



THE IMPLICATIONS OF COVID-19 FOR RURAL INDIA- A STUDY

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Abstract

The COVID-19 pandemic has brought the entire nation to a halt. Health officials and medical professionals are struggling with containing the disease, and testing and treating affected people. Last night, Prime Minister Narendra Modi announced a three-week, nation-wide, complete lockdown to contain the spread of this virus, as the number of reported positive cases in India crossed 10 lakh. Corona virus scare has kept the health ministry on its toes. As on Friday, 31 positive cases of Covid-19 have been reported so far in India, fortunately with no deaths. While the government is trying to ensure enough steps to prevent corona virus from entering the country, there has been a flood of unverified claims suggesting a cure to end the epidemic. One such claim was made by a Samajwadi Party leader Ram Gopal Yadav who said that villages are safe from corona virus and that the epidemic is mostly spreading in cities'. In response to urgent needs of cash-strapped families on the ground, on March 22, 2020, we launched the "Support COVID-19 hit families" mission to provide direct-benefit-transfer as financial assistance to daily wagers and migrant laborers who had lost their jobs due to the COVID lockdown. The Indian Council of Agricultural Research (ICAR) has issued state-wise guidelines for farmers to be followed during the lockdown period. The advisory mentions specific practices during harvest and threshing of various rabi (winter sown) crops as well as post-harvest, storage and marketing of the farm produce.

Key Words;- COVID-19, Corona virus, Indian Council of Agricultural Research, Vulnerability Reduction Fund, Farmer Producer Organizations

INTRODUCTION

COVID-19 will have major economic implications for rural India. Here are six things we can do to minimize them.

The COVID-19 pandemic has brought the entire nation to a halt. Health officials and medical professionals are struggling with containing the disease, and testing and treating affected people. Last night, Prime Minister Narendra Modi announced a three-week, nation-wide, complete lockdown to contain the spread of this virus, as the number of reported positive cases in India crossed 10 lac. In light of this, it is pertinent to take stock of our rural areas.

The risk of spread in rural areas is heightened. This is due to a number of factors, including lack of awareness, a limited supply of clean water, low levels of nutrition, and most importantly, ill-equipped and insufficient public health centers and district hospitals.

Slowed down economic activity in urban areas has an effect on rural areas as well. Numerous studies and experience from the field indicate that a significant proportion of rural household incomes comes from migration and daily-wage laborers. The informal industry in cities being badly affected has resulted in loss of rural income. What's more, massive layoffs and lack of relief measures are pushing migrants to return to their villages, which would increase the risk of the spread of the virus.

The feared effects on rural populations have already started to materialise. Take for example:

1. Poultry producers in Jharkhand are bearing the brunt of the decreasing demand for broiler chickens, with rates falling as low as INR 20 per kg, from the regular rate of INR 90 per kg.
2. There are rotting vegetables in some regions of Tamil Nadu as a result of the transport system partially breaking down, as observed by the field staff of the Tamil Nadu State Rural Livelihoods Mission.
3. Rural haats in Odisha, West Bengal, and Chhattisgarh, and mandis in Madhya Pradesh and Maharashtra are being closed down, as observed by our team members on the ground, making it difficult for smallholder farmers in these areas to sell their produce.

To tackle the problem, state governments have sent advisories to rural areas—through the district administration, which then passes it down to spread information about how to deal with the virus affected cases as well as about how to reduce the chance of it spreading.

For example, in Odisha, Self-Help Groups (SHGs) are now producing masks that can be worn, and local ASHA workers are disseminating knowledge amongst community members. Additionally, some civil society organizations, such as PRADAN, have developed and are distributing Information, Education, and Communication (IEC) material, and creating awareness among the SHG members.

