



## IMPACT OF COVID-19 ON RURAL ECONOMY IN INDIA

Dr. Ghanshyam B. Bagde and Dr. Kanchan M. Thakre

Associate Professor

A. G. College, Nagpur-13

Assistant Professor

A. G. College, Nagpur-13

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### ABSTRACT:

Near about last two years COVID-19 is a popular term to the present day world. Our day to day life has been totally disrupted due to the outbreak of COVID-19. All are closed due to the announcement of lockdown such as Industries, transportation, hotel, restaurant, offices, schools, colleges, universities, domestic house- keeping, shops and we have become bound to stay safe and secure at home. In this period rural economy has been suffering a lot, there is no clear idea yet on the incidence of the disease in the rural areas. Irrespective of any such incidence, rural areas have also come to bear a major brunt of the lockdown imposed since March 25. With hordes of migrants returning to rural areas, there could be the double-whammy of the spread of Covid-19 and the worsening of the socio-economic situation. Reverse immigration will put undue pressure on the rural economy, leaving many people in extreme poverty and rural economy in India. As per report of lockdown the informal rural economy is most affected. The central government's refusal to recognize the crisis and its mismanagement of the crisis has exacerbated the suffering of the people and aggravated the crisis.

**Key words:** -COVID-19, Rural economy, Migrant Labourers etc.

### INTRODUCTION:

COVID-19 was first declared a public health emergency and later a pandemic by the world health organization (WHO). The impact of COVID-19 on poverty estimates is humongous. The economic tumult caused by the pandemic over the past two years has the potential to double the nation's poverty, erasing the decade-long gains from the fight against poverty and inequality. Corona -19 has affected day to day life. The pandemic has affected thousands of peoples who are either sick or are being killed due to the spread of this disease. So that migrant labourers which were marching to their villages to find warmth and empathy. Many reached their homes but several failed and died on streets and railway tracks.

The central and states government in India under the special economic package, PradhanMantriGaribKalyanYojna (PMGKY) scheme etc. tried to take care of the economy

and the poorest among the poor but effective implementation of this scheme poses a big challenge. Migrant's workers are the engine of growth from centuries which have been working day and night for the economic success of any region across the globe. On the other side, they are the most vulnerable and have no access to any kind of social security. The forced reverse migration from urban to rural areas will have a significant impact on the demography, society and economy of rural India. Most of the migrant workers were marginal farmers in the past which left agriculture and moved to urban areas for better economic opportunities. The forced reverse migration amid agrarian crisis poses a big threat on people to fall into abject poverty.

### REVIEW OF LITERATURE:

1. BhanuPratap Singh, Banaras Hindu University focused on "Impact of COVID-19 on Rural Economy in India". His study offers insights on the plight of migrant labourers and

impact of COVID-19 on rural economy in India. The major finding of the study suggests 400 million workers in India in the informal economy are at the risk of falling deeper into poverty during the crisis. The low reporting of COVID-19 cases due to low testing will result in community spread. The reverse migration will create excess pressure on the agriculture and rural economy which will result in a significant number of people to fall into abject poverty.

2. Krishna Ram and ShivaniYadav, highlighted on “The Impact of COVID-19 on Poverty Estimates in India: A Study Across Caste, Class and Religion”. They stated that in their article, they identified the rippling effect of poverty on the inter-group disparities in India.

#### **OBJECTIVES:**

The following are the objectives of this paper

1. To study about overview of the Indian economy.
2. To study the impact of COVID-19 on rural India and reverse Migration.
3. To focus on Psychological issues of labourer.

#### **RESEARCH METHODOLOGY:**

According to the objectives of the study, the research design is of descriptive in nature. Available secondary data was extensively used for the study. This paper uses an exploratory research technique based on past literature from respective journals, reports, newspapers and magazines covering wide collection of impact of COVID-19 on Indian rural economy.

#### **OVERVIEW OF THE ECONOMY :**

The growth prospectus of India for the year 2020-21 ranging from 0.8 to 4.0 per cent. This tentative and wide range of forecast is due to the extent of uncertainty. The International Monetary Fund (IMF) have predicted 2020-21 India's growth rate at 1.9 percent, China's growth rate at 1.2 percent and 3 percent decline in global growth. The actual growth outcomes of India depends on various factors such as the speed at which the economy is opened, how fast

the novel virus is contained and government plans to boost the economy. The government has recently announced Rs. 20 lakh crores package to revive the economy, but the actual effect of the plan lies in the effective implementation of the plan. Most of the assessment on growth projections by different institutions are based on advanced estimates, which may be revised in the future. To better understand the economic scenario of the country, the Gross Value Added (GVA) or total output is assessed for 12 major sectors of the economy for the year 2017-18.

