

REVIVAL AND RECONSTRUCTION OF RURAL LIVELIHOODS AMIDST COVID-19: Policy Responses, Opportunities and Way Ahead

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1. Organise training programmes, conferences, seminars and workshops for senior-level development managers, elected representatives, bankers, NGOs and other stakeholders;
2. Undertake, aid, promote and coordinate research on its own and/or collaborate with State, national and international development agencies;
3. Analyse and offer solutions to problems encountered in the planning and implementation of the programmes for rural development, decentralised governance, panchayati raj and related programmes;
4. Study the functioning of the Panchayati Raj Institutions (PRIs) and rural development programmes across the States;
5. Analyse and propose solutions to problems in planning and implementation of the programmes for rural development; and
6. Develop content and disseminate information and transfer technology through periodicals, reports, e-modules and other publications.

Considering the challenges faced by the government in the development of a large section of rural poor across the country through its various policies and programmes, NIRDPR as an apex training institute in the field of rural development, has to cater to the training and capacity development needs of a larger clientele. To achieve these objectives, a nationwide network of training infrastructure has to play its rightful role. The clientele includes a large number of elected PRI representatives at different levels, rural development functionaries, NGOs, bankers and other stakeholders. Capacity building of rural development personnel and elected representatives is an intrinsic part of the entire rural development process. It helps to improve their managerial skills while keeping them abreast with the latest changes in strategies, government policies and programmes to augment their knowledge and working efficiency, resulting in strengthening of the delivery mechanism for the benefit of all the stakeholders. The challenge is huge and NIRDPR has been able to play its role in the country's rural development initiatives by facilitating qualitative changes in the implementation of programmes through a process of training, research, action research, consultancy, information dissemination and information building on a continual basis. This has enabled the Institute to emerge as the National Apex Institute for capacity development in the area of rural development.

In its continuous effort to develop managerial skills of functionaries in the rural development process, the Institute offers two regular fully residential diploma programmes – one-year Post Graduate Diploma in Rural Development Management (PGDRDM) and two-year Post Graduate Diploma in Management (Rural Development). Further, it offers M.Tech Programme on Appropriate Technology & Entrepreneurship (ATE) and three distance mode programmes - Post Graduate Diploma in Sustainable Rural Development (PGDSRD), Post Graduate Diploma in Tribal Development Management (PGDTDMD) and Post Graduate Diploma in Geo-Spatial and Technological Applications in Rural Development (PGDGARD). The Institute is also offering one-year Diploma Programme on Panchayati Raj Governance & Rural Development (DP-PRGRD) in association with the University of Hyderabad through distance mode.

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FOREWORD

The outbreak of COVID-19 pandemic has posed a serious challenge of saving lives and livelihoods of people across the world. India is fighting the pandemic with complete socio political and resources commitment. The containment measures of the pandemic such as lockdowns have caused a major shift in the ensuring economic activities. Agricultural sector has emerged as an oasis in this current economic crisis as it witnessed reasonably satisfactory growth in production. Reverse migration of millions of workers from urban areas back to their villages has created pressure on rural labour markets. The demand for Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) work jumped since April 2020 onwards. In response to this crisis, Government of India came with an initial relief package of Rs. 1.70 lakh crore as Prime Minister's GaribKalyan Package (PMGKP) for food and income security, and subsequent economic stimulus of about Rs. 21 lakh crore under its Atmanirbhar India Movement for the economic recovery and strengthening the health infrastructure. The major challenge is to accelerate the strategies and utilise the available resources towards the faster revival and reconstruction of economic activities along with a fight against the COVID-19 pandemic.

This paper analyses the policy response to the pandemic induced economic crisis and provides suggestions towards faster and inclusive recovery and reconstruction of rural livelihoods in India. It argues for intensifying short-term measures for stimulating effective demand in rural areas and to develop quality infrastructure including social infrastructure such as education and health in rural areas in a big way in medium to long-run. This will create sustainable employment opportunities through backward and forward linkages both in farm and non-farm sector. Equally important is to provide good foundational education and quality skill training in the context of fast changing skill demand landscapes to rural population. This would necessitate increased financial support and necessary institutional reforms. The paper argues for

scaling up measures for building up a momentum and out-of-box approach in a mission mode to transform village economy and society towards achieving self-reliant economy and dignified lives and livelihoods.