However, proactive measures are needed on the part of the government and civil society to safeguard rural populations from the economic fallout of this pandemic. These could include:

1. Continuing the supply chain of midday meals and Anganwadi meals, and delivering them to the families' doorsteps (like Kerala has done), so that children and pregnant mothers get at least one meal a day.
2. Supplying free ration to rural households through the public distribution system.
3. Supporting rural households with 30-50 days' worth of labour wages, from the MGNREGA budget.
4. Leveraging the SHG network and ASHA workers to disseminate IEC material.
5. Extending Village Organizations (VOs) to provide soft loans to households that lose wage days and/or incur COVID-19-related health expenses—State Rural Livelihood Missions may consider extending the use of the Vulnerability Reduction Fund (VRF) to the VOs for this purpose.
6. Rescheduling bank loan repayment cycles for SHGs and individual agricultural debtors.

The current crisis is one which we are not fully equipped for, nor know enough about. Preparing and empowering the rural population would go a long way in this fight.

Corona virus scare has kept the health ministry on its toes. As on Friday, 31 positive cases of Covid-19 have been reported so far in India, fortunately with no deaths.

While the government is trying to ensure enough steps to prevent corona virus from entering the country, there has been a flood of unverified claims suggesting a cure to end the epidemic. One such claim was made by a Samajwadi Party leader Ram Gopal Yadav who said that villages are safe from corona virus and that the epidemic is mostly spreading in cities'.

While it is true that the villages in India have not reported any case of the Covid-19 so far, but if it spreads like an epidemic, can our rural public healthcare manage?

The India Today Data Intelligence Unit (DIU) scanned the health infrastructure data published in the National Health Profile 2019 and found that government hospitals would run out of beds in rural India even if 0.03 per cent of the rural population is hit by the virus.

The DIU scanned the numbers for government hospitals, beds available in the hospitals and the number of allopathic doctors working in the rural areas and here is what the data shows:

Hospitals

According to Census 2011, roughly 69 per cent of the country lives in rural areas. The National Health Profile 2019 data shows, of India's 26,000 hospitals, roughly 21,000 were in rural areas and 5,000 in urban areas.

This means that 73 per cent of the country's government hospitals are located in rural areas.

Now, this might give a positive picture of the almost equal distribution of govt hospitals, however, the reality is totally different.

To understand this, we need to see the number of doctors and beds available in rural areas.

Beds

Of the total 7.1 lakh hospital beds in the government hospitals, 2.6 lakh were in rural areas and 4.5 lakh in urban areas. This means that for 70 per cent of the population residing in rural areas, only 36 per cent of the government hospital beds are available.

The rural-urban divide is crystal clear here. On average, India has one bed for almost every 1,700 people in government hospitals. In rural India, this is 3,100 people per bed - almost twice as much as the national average.

For urban areas, this number is roughly 800 people per bed, which is almost half the national average and four times less than the average rural area.

This means that the queue for getting a bed in rural areas would be four times longer than the ones in urban areas.

The situation is the worst in Bihar, where, for every one bed in a rural government hospital there were more than 16,000 people. This is because for 10 crore people living in rural Bihar, there are only 5500 beds available in the government hospital.

Among the big states, Tamil Nadu is the best performer, where one hospital bed is available in a government hospital for every 800 people. It is to be noted that the rural population of Tamil Nadu is almost one-third of Bihar, but it has eight times more beds in its government hospitals.

Doctors

Like the beds, data on doctors also portrays a similar picture of rural India. The pressure of handling patients in rural India is twice as much as the national average. On average, for every 10,000 people in the country, there is one allopathic doctor available. In rural India, one doctor is available for every 26,000 people.

West Bengal turns out to be the worst state in this regard. According to the Rural Health Statistics 2019, roughly 881 doctors are available in rural areas of West Bengal that has an enormous population of 6.2 cr. This means that for every 70,000 people in the rural areas of West Bengal, there is only one doctor available in the government hospitals.

West Bengal is followed by Jharkhand and Bihar, where one doctor is available for more than 50,000 people.

