

Impact of Covid-19 on Rural Economy

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Abstract

Due to COVID-19, lockdown have imposed across the whole country for which huge number of migrants' labours return back to their native villages. And this causes a tremendous burden on rural economy. The study offers insights on the plight of migrant labourers and impact of COVID-19 on rural economy in India. Crowds of migrants returning to rural areas creates a worsening of socio-economic condition and also spreading of the disease in the rural areas as still there is not so much cases are detected in the village areas. There are high chances for propagating fake news and the deficiency of state mechanisms to mitigate COVID-19, this will trigger high proximity for spreading. The increased pressures on nature in rural areas are expected to persist until governments are able to refocus on conservation.

Keywords: COVID-19, Migrants' Labour, Rural Economy.

Introduction

At this hour, the world is in the grips of a global pandemic the like of which has never been seen before. The COVID-19 that has covered through countries and continents has caused indescribable human suffering, social disorder and economic damage. But while the spread of the current crisis is unprecedented, the new coronavirus follows a number of diseases that have emerged in recent decades, such as SARS, AIDS, avian influenza, Ebola, and swine flu. The present situation shows that all of these originated in animals and it proves that humanity's overexploitation of nature are one of the factors behind the spread of these new diseases. Human health is linked to Nature, from the intrinsic mechanisms through which ecosystems regulate the body mechanism. But in our level of destruction of earth's natural resources, we are reducing our resilience to new diseases.

Now it is proved that many recent outbreaks have originated in the earth from a mix of wild and domestic mammals, birds and reptiles, creating the conditions for the development of old and new zoonosis and infectious diseases that can be transmitted from animals to humans. Overexploitation of habitat and loss of wildlife, climate change are main factors in the disease boom, and they affect human health in three ways: a) Increase transmission pathways from wildlife to humans. b) Disturbance to balance ecosystems and its biodiversity. c) Falling people's ability to survive. Several observations have shown the direct connection between time spent in nature and healthy populations both mentally and physically.

Aim of the Study

To study different impact of COVID-19 pandemic on Rural economy.

Nature and Rural economy

In rural areas, the people depend mainly on nature for food and support livelihoods through hunting, fishing, farming etc. Cities are the economic centres and their financial distress reflects on the rural side also. People who moved to cities and have now lost their employment and income opportunities due to lockdown are now returning to their native villages further increasing the pressure on natural resources and also increasing the risk of COVID-19 transmission to rural areas. These increased pressures on nature and rural areas are expected to persist until governments are able to refocus on conservation.

Migrant's labourers

Migrant's labourers are the main toms of growth from years which have been working day and night for the economic success of any region across the globe. But on the other side, they have faced most miserable life and are the most vulnerable and have no social security. And now the reverse migration of migrant workers from urban to rural areas will have a significant impact on the demography, society and economy of rural

India. Migrant workers are mostly small farmers in the past years and left agriculture and moved to urban areas for better economic opportunities. This forced reverse migration amid agricultural crisis poses a big threat on people to fall into miserable poverty. The present study shows the impact of reverse migration on rural economy and rural society.

The coronavirus pandemic has started a huge reverse migration from the urban to rural areas in most parts of the country. The highways are filled with hundreds of thousands of labourers trooping back to their native villages to find some warmth and empathy (Dandekar and Ghai, 2020). Pradhan Mantri Garib Kalyan Yojana (PMGKY) scheme, the special economic package, etc. tried to take care of the economy and the poorest among the poor but effective implementation of this scheme poses a big trial (Jha 2020). For the effective implementation of this scheme the governance related issues are very important (Singh, 2020).

The study observed that COVID-19 will have both short and long-term effect on the rural economy in India. In the short-run, the health sector is affected and the mortality rate will be high and also degradation of economic welfare like poverty, unemployment, illiteracy etc.

In the long-run it would disturb physical and human capital. Due to less no of testing COVID-19 cases will result in the community spread of the novel virus. The migration will create surplus burden on the agriculture and rural economy which will result in a significant number of people will go for miserable poverty.

