 lakh migrants were transported through specially operated trains and 41 lakh were transported by road. The central government on 28 March, authorized states to use funding from the State Disaster Response Fund to provide accommodation to travelling migrants and relief camps were set up along the highway with food, sanitization and medical facilities to ensure the safety of the migrants. On April 29, the Ministry of Home Affairs allowed states to provide special transport facilities for migrants. For the first time in March since the lockdown, Indian Railways resumed the transportation for passenger movement which existed only for a short period with the help of Shramik special trains. Around 58 lakh migrants were transported between May 1 and June 3(Iyer, 2020).

Finance Minister Nirmala Sitharaman announced a ₹1.7 lakh crore spending plan for the poor (Beniwal & Srivatsava, 2020). This consists of cash transfers to ensure food security and health measures. The finance minister announced on May 14, free food grains for migrant workers without ration card for a period of 2 months under the second tranche of Aatma Nirbhar Bharat Abhiyaan targeting

80 million of them. The same programme launched a scheme for affordable rental homes for migrant workers and urban poor. Some state governments like Bihar, Rajasthan and Madhya Pradesh announced one-time cash transfer for returning migrant workers while the Uttar Pradesh government announced an allowance of Rs. 1000 for returning migrants who are to be quarantined.

Supreme Court also ordered the state governments to submit the reports regarding the steps taken by the respective governments with respect to the migrant workers.

The court also made some other interim directions to the state governments for the migrant workers:

- to not charge the migrant workers with train or bus fare
- free provision of food by the respective states
- migrant workers be provided with free health screening
- make arrangements for the migrants to return to their home at the earliest safely

With increasing days of lockdown, it's a hardship for migrant workers as they face unemployment, starvation and uncertainty of the future. Government is also taking possible measures to help them out yet it turns out either ineffective or inaccessible. Government should ensure that the plan benefits the workers and their family and they should be provided with adequate health care and sanitization.

7) RELEVANCE OF EPIDEMIC DISEASE ACT, 1987 IN TODAY'S SCENARIO

The Epidemic Diseases Act, 1897 was enacted to tackle the bubonic plague in Mumbai. The law was meant to contain the epidemic by providing special powers for implementing the control measures. The law though does not give

power to the central to intervene in biological emergencies. Colonial era law was brought in due to the absence of any new legislation to control the pandemic. The act was implemented to control swine flu in Pune, cholera in Gujarat, malaria and dengue in Chandigarh (A 123-yr-old Act to combat coronavirus in India; experts say nothing wrong, 2020).

The Cabinet Secretary of India on March 11, 2020 announced that all states and union territories should invoke section 2 of the act due to the outbreak of pandemic (To combat coronavirus, India invokes provisions of colonial-era Epidemic Diseases Act: A look at what this means, 2020). Section 2 of the act empowers state governments and union territories to make special measures and prescribe regulations with respect to the pandemic. The colonial-period act includes protection for frontline workers combatting the disease and arms the central government with powers to formulate any rules for the welfare of the people and penalize those who violate the laws.

On April 22, 2020 the government announced a promulgation of an ordinance was made to the act and added a provision to punish those attacking the health care workers. It will be considered a cognizable and non-bailable offence which can extend upto 7 years of imprisonment for the offence along with twice the amount of fine for the damaged goods. The offence includes acts committed against any health care personnel like harassment, harm or danger to life, obstruction in carrying out duties, loss or damage to property; Property includes clinical units, quarantine wards and other health care services. This law gives added protection to all the medical professionals ensuring their safety so that they can work at ease at such a difficult situation with the disease spreading rapidly.

8) ROLE OF SOCIAL MEDIA IN COVID 19

Social media has indeed played great role in the Covid 19 outbreak. Since everyone were to stay at home, the only way to know news about the outside world and the improvement in condition was through social media. Social media kept reminding everyone about the updates and enforced the importance of quarantining. The lockdown may prove daunting but people stay connected through social media and inspire others to stay strong. On the other hand, since people only had few information rumours, misinformation and fake news started spreading around rapidly and incited panic among people. Medical misinformation and unverified news are circulating around and people find it difficult to distinguish facts from fake news. Mitigation of such rumors is very crucial with government using this platform to publish verified news to avoid any misunderstanding and clear people's queries directly.