Save Families From COVID-19

The Corona virus pandemic has caused devastation across the globe. Besides the tragic toll on human life, with countries shutting their borders and quarantines, economies have taken a huge hit. The tragedy has just begun to unfold in India and the job losses are mounting, especially among the daily wage workers. Experts say the effect on this group will be catastrophic.

Corona virus is an international disaster on the scale of the Second World War. We have launched this campaign as an emergency response - to help provide a safety net to casual labor families. We aim to directly support these families by providing a minimum wage in cash, hopefully with your support till the virus abates and they are in employment again.

These unemployed individuals have been duly verified by Give India. The whole world is suffering - and is trying to cope with huge losses. But those without any job security or savings are the most vulnerable. Give generously to those hardest hit by COVID-19.

In response to urgent needs of cash-strapped families on the ground, on March 22, 2020, we launched the "Support COVID-19 hit families" mission to provide direct-benefit-transfer as financial assistance to daily wagers and migrant laborers who had lost their jobs due to the COVID lockdown.

Thanks to the generous support of over 7900 donors, we raised ₹3.82 crores by April 14. With inputs from our partner NGOs about the evolving situation of extreme hunger among the same communities, on April 14, 2020, at 10 PM we decided to shift the focus of the campaign to fundraising for ration kits.

With the lockdown extended to May 3, families of wage workers and migrant labourers are now urgently in need of dry rations as access is limited with the worsening situation. And this is the critical need we wanted to address by changing the focus of the campaign.

However, after receiving multiple queries regarding the change of the missions, we realized it is best to keep the two mission pages separate to avoid any confusion. So we have reverted to the earlier mission page for our Support Covid-19 hit Families on April 16 at 7:30 PM.

In those few hours, the ration kits mission raised a total of ₹7.3lakh and this will be reflected on the new mission page Ration Kits for Families Facing Lockdown Hunger. We believe by keeping both missions separate will help our donors give to the cause they choose to support.

We regret the confusion and inconvenience caused by our decision to merge both campaigns. Going forward, Mission Support Covid-19 hit Families will continue to provide cash support to daily wage earners and their families, helping them to survive the lockdown. And our new Mission Ration Kits for Families Facing Lockdown Hunger will provide weekly ration kits to these families.

Containing COVID-19 impacts on Indian agriculture

The ongoing health crisis around COVID19 has affected all walks of life. Protecting lives of people suffering from the disease as well as frontline health responders have been the priority of nations. Governments have swung into actions since the Corona virus attack created an unprecedented situation. India declared a three-week nation-wide lockdown till mid-April in the initial phase, which has subsequently been extended till May 3 for achieving satisfactory containment of the virus spread.

During these challenging times, how does Indian Agriculture respond to the crisis and how do government measures affect 140 million farm households across the country and thereafter impact the economy of a very important country in the developing world? We assess the immediate challenges that COVID19 has posed to the farm sector and suggest mitigation measures to ensure a sustainable food system in the post-crisis period.

Immediately after the nation-wide lockdown was announced, the Indian Finance Minister declared an INR 1.7 trillion package, mostly to protect the vulnerable sections (including farmers) from any adverse impacts of the Corona pandemic. The announcement, among a slew of benefits, contained advance release of INR 2000 to bank accounts of farmers as income support under PM-KISAN scheme. The Government also raised the wage rate for workers engaged under the NREGS, world's largest wage guarantee scheme. Under the special scheme to take care of the vulnerable population, Pradhan Mantri Garib Kalyan Yojana (Prime Minister's scheme for welfare of the poor), has been announced. Additional grain allotments to registered beneficiaries were also announced for the next three months. Cash and food assistance to persons engaged in the informal sector, mostly migrant laborers, have also been announced for which a separate PM-CARES (Prime Minister Citizen Assistance and Relief in Emergency Situations) fund has been created.

The Indian Council of Agricultural Research (ICAR) has issued state-wise guidelines for farmers to be followed during the lockdown period. The advisory mentions specific practices during harvest and threshing of various rabi (winter sown) crops as well as post-harvest, storage and marketing of the farm produce.