Health Set-up in India

Current Indian healthcare infrastructure raises serious concern about the ability of the Indian health system to tackle the serious situation. In India at present all the COVID-19 positive cases are transferred to government hospitals because private healthcare is expensive and inaccessible for the majority of peoples. In Assam, temporarily new COVID hospitals are formed in some field areas. More beds are added to the existing hospitals and also promote some healthcare to COVID hospitals. For critical COVID-19 patients,

We require healthcare facilities such as intensive care units (ICU) and ventilators. So, there is a question can India able to stand in terms of health infrastructure to fight the novel virus. In India, the healthcare indicators such as hospital beds (0.7), physicians (0.7256) and nurses (1.3757) per 1000 population (Singh, 2020) are below than the majorly affected countries from the novel virus. The maximum European countries are badly affected and the death toll in the USA is almost 100 thousand and more than 1 million people are affected by the virus.

Status of Agriculture in India

India is an agricultural country. It is the country of villages, where the major population lives in rural areas. Agriculture is the major source of livelihood of the peoples. In the past few decades, there is a huge migration from rural to urban areas due to farm condition. India is the fifth-largest economy in the world in terms of purchasing power

parity but on the other hand the mass population in the country lives in miserable poverty. Irrespective of development from the IT sector in the past two decades, the condition of agriculture sector is remained a major source of livelihood for the majority of the people.

Rise of Rural Unemployment and Poverty:

Due to the reverse migration the producer price of crops will fall and this will reduce farm wages and income. Again, due to low production and advertisement of food articles, the prices of food items will rise which will directly affect poor people. Reverse migration causes fall in producer price and increasing pressure on the agricultural sector will lead to an increase in rural unemployment and poverty.

This is the peak flowering season when the demand is also high. Many small flower farmers in Assam (Hajo) cultivate flowers as a livelihood. But due to no selling of flower for banning of opening of religious places they have to face tremendous pressure for survival.

The countrywide lockdown halted interstate transportation excluding passage of essential goods. The disturbance in the supply chain of products made farmers' life worse and resulted in financial implications. The poultry farming industry in Assam also got a setback after fake news circulated that the virus will spread through animals. Traditionally, this is the best time for brands such as seeds, tractors, supplementary support, medicines for crop protection and to market their products to the farmers. But the impact of COVID-19 is the delay in sowing and harvesting of crops due to the unavailability of products. Even the e-commerce brands in agriculture have been impacted as the transportation of these products have stopped.

And also harvest of plantation crops in Kerala and Tamil Nadu has been similarly late, affecting the farmers and farm labour. Agriculture labourers are not able to go to paddy field due to absence of transport. The Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS) has also stopped due to pandemic.

Tribal communities and rural economy

Tribal communities are mostly inhabitants of fringe forest people and are dependent on forest produce for livelihood. They are the most vulnerable in terms of food and nutrition security as seen in nationwide figures. In Assam the production of silk is hampered due to the silkworm cultivation. Due to lockdown, all the services are stopped regarding the rearing of silkworms. Selling of silk clothes is stopped which affect the tribal people for which silkworm rearing is the major livelihood. They have been badly affected by the lockdown, with no collection agents coming and markets closed. It is also reported that market agents are charging high per cent interest for advance credit in some states but farmers are unable to repay due to disturbance of the stock chain.

Conclusion

This migration of labour to their native villages in rural India should be taken as an opportunity to upgrade our rural infrastructure. They have already done different types of works in the city

areas. Their expertise can be used as a tool for the development of rural areas. Govt can involve them in different projects of MSME to improve the rural employment and poverty.

The final and most important step to improve the rural economy is a joined policy package which considers the entire rural situation holistically. Agriculture is certainly the primary engine of the rural economy, but also need to look at non-farm sectors like handicrafts, handlooms, and rural self-help group to reveal the full potential of employment and income generation.

Prime Minister Narendra Modi announced a mega 20 lakh crore rupees package for the Indian economy on 12th May 2020 for future challenges and policy options. The current package is sweeping of the past package. The target of the package is to provide needs of cottage industries, MSMEs, rural labourers which are mainly the land, labour, liquidity and laws which will help the rural economy to rise in level.

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