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RESEARCH ARTICLE

PANDEMIC COVID-19 AND RURAL ECONOMY OF INDIA

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ABSTRACT

COVID-19 is a popular term to the present day world. It has got attention of the entire world due to its deadly character. Our day to day life has been totally disrupted due to the outbreak of COVID-19. We have become bound to stay at home. Industries, transportation, hotel, restaurant, offices, schools, colleges, universities, domestic house-keeping, shops –all are closed due to the announcement of lockdown. Even at the phase of unlock many of them could not be in their pre-COVID position due to extreme fear of being infected. Rural economy of India has been suffering a lot. Livelihood of a considerable proportion of rural people of India has been experiencing a miserable condition during this crisis period. Since the recent past many vocational courses have been advocated for the benefit of growing educated unemployed people. Here also we find the training of sharing the available opportunities. There does not exist any attempt to create further employment opportunities. Rather an effort is being made to hide the failure of creating employment opportunities. It is hard to believe that the proponents of vocational courses are unable to foresee the possibility that these institutes providing education of vocational courses would suffer from dearth of students in near future. Why do they deceive then? In the era of Globalization the only idea that has occupied our mind is that we should go for producing those commodities, which are enjoying competitive advantage in the global market. It is never taken into consideration that Regional Economic Development may act as engine of acquiring comparative advantage over the others. Nowhere it is recognized that either an existing activity or to be explored activities based on available resources even in remote rural areas may acquire competitive advantage in the world market if they are taken care of. Now time has come to consider this possibility to make India self-reliant through the implementation of decentralized planning. Section-I of this present paper seeks to analyze the state of rural sector of the economy before the outbreak of Covid-19. Section-II deals with the effects of COVID-19 on various spheres of rural economy of India. Section-III incorporates measures or steps that can mitigate the problems during this pandemic period as well as in post-COVID era and finally Section-IV includes conclusion.

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INTRODUCTION

The rural economy of India is characterized by predominance of Agriculture, high rate of population growth, existence of seasonal and disguised unemployment, inequality in income distribution, poverty, and unemployment and under employment, limited availability of education and health care facilities and limited access of poor people there, absence of social security and so on. The list may include innumerable items all of which produces a lower standard of living. As per the World Bank Report 2019 percentage of population living in rural areas in India stands at 65.53 and out of the total rural population 64.69 % are engaged in Agriculture. 25.7 % of rural population is living below poverty line.

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The root cause of poverty and inequality in income distribution is the absence of sustainable source of income. The extent and gravity of the problems demanded policy intervention since the starting of planned economic development in India. Planned economic development has been started in India since 1951 through adoption of Five Year Plans. During the earlier phase of planned economic development we do not find any exclusive policy on employment generation. At the later part of 1970s Wage Employment Programmes and Self-Employment Programmes were introduced for generating employment. Wage Employment Programmes basically aim at making opportunities of employment available to poor unemployed persons. On the other hand Self-Employment Programmes aim at extending credit cum subsidy or training facilities to the rural unemployed people. During a long history of thirty two years so many projects, entitled as either 'Yojana' or 'Programme' or 'Scheme', have been introduced for generating Self-Employment or Wage Employment.

The number of projects has been keeping pace with the continuously growing unemployment. Government deserves a high credit at least in respect of variety in entitling the projects. Some may argue that even in the event of rapid population growth government has been trying its level best to mitigate the problem of unemployment. But government can not deny the failure of taking due care of the problem. There are sufficient reasons to have failure in Self-Employment Programmes. A Self-Employment Programme becomes successful when it is applied to a sustainable enterprise and therefore it is necessary to find a sustainable enterprise. Sustainability of an enterprise again depends on the existence of sustained market demand. Hence an enterprise without sustained market is bound to collapse despite the availability of credit cum subsidy or training. It has been happening in majority of the cases. As a way out we can think of materializing projects with effective employment potential under government initiative through extracting locally available resources. It would have been much better if money spent for providing credit cum subsidy or training are utilized for finding and running such projects. Same conclusion can be drawn for the activities of apparently successful Self-Help Groups (SHGs). Government may propagate the success of activities of SHGs for very few years at the beginning, but how many of them would survive in near future is an open question.