Several governments across the world have taken steps to clear the air regarding verified news. It is important to provide people with verified news from authenticated sources. Social media serves as a platform for people to voice freely so the opinion of public keep changing constantly. These misinformations need attention for enhancing sentiment awareness, improving emergency responses and supporting decision making.

When rumours start circulating in the social media, people tend to panic and respond to such misinformation creating a chaos which may lead to panic purchase or trying harmful drugs. This epidemic pressurizes on healthcare and implementing effective approaches for public health through strong leadership by nations governing bodies. During such time lack of awareness, knowledge, preparedness would put public and health care workers at risk. The health-threatening rumors are spreading faster than the disease thus delivery of

accurate and reliable information need to be addressed at the earliest is important. Social media is a boom and bane at the same time during the pandemic but if used prudently social media can serve as a powerful tool to promote and encourage the well-being of people.

9) APPLICABILITY AND INTERPRETATION OF CHANGE IN LAW DUE TO COVID 19 PANDEMIC


In 2020, WHO declared that the COVID-19 pandemic had reached the level of global pandemic. The organization warned that the disease's severity and spread were alarming. It urged governments to take the necessary actions to prevent the virus spread. With the pandemic there came a lot of changes, it didn't leave the arena of law untouched either. There were some significant changes in law due to the Covid – 19 pandemic.

Change in law clauses are typically considered more useful than force majeure in certain contracts. Change in law generally enables contractors to bear the increased costs due to changes in the law, while customers can bear lower service costs. According to the definition, the government action in the force majeure clause may be the same or different from the change in law clause. Even if they are the same, the **result may be different**, and the force majeure clause can include the result and the cause. In the case of force majeure, it is sufficient if the performance of the obligation is blocked or delayed. Changes in the law require additional work or delays in completion, not just prevent or delay obligations (Boggs, 2020).

Force majeure is just an excuse for non-performance or delay in performance of related obligations. It can prevent the affected party from claiming breach of

contract and claiming lump-sum compensation or other compensation. The change in the law only gives the relevant parties the right to claim increased service costs and extend the completion date, and cannot be used as an excuse for delaying the performance of other obligations (Sanjanwala & Bakliwal, 2020).

Force majeure clauses apply to blocked or delayed services, while change in law applies to services that are more or less expensive and delays completion. Change in law clauses usually stipulate that one party (or in some cases both parties) providing goods or services under the contract can offset the increase in contract performance costs due to legal changes. This is very different from force majeure, especially when we lift the blockade, because the party invoking the amendment has the right to obtain economic relief from the increase in costs caused by changes in the law that affects its contract, not just for non-compliance with contractual obligations. An important question about COVID-19 situation is whether the contract includes government guidance as part of the definition under change in law or not.



Not all legislative changes are entitled to fee reductions or reimbursements. Likewise, the terms of the applicable contract must be carefully considered, as other terms may apply (Change of Law - Checklist and Sample Wording, 2021). It is also necessary to note that in order to benefit from changes in the legislation of the contract, there must be a causal relationship between the changes in the legislation and the adverse effects on the parties. In principle, only when the change of the law directly affects the services or other obligations of the party in the respective contract, a party is entitled to economic relief.

9.1) Contract law

The legal profession is no exception to this epidemic, and in the last couple of months, much has been affected for commercial contracts and corporate transactions. There have been many arguments against the applicability of Act of God, frustration, and force majeure.

A “change in law” clause is an added feature to a contract that aims to offset the encumbrances that arise due to a different country's legislation or legal framework at the time of signing the agreement. In such cases, the burdened party can seek compensation from the contracting party. This compensation is usually made to the extent that the economic position of the party has changed due to the change in law. Costs associated with implementing or enforcing existing laws and regulations are also expected to be included in the prices of any contract. If the change in law makes it impossible for the parties to perform their contract, then the contract can be terminated (Principle - No. VI.1 - Termination of contract in case of fundamental non-performance, n.d.).