The Reserve Bank of India (RBI) has also announced specific measures that address the "burden of debt servicing" due to COVID19 pandemic. Agricultural term and crop loans have been granted a moratorium of three months (till May 31) by banking institutions with 3 percent concession on the interest rate of crop loans up to INR 300,000 for borrowers with good repayment behavior.

Immediate Challenges

In spite of all these measures and in view of continuing restrictions on movements of people and vehicular traffic, concerns have been raised regarding negative implications of COVID19 pandemic on the farm economy. This is the peak of rabi season in India and crops like wheat, gram, lentil, mustard, etc. (including paddy in irrigated tracts) are at harvestable stage or almost reaching maturity. This is also the time when the farm harvests reach the mandis (market yards) for assured procurement operations by designated government agencies. Moreover, any severe disruption to the supply of perishable fruits and vegetables, dairy products, fish, etc. having mobilized to meet the increasing demand from a bulging middle class as well as urban and rural consumers, may create irreparable damage to all actors in the supply chain. The migration of workers from few parts to their native places has also triggered panic buttons, as they are crucial for both harvesting operations and post-harvest handling of produce in storage and marketing centers. The Union Home Ministry, in a very significant move, has notified to exclude movement of farmers, farm laborers and harvesting and sowing-related machines from the purview of lockdown.

Making the food grains, fruits and vegetables and other essential items available to consumers, both in rural and urban areas, is the most critical challenge for Government machinery during the lockdown period. Smooth functioning of the supply chain, with adequate safety measures for the people involved, is of paramount importance. Transportation of public distribution system (PDS) items to last mile delivery agents, by both rail and road, has to be ensured by respective Government agencies. Distribution of the commodities to vulnerable population, while maintaining prescribed guidelines and protocol, particularly of social distancing, must be effectively monitored.

As the ongoing lockdown coincides with the rabi harvesting season, farmers across the country look up to the Government to ensure uninterrupted harvesting of the crops as well as smooth procurement operations. The Union Home Ministry's circular waiving restrictions on the inter- and intra-State movements of farmers/laborers, as well as harvesting and related farm machines, is indeed a step in right direction. While ensuring availability of laborers for critical farm operations, their safety (from any COVID infection) and welfare must be prioritized by the Government systems.

The sale of dairy products; fish; poultry, etc. has also been hit during the lockdown period as the uptake by the organized industry players has been affected due to shortage of workforce and transport issues.

As weather has been very erratic over past few months in many parts, harvested produce must also be protected from such risks.

Mitigation Measures

The poor sections of society are always the hardest hit in any disaster or pandemic situation. With about 85 percent of Indian farm households being small and marginal farmers, and a significant part of the population being landless farm laborers, welfare measures to contain any damage from COVID are definitely going to help them with sincere implementation. The focus of the Government therefore has to be to protect the lives of every citizen. However, people living on agriculture and allied activities, mostly those losing their income from informal employment at this lockdown period, have to be provided with alternative avenues (cash transfers) till the economy bounces back (when this health crisis is successfully overcome).

To sustain the demand for agricultural commodities, investments in key logistics must be enhanced. Moreover, e-commerce and delivery companies and start-ups need to be encouraged with suitable policies and incentives.

The small and medium enterprises, running with raw materials from the agriculture and allied sector or otherwise, also need special attention so that the rural economy doesn't collapse.

To obviate the immediate concerns of scarcity of farm labor, policies must facilitate easy availability of machinery through state entities, Farmer Producer Organizations (FPOs) or custom hiring centers (CHCs) with suitable incentives. It is also suggested to explore leveraging NREGS funds to pay part of the farm labor (with farmers paying the balance wage amount) to lessen the monetary burden on the farmer, while ensuring wage employment to the landless laborers and workers.