The paper is based on the deliberations of a webinar on *Revival and Reconstruction of Rural Livelihoods: Challenges, Opportunities and Way Forward*, jointly organized the S.R. Sankaran Chair (Rural Labour), Centre for Entrepreneurship Development and Financial Inclusion (CEDFI) of National Institute of Rural Development and Panchayati Raj, Hyderabad and the Indian Society of Labour Economics, New Delhi on 20 May 2020. I am thankful to the eminent panelists of the webinar, namely, Professor Abhijit Sen, former Member, Planning Commission; Professor D.N. Reddy, former Professor, University of Hyderabad; Shri S.M. Vijayanand, IAS (Retd.), former Secretary, Ministry of Rural Development, Government of India; and Nikhil Dey, National Convener, Mazdoor Kishan Shakti Sangthan, Rajasthan; and Dr. W.R. Reddy, IAS (Retd.), former Director-General, NIRDPR, Hyderabad for offering their deep insights and valuable suggestions for the revival of rural economy. I appreciate the efforts of Dr. Rajendra P. Mangan, Professor, S.R. Sankaran Chair (Rural Labour), and Dr. Partha of CEDFI, NIRDPR for the timely organisation of the webinar on the important issue of reviving of rural livelihoods amidst Covid-19 pandemic.

I hope the measures suggested in the paper will provide useful inputs to strengthen existing policies and strategies aimed at faster revival and transforming the rural economy of India in coming years.

Alka Upadhyaya, IAS
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REVIVAL AND RECONSTRUCTION OF RURAL LIVELIHOODS AMIDST COVID-19

Policy Responses, Opportunities and Way Ahead

W. R. Reddy and Rajendra P. Mamgain***

I. THE CONTEXT

With about two-thirds of the estimated 1.30 billion Indian population, rural areas of the country have been reeling under agrarian crisis and economic distress, severe job losses, rising unemployment and increasing migration, even much before the outbreak of COVID-19. The pandemic and the consequent severe economic crisis arising with stringent lockdown 1.0 since the midnight of 25 March, 2020, initially for 21 days and subsequent extensions, resulted in a sudden downturn in economic activities and a four-fold increase in unemployment due to about 122 million job losses, mostly in informal sector. Over 60 per cent of rural households stood at the verge of income losses and subsequent rise in vulnerability. Reverse migration of millions of migrants back to villages with their heart-breaking journeys has added to the economic hardships of rural households with sudden loss in their incomes from remittances.

While much has been discussed in the mainstream media on the pandemic-induced economic crisis and policy responses of Central and State governments with an urban-centric focus, rural areas were in news only for reverse migration. Agricultural sector is being seen as the oasis in the vast desert of economic crisis, as it witnessed reasonably satisfactory growth in production. But the fact that this sector also suffered significant losses in the sale of fruits, vegetables, flowers and poor procurement of cereals and pulses, yet attracted less than desired attention. The dependence

on agriculture is still very high as it engages about 60 per cent of the rural workforce, but contributes to only about one-fourth of the rural household income, indicating abysmally low income for those dependent on agriculture. We should not forget that over the years, rural areas are increasingly depending on non-farm activities as a source of employment and income. But, lack of remunerative employment opportunities in rural areas accelerated migration in recent years, which is largely circular and short-term by nature.

The economic fall-out of lockdown, although is widespread, few sections of the society, including small traders, self-employed individuals, migrant workers, daily wage labourers and women are the worst affected. Even with the partial lifting of lockdown since phase 3.0, it is unlikely to see quick return of migrant workers to cities in coming months. This has created pressure on already-crowded rural labour markets with a notable downturn on wages and income. The demand for MGNREGS work since April 2020 has taken a leap. In response to this crisis, the government has initiated several measures, including ensuring food security, cash transfers to farmers and poor households, and economic stimulus towards the economic recovery and strengthening the health infrastructure. Initially, the Central government came with a relief package of Rs. 1.70 lakh crore as Prime Minister's Garib Kalyan Package (PMGKP), and a subsequent economic package of about Rs. 21 lakh crore under the 'Self-reliant India' mission, which also included the economic assistance under PMGKP.