9.2) ‘Change in Law’ as a Remedy in Covid Time

The government started to issue orders and imposed curfews to contain the spread of the virus. This led to a nation-wide lockdown. If the change in law makes it impossible for the parties to perform their contract, then the contract can be terminated. In view of the supply chain disruption caused by the pandemic, services under many contracts are likely to be delayed, interrupted or even cancelled (Dabo Guan, 2020). Parties to such contracts try to delay or avoid fulfilling their duties and contractual obligations, and also try to terminate the contract. This is because COVID19 legally prevents them from fulfilling their contractual obligations, or because they want to get rid of unfavorable transactions. Companies may not be able to perform their contractual obligations under customer contracts due to supplier failure and may seek to delay or evade from their liability, or terminate the contract. Parties may also

cite COVID19 as a basis for renegotiating prices or other significant contractual arrangements. Thus, it is crucial to determine whether COVID19 should be considered a “force majeure” or as an induced force majeure event.

Force majeure events usually include natural disasters, wars or war-like situations, industrial disturbances or strikes, act of god, epidemics, etc. The purpose of the force majeure clause is to protect the executor from the consequences that it obtains without control. Force majeure is an exception for breach of contract. Whether contractual obligations can be exempted due to force majeure is determined based on the facts of specific contract conditions (Rochefort & McRoskey, 2020). The result of invoking such force majeure may vary with parties. Some contracts may provide for immediate termination of the contract upon the happening of the force majeure event or put the contract on hold until the force majeure event is resolved. Some contracts may provide for limitations in time but if the event prolongs, either party may terminate the agreement with written notice to the other while others may allow for certain obligations to be suspended.

Most contracts have a force majeure clause that releases one or both parties from their obligations if they are unable to perform due to a major and unforeseen event beyond their control like tsunami, flood, earthquake, war, etc. including COVID-19. Force majeure may specifically include cases of epidemic and pandemic, order from government or just merely mention “any other circumstance beyond the control of the parties which they cannot overcome through reasonable and diligent efforts.” In such instances, parties to the contract will be exempted to perform their obligations provided the uncertain event makes it impossible to actually perform the contract and not merely difficult to fulfill. Provided, the party invoking force majeure is obliged to prove that he has made all reasonable efforts to avoid or mitigate the event and its impact, and also deliver a notice of same to counterparty.

Conditions to be fulfilled to invoke force majeure:

- (1) An unexpected intervening event occurred
- (2) The parties' agreement assumed such an event would not occur
- (3) The unexpected event made contractual performance impossible or impracticable (Boehning, et al., 2020).

Courts are more likely to reject a claim under force majeure if the terms of the contract doesn't have one. However, if the event is unpredictable, the court will still determine whether the "non-occurrence" of the disputed event is a "basic assumption". In the absence of a force majeure clause, another popular alternative is the doctrine of frustration. This principle is similar to the impractical and impossible way of working, but focuses on whether the relevant event violates the purpose of the contract, rather than whether it makes the performance of a party's contract impossible. There are two main conditions to avail this defense. First of all, the court gave a broad interpretation of the parties' "purposes." The fact that events prevent the parties from using the agreement in the expected manner may not be enough. Second, the frustration must be close to completion. It is not sufficient that the transaction was profitable before but is unprofitable now. Restitution is also a remedy in rare cases.

In most cases, force majeure can be rejected if the contract is not deemed a hardship or long term contract. Changing the law can be invoked to avoid triggering force majeure. This can be done even if the plaintiff does not qualify for the contractual terms. Changing the law does not qualify a contract for force majeure. For most contracts, however, emergency situations or lockdowns can invalidate many agreements. In addition, even grounds like frustration and impossibility may fail in the case of essential services that have not yet been

shut down by the government but have become more difficult due to control measures to restrain the spread of virus. While a “law change” cannot strip the aggrieved party of its contractual obligations, it can provide generous relief that makes the contract sustainable in the long run. Like force majeure, the applicability of a “change of law” depends on the terms of a contract drafted by both parties. However, force majeure provisions do not usually cover an epidemic situation, most amendments to the law are worded sufficiently broad to be able to invoke current notices and changes to policy.