#### **Impact of COVID-19 on Rural India**

In Indian states, the dissemination of COVID-19 has disturbed status quo practices-the immediate result produced confusion amongst citizens and nations to strategize accordingly. Many states focused on fulfilling the population's essential needs but did not have farmers inside the scheme. Disruptions in the supply chain of goods have exacerbated farmers' lives and had financial effects in the wake of the pandemic. Cities are the urban hubs, and the rural side still represents their financial troubles. Migrant employees from rural to urban areas are struggling tremendously because regimes providing free food rations can minimize the impacts, but it won't be enough to cover everyday relations. The bulk of the employees come from the unorganized market.

As per this study, millions of labourers are going to face the hit of this crisis and are on the verge of falling deeper into poverty. This is seriously a matter of worry. In our country less number of testing's have been conducted and as a result of that we are far from understanding the real number of cases. Countrywide lockdown increased unemployment, many workers were jostled into more insecure situations and poverty. Crisis of labour is likely in those sectors

and that can emerge the chances of exploitation of the remaining workers. So COVID-19 is going to impact our rural economy in a long term manner.

### **Reverse migration**

The corona virus pandemic has enkindled an extensive reverse migration from the urban to rural areas. According to the Migration Working Group (2017), about 28.3% of overall manpower is organized by migrants, many of them from isolated rural areas. As rural-urban migration emerged as a significant source of income and jobs, the lockdown caused severe loss, leading to substantial effect on rural livelihoods. We observed how our roads became overcrowded with thousands of migrant workers. They were destined for an inevitable journey towards their own village

They tremendously lack accessibility to the economic facilities. The reversed migration from urban to rural areas is going to impact on a long term basis on our socio-economic structure. Most of the migrant workers came to the big cities for better economic opportunities. But the lockdown and as a aftermath the economic slowdown is going to hit them hard and harsh. It is a big threat for them. This study instigates the significant impact of reverse migration on the rural economy.

### **Psychosocial issues**

The high levels of anxiety and stress induced among the general public by the lockdown during this pandemic was felt more intensely among the migrants, leading to many more psychosocial issues among them. The stress generated in the migrants made them behave in socially unacceptable ways and caused panic attacks on them. Consequently, they started fleeing hastily from the migrant lands. In order to go back to their home states at the earliest, they started crowding at the local bus stands

and railway stations in desperation, ignoring all lockdown rules. This reckless behaviour of violating the norms of preventive measures resulted in the perpetual vicious cycle of being exposed to infection, quarantine, distress and hostilities. Although the most pressing need for all migrants at that time was the immediate return to their homelands from the migrant lands, the reverse migration came with a lot of appalling hardships and several other related problems.

### **Future Prospective**

Migrant labourers are the engine of growth of economy. In the COVID-19 or post-COVID era, there is always a demand for manufactured goods or about the services. Therefore, the government must study how to return these migrant labourers to their respective working mechanisms. The location of industry and employment can reduce the pressure on the various sector. Furthermore, many rural hospitals and clinics are already on the brink of financial solvency and easy to close during a pandemic because they restrict routine and selective procedures. If nearby people or other social and economic infrastructure in rural communities collapse, the long-term impact on rural older people will go far beyond COVID-19.

### **CONCLUSION:**

The research article is an attempt to assess the plight of the migrants during the Covid crisis, in terms of their economic, social and health conditions. It brought into limelight the adversities, vulnerabilities, as well as the physical and psychological distresses and discriminations faced by the migrants along with the problems of the resultant circular migration. From the observation, it was clear that most of the problems faced by the migrants were due to them having been stranded in the migrated lands due to the lockdown. They were stuck in

relief camps that had poor living conditions, with no job or income and, therefore, no means to travel back to their homelands. They became vulnerable to many physical and psychological illnesses, and received hardly any medical care from the government. In addition to suffering from the lack of basic physical facilities and the scarcity in the allocated resources, they also faced social issues such as discrimination and attacks from the local people.

A major social issue among the migrants is their fear of losing their jobs, income and housing. On these matters also it is the governments that can help, as they can take unbiased actions in case of any exploitation or labour complaints regarding their right to stay and work. It will also be of help if assistance is provided to the migrants to form associations and cooperative societies to support the livelihood of those who have returned to their native lands.

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