To answer queries relating to the announced measures of Government and addressing grievances of farmers, besides providing advisories on farm operations; availability of agri-inputs, dedicated toll-free helplines/call centers (in local/vernacular languages) must be established by the Government.

Agriculture in India is a State subject, and as has been observed in past years, policies and programs vary from one State to the other. However, agricultural activities, being interconnected in neighboring regions, agri-sops or benefits must not distort the market scenario. Waiver of farm loans, evidences suggest, have not fully benefitted the majority of small and marginal farmers. Rather, it affects the future credit behavior of the borrowers and thus negatively impacts the agricultural credit culture altogether. As the kharif (rainy/wet) season is fast approaching, institutional lending of crop loans should be expanded and facilitated for smooth (and sufficient) flow of credit to borrowing farmers. Agri-inputs – seeds, fertilizers, agro-chemicals, etc. – have to be pre-positioned for easy availability. Private sector must play a significant role with necessary policy support.

Relaxation of the norms by Agricultural Produce Market Committees (APMCs) allowing farmers to sell their produce beyond the designated mandis will certainly ease the burdens of farmers. State Governments must gear up their machineries for smooth procurement operations of farmers' marketable surpluses at MSP (minimum support price) or through other price support schemes.

Under the COVID19 pandemic, being a health crisis of unprecedented proportions, the major share of future Budget allocations obviously (and logically so) would be apportioned for the health sector. However, investments should not be crowded out of the primary sector to prevent irreversible damage to the farm economy. Manufacturing and services sectors may be severely hit in the short run till the time the economy bounces back. It will be thus very appropriate to focus attention on the agriculture sector as a growth engine and also to bring resilience in food (and nutrition) security. At this critical stage, where climate change is already adversely impacting the agriculture sector, productive investments, including on research and innovation, would be very purposeful.

Structural reforms such as land leasing, contract farming and private agricultural markets, etc. have long been advocated to bring enhanced investments into the agriculture sector and to push its growth. However, there has not been uniform implementation of these legislations by State Governments and so the full potential of the sector is unrealized. These reforms need significant political will. Concerns of a slowdown in the zeal of States, post-COVID scenario, could be tackled with suitable incentive mechanisms by the Federal Government to the States.

With a burgeoning population, there is a corresponding rise in food demand in India. However, the negative externalities of the Green Revolution, particularly the environmental trade-offs and staple cereals fundamentalism, have since been realized. It is thus desirable to switch over to a suitable model with a far stronger nutrition focus where diets are more diverse. A post-COVID situation offers that unique opportunity to repurpose the existing food and agriculture policies for a healthier population.

There have been global concerns, rather speculations, on restriction of exports of agricultural commodities by a few global players. India, being trade-surplus on commodities like rice, meat, milk products, tea, honey, horticultural products, etc. may seize the opportunities by exporting such products with a stable agri-exports policy. India's agricultural exports are valued at 38 billion US Dollars in 2018-19 and can rise up further with conducive

policies. Development of export-supportive infrastructure and logistics would need investments and support of the private sector, that will be in the long term interests of farmers in boosting their income.

Many climate models predict a favorable monsoon in the 2020 season (the India Meteorological Department has also since officially announced) as the El-Nino weather phenomenon, that disrupts rainfall in India, is not evident. This is indeed a good news in the COVID scenario, assuming agriculture can practice largely unscathed.

Good news is that Government of India has now increased its focus on nutrition (besides food)- security and raising farmers' income (rather than enhancing farm productivity). Changing the consumer behavior with suitable programs and incentives is already in the agenda. For all these to happen, the existing landscape of policy incentives that favor the two big staples of wheat and rice has to change. Designing agricultural policies, post-COVID19 scenario, must include these imperatives for a food systems transformation in India.

Government agri-research body ICAR is assessing the impact of Covid-19 lockdown on agriculture and allied sectors and taking measures to minimise its effect on the country's food security, a senior ICAR official said. The Indian Council of Agricultural Research (ICAR) is the apex body for coordinating, guiding, and managing research and education in agriculture in the entire country under the aegis of Ministry of Agriculture and Farmers Welfare.