For many years, complex IT service and outsourcing contracts have used these terms to solve problems such as failures or service interruptions caused by cyber-attacks and other IT software. Here, parties usually agree on a framework for providing replacement services, alternative performance locations, recovery time targets, and in some cases applicable price adjustments. This method used for complex IT and other outsourcing agreements can be used as a framework and be adjusted in new contracts if necessary to develop alternative performance or contractual obligation clauses for other industries and also to address the consequences of COVID19 and government action management contracts fulfillment (Finkel, Trenor, & Soiffer, 2020).

Due to the quarantine measures imposed by the Chinese government, the Wuhan Department's workforce was unable to come to work and as a result, the Wuhan Department is unable to provide alpha parts for the supply chain link (COVID-19, 2020). Alpha parts are highly sophisticated and curated with precision specifically to a client. The supply chain link cannot overcome the problems posed by quarantine, and its effect on the manufacturer, so he is exempted from performance under force majeure.

All relevant members at the consulting firm are EU nationals who, due to the recent US travel ban, are unable to be at the client's location physically.

However, the consulting firm may collect all the data necessary to make its recommendations and communicate remotely using virtual modes. The consulting firm can overcome the impediment by making reasonable efforts so that force majeure circumstances do not apply. Here, the uncertain event makes the threshold of performance difficult but not impossible, so force majeure does not apply and no obligations can be exempted.

A party may be exempt from performing under other legal doctrines, depending on the law applicable to the contract like frustration of purpose or commercial impracticability, and in civil law jurisdictions, doctrines like hardship and changed circumstances come to rescue. In countries like France, Switzerland, Netherlands and Germany, doctrines such as hardship, unforeseeability and fundamental change in circumstances may compel the parties to rewrite the terms or make adjustments to their contract and may authorize a court or arbitral tribunal to do so if the parties are unable to agree (Alert, 2020). These doctrines do not require impossibility rather extreme change in fundamental position of parties.

In India, the concept of force majeure originated in the Indian Contract Law ("Act") of 1872. If it is an express or implied clause in the contract, Chapter 3 on contingent contracts, especially Section 32, applies. Force majeure events that occur from the contract shall be handled in accordance with the active legal norms in Article 56 of the law. Article 56 of the law deals with consent to actions that are impossible or actions that subsequently become impossible or illegal. A careful study of the court's handling of force majeure shows that there is no binding principle in terms of the applicability of the concept of force majeure to rescue one party from contract performance. There has been a number of judgments given by High court and Supreme Court for impossibility of performance of contract due to Covid 19 depending on the facts of the case.

In Indian law, force majeure clause is not implied. It must be clearly stated in the contract that the protection granted depends on the language of the clause used in contract. In disputes over the scope of the terms, the court is likely to apply normal contract interpretation principles.

If the contract does not contain a force majeure clause, the affected party can seek a remedy in accordance with the frustration principle in Section 56 of the Indian Contract Act of 1872. However, in order to claim the frustration of the contract, it must be proved that the performance of the contractual obligations has become impossible due to events that the claimant cannot avoid, and cannot be caused by the claimant himself or his reasons of negligence.

The idea of restitution in Article 65 of the Contract Law is also important with respect to frustration of contracts. Article 65 stipulates that if an agreement is found to be invalid, the person who has benefited from such an agreement must restore the benefit or provide compensation for the same. Therefore, one of the consequences of the frustration of the contract is restitution, which puts the parties in the same position as if the contract was never executed.

Legal Research

9.3 Consumer law

A large number of consumer problems surmounted owing to the pandemic like delay in delivery, prepayment, refund of payments, monthly installments, etc. According to a research, Consumer debt and Consumers seeking refunds for cancelled travel bookings and events are two main listed problems faced by consumers during the onset of pandemic.