Though creation of wage employment opportunities is morally acceptable, its capacity is very limited. It plays a mere role in mitigating the problem of unemployment specially in the event of rapidly growing population and unemployment problem. In spite of such limitations government knowingly introduces "National Rural Employment Guarantee Act" or "Employment Assurance Scheme" or "Rural Landless Employment Guarantee Programme" simply to make poor people fools. It is not understandable which magic can create an uniform 100 days' job per one person per poor family in a year all over India. Though the Act speaks of remedial measures to be undertaken in the event of non-availability of job, it is still silent on the penal action to be taken against the offenders. Perhaps it was known that there would arise no question of penal action. Many of my learned friends have already pointed out corruption in respect of distribution of job cards, existence of non-utilization of funds and financial irregularities. But the existence of limited employment opportunities as compared to huge demand is the prime cause of birth of such irregularities. If government limits himself within his actual capacity in taking up the projects, he will be able to keep himself free from the criticism labeled as pretention of helping the poor. Until and unless government initiates new projects with wage employment potential, there would not be any expansion of employment opportunities and solution to the problem of unemployment would remain a far cry.

Impact of COVID-19 on the rural economy of India: With the outbreak of COVID-19 Lockdown has been announced in the economy and almost the entire activities of the economy get disrupted. It has made us bound to stay at home. As the essential services have been allowed to remain operative rural daily wage earners like Auto drivers, masons, rickshaw pullers, especially people whose daily earnings have faced a complete halt, started vending vegetables and fruits, utensils, and so on.

Some have started producing masks, hand sanitizers and the like. Quite a large number of people have been observed to be in queue in front of fair price shops to collect what has been allotted to them. Desperately they were in search of scope of earning for providing food to their family. Joblessness has led them to their destitution. The situation has got aggravated when migrant labourers have come back to their own places adding some extra pool to the jobless workers.

Steps to be taken during the pandemic period:

- Most urgent and essential task has been to provide food to the poor in the form of relief
- Second step is to open up job opportunities to them so that they can have some earning.
- To start gradual unlocking
- To create employment opportunities
- To encourage rural entrepreneurship
- To provide credit facilities to the rural entrepreneurs
- To explore new areas of production having the possibility of sustained market.
- To execute decentralized planning in true sense of the term
- To channelize funds in Research and Development for exploring new ventures of rural production.

Conclusion

A Self-Employment Programme becomes successful when it is applied to a sustainable enterprise and therefore it is necessary to find a sustainable enterprise. Sustainability of an enterprise again depends on the existence of sustained market demand. Hence an enterprise without sustained market is bound to collapse despite the availability of credit cum subsidy or training. It has been happening in majority of the cases. As a way out we can think of materializing projects with effective employment potential under government initiative through extracting locally available resources. It would have been much better if money spent for providing credit cum subsidy or training are utilized for finding and running such projects. Same conclusion can be drawn for the activities of apparently successful Self-Help Groups (SHGs). Government may propagate the success of activities of SHGs for very few years at the beginning, but how many of them would survive in near future is an open question. Though creation of wage employment opportunities is morally acceptable, its capacity is very limited. It plays a mere role in mitigating the problem of unemployment specially in the event of rapidly growing population and unemployment problem. In spite of such limitations government knowingly introduces "National Rural Employment Guarantee Act" or "Employment Assurance Scheme" or "Rural Landless Employment Guarantee Programme" simply to make poor people fools. It is not understandable which magic can create an uniform 100 days' job per one person per poor family in a year all over India. Though the Act speaks of remedial measures to be undertaken in the event of non-availability of job, it is still silent on the penal action to be taken against the offenders. Perhaps it was known that there would arise no question of penal action. Many of my learned friends have already pointed out corruption in respect of distribution of job cards, existence of non-utilization of funds and financial irregularities.

But the existence of limited employment opportunities as compared to huge demand is the prime cause of birth of such irregularities. If government limits himself within his actual capacity in taking up the projects, he will be able to keep himself free from the criticism labeled as pretention of helping the poor. Until and unless government initiates new projects with wage employment potential, there would not be any expansion of employment opportunities and solution to the problem of unemployment would remain a far cry. Since the recent past many vocational courses have been advocated for the benefit of growing educated unemployed people. Here also we find the training of sharing the available opportunities. There does not exist any attempt to create further employment opportunities. Rather an effort is being made to hide the failure of creating employment opportunities. It is hard to believe that the proponents of vocational courses are unable to foresee the possibility that these institutes providing education of vocational courses would suffer from dearth of students in near future. Why do they deceive then?

In the era of Globalization the only idea that has occupied our mind is that we should go for producing those commodities, which are enjoying competitive advantage in the global market. It is never taken into consideration that Regional Economic Development may act as engine of acquiring comparative advantage over the others. Nowhere it is recognized that either an existing activity or to be explored activities based on available resources even in remote rural areas may acquire competitive advantage in the world market if they are taken care of. Now time has come to consider this possibility to make India self-reliant through the implementation of decentralized planning.

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