"ICAR is preparing documents on the possible impact on agriculture and allied sectors and measures to minimise the negatives so that the food system remains unaffected," the official said.

While the government has exempted many agricultural operations from harvesting to movement of produce to mandis from lockdown rules, the ICAR study will help the government take further action, the official added.

The official said that ICAR had issued crop-specific advisories to farmers, asking them to take general precautions and safety measures during harvesting, post-harvest operations, storage and marketing of rabi crops.

The government has imposed a 21-day countrywide lockdown to stop the spread of the coronavirus pandemic. There are more than 3,000 confirmed cases of coronavirus in the country at present.

Meanwhile, the official said ICAR had offered all its guest houses located in different states for quarantine use.

ICAR also said that its four institutes -- Bhopal-based National Institute of High Security Animal Diseases (NIHSAD), Bengaluru-based National Institute of Veterinary Epidemiology and Disease Informatics (NIVEDI), Izatnagar-based Indian Veterinary Research Institute and Hisar-based National Research Centre on Equines (NRCE) -- have required facility to do COVID-19 tests.

ICAR further said its institutes are providing food and ensuring hygiene in nearby labourer colonies. It is also contributing one-day salary of its staff, amounting ₹6.06 crore, to PM-CARES fund to combat COVID-19.

Response of the Government of India

The response of the Indian government in agriculture has involved three policy measures.

1. It has announced that most agricultural activities will be in the essential list. It has exempted farm workers in the fields, farming operations by farmers, agencies engaged in procurement of agriculture products including MSPs, mandis notified by the State Governments, inter- and intra-state movement of harvesting and sowing related machines and manufacturing, packaging units of fertilizers, pesticides, and seeds among others.
2. It has announced that the first instalment of the PM-Kisan payment to farmers, i. e., Rs 2000, will be paid up front to farmers. It has also announced that the wages under MGNREGS will be raised from Rs 182 to Rs 202 per day.
3. The Reserve Bank of India (RBI) has announced a moratorium on agricultural term loans (including crop loans) for a period of three months.

If we consider the responses of governments across the world, these interventions appear insignificant. In fact, the up front payment to farmers from the PM-Kisan scheme is not even worth calling a package, as this money was anyway going to be paid to the farmers between April and June.

CONCLUSION

In my view, the intervention of the Government of India will have to be considerably enhanced in the following ways. These are immediate measures to be considered. As and if the crisis grows, these measures will have to be updated.

1. The payment to farmers through PM-Kisan should be raised to at least Rs 12,000 per year, and 50 per cent of this amount (Rs 6,000) should be paid immediately. Tenant farmers should be included as beneficiaries of the scheme.
2. There should be an immediate expansion of the Pradhan Mantri Fasal Bima Yojana (PMFBY) to ensure compensation payments to farmers affected by the Covid-19 pandemic.

3. Holders of all MGNREGS job cards should be provided an unemployment allowance or assistance, worth at least half the payments to be received by them, assuming 100 days work/year.
4. The Government should take steps to ensure that food grain is distributed to all households outside the priority list also for a period of three months at the rate of 5 kg per capita per month.
5. There should be efforts to arrange food, shelter, and clothing to all migrant workers in villages. Steps should be explored to provide migrant workers with cooked food by the government agencies.
6. The Government should consider waiving the interest costs of all outstanding crop loans and ensure a fresh flow of credit to small and marginal farmers for the kharif season of 2020.
7. MSPs for farmers in the 2020-21 seasons should be substantially raised to 1.5 times the C2 cost of production. Procurement should also be significantly expanded.
8. In case the crisis prolongs to beyond two months, the government should prepare itself for the take-over of large parts of the procurement and supply of essential food items from the private sector, including trucks, warehouses, go-downs and establishments.

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