Moratoria (temporary suspension of activity) on consumer credit and/or rent obligations have been introduced, and the idea of debt jubilees has been raised. Travel companies strive to compensate for many cancellations in a timely manner, and sometimes try to provide consumers with coupons or points instead of refunds to support their own liquidity and ensure their survival. The applicability of a force majeure provision is contract-specific. Legal rules on *force majeure* or doctrine of frustration set a very high bar for invoking them and are not typically applicable during the pandemic for consumers as they mostly only face an onerous challenge to fulfill obligations and not extreme impossibility. Sometime the contract can be renegotiated by parties or with help of court but there is little guidance as to what renegotiated contract terms shall be given for COVID-19-induced change of circumstances.

The clause “rebus sic stantibus” is in international conventions (international agreements or treaties) that provides for the unenforceability of a treaty due to fundamentally changed circumstances was also affected due to the pandemic. Many countries have sought some plausible legal remedies. Germany has introduced moratoria on consumer debts, South Africa has introduced restrictions on the enforcement of debts. In the United Kingdom (UK), the Financial Conduct Authority (FCA) achieved similar results, and the agency refined its rules (Richard Alderman, 2020). Belgium and Italy have enacted laws that allow the issuance of vouchers for cancelled holidays and tours under specific conditions. The duration of the suspension is usually between three to six months. However, there is still uncertainty regarding the consequences of the suspension and what will happen when it ends. The European Legal Institute has begun to define principles in response to the Covid19 crisis, in which principle 12 states on the suspension of periodic payments and principle 13 on force majeure.

A situation of social force majeure has arisen in the recent times due to unemployment or covid infection. In the case of consumer leasing, a fair reduction may be caused as the tenant losing their job or having to accept a salary cut due to partial unemployment related to the COVID19 measures. Many jurisdictions have responded to the so-called “moratoria” proposal, suspending or delaying consumers’ credit payment obligations for three to six months like the following:

1. Act of 20 May [2020](#) on Consumer Credit, to Help Borrowers Combat the Crisis Caused by the Coronavirus (Belgium)
2. Act to Mitigate the Consequences of the COVID-19 Pandemic under Civil, Insolvency and Criminal Procedure (Germany)
3. Royal Decree-Law on Urgent Special Measures To Tackle the Economic and Social Impact of COVID-19 (Spain)
4. Ordonnance COVID-19 bail à loyer et bail à ferme (Switzerland)
5. A moratorium on payment of federally backed student loans for 180 days, but no rules on private student loans (CARES Act, sec. 4022 in USA).
6. England and Wales have suspended ownership actions for private rentals for 3 months (Coronavirus Act 2020, s.81 and Addendum 29) but there is no moratorium on rent payments (Richard Alderman, 2020).

Although these changes are presented to consumers as viable options, the contractual conditions for the suspension of payment under EU law may be challenged by unfairness test (Directive 93/13/EEC, Article 3, paragraph 1). However, if such contract terms affect the loan amount (as the main subject)

and interest (as the price), then such contract terms can be classified as part of the contract by the national courts. In this case, if the terms of the contract meet the so-called transparency requirements, they will be excluded from unfair inspections.

10) **CONCLUSION**

The global crisis has impacted each and every household affecting them in one way or the other. One thing we can learn from the COVID-19 impact on consumers is that many of our old consumer protection standards are inadequate to deal with the current situations that customers encounter all around the world. Focus on moratoria and refunds demonstrates that national governments and regulators are grappling with comparable issues while experimenting with diverse approaches to overcome them. The fast adoption of new laws frequently lacks a clear logical foundation, and the consequences of these measures, once lifted, are frequently ignored.

The health system is also under improvement to render the needs of the people. It is necessary that people stay strong and follow the norms to get back to normalcy. Until then, we must cooperate with the government and health care workers so that they can work at ease. This lockdown has its own silver lining but is still a challenging time. So let's hope for the best and stay connected with our loved ones during the crisis.

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