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The views expressed here are of the authors and not necessarily of the organisation they are associated with.

Besides the efforts of the Central government, various State governments, non-governmental organisations and the corporate sector formulated and implemented several measures, thus leveraging the efforts to fight the crisis. The last mile people's institutions, i.e., Panchayati Raj Institution are also playing a crucial role in this testing time of pandemic.

The major challenge is to accelerate the strategies and utilise the available resources towards the faster revival and reconstruction of economic activities along with a fight against the COVID-19 pandemic. The obvious questions are whether our policy framework and strategies need additional inputs in improving the design and approach to facilitate faster and effective measures for reviving the rural economy, the kind of institutional reforms required to speed-up the processes, and the kinds of human-centric, short-term, medium-term and long-term measures that are needed towards faster and inclusive economic recovery.

Towards seeking answers to these issues, the S. R. Sankaran Chair (Rural Labour), Centre for Entrepreneurship Development and Financial Inclusion (CEDFI) of National Institute of Rural Development and Panchayati Raj (NIRDPR), Hyderabad and the Indian Society of Labour Economics, New Delhi jointly organised a brainstorming webinar on Revival and Reconstruction of Rural Livelihoods: Challenges, Opportunities and Way Forward on 20th May, 2020. Four eminent speakers representing academics, government and civil society, namely, Prof. Abhijit Sen (Former Member, Planning Commission), Prof. D. N. Reddy (Former Professor, University of Hyderabad), Shri S. M. Vijayanand (Former Secretary, MoRD, GoI) and Shri Nikhil Dey (National Coordinator, Mazdoor Kisan Shakti Sanghatan) shared their views. The webinar was moderated by Dr. W. R. Reddy, Director General, NIRDPR, Hyderabad. Prof. Rajendra Mamgain, Professor, S. R. Sankaran Chair along with Dr. Partha Pratim Sahu, Associate Professor, CED&FI NIRDPR, Hyderabad coordinated the webinar.

The summary of discussions and suggestions during the webinar and other academic discussions to accelerate the pace of recovery and reconstruction of livelihoods in rural India is as follows:

II. UNDERSTANDING THE ECONOMIC CRISIS AMIDST COVID-19

The COVID-19 pandemic and measures taken to contain its spread have inflicted a huge feeling of uncertainty on personal healthcare and economy. The impact and severity of the pandemic-related health and economic crisis till recently have been less in rural areas as compared to urban areas. The decline in rural incomes has largely been due to the following reasons: (i) reduced off-take of agricultural produces due to lack of transport facilities during Phase 1.0 of the lockdown, and sudden decline in bulk demand of farm produces in urban areas and hospitality industry, resulting in a very low price realisations for farmers; and (ii) the sudden job and income losses in urban areas reduced the income from remittances to rural households. The situation is likely to be worse in short-term with the acceleration of the spread of infection to rural areas with the migrants returning to their villages in large numbers. Many workers who migrated earlier to newer pastures and now returned to their villages owing to COVID-19 pandemic, have completely distanced themselves from agriculture as the same was not remunerative enough to meet their aspirations. At the same time, a rising trend is of the young educated persons leaving agriculture in rural areas in recent years, partly due to lack of remunerative income from agriculture and partly due to unwillingness to engage in farm-related works. Many of those returned migrants are expected to go back to cities to work again once the pandemic situation improves. However, unfortunately, the spike in the spread of infection in major urban centres in India such as Mumbai, Pune, Surat, Ahmedabad, Chennai, Delhi NCR region, Hyderabad and Kolkota, is further compounding the situation of economic uncertainty and prospects of migrant workers to return to cities to work. More so, the unpleasant experiences of exclusion and helplessness of migrant workers at their places of residence/work, immediately after the lockdown, where many of them were almost abandoned by their employers and faced initial passiveness of local governments to help them, compelled them to return to their homes by undertaking arduous heart-breaking journeys of several hundred miles. These experiences

will most likely discourage many of them to return immediately to urban centres for work. This has increased the dependence on rural incomes and resources, and overcrowding of rural labour markets, besides being perhaps the source of infection. Fortunately, the villages under well-functioning local governments are managing the COVID-19 pandemic efficiently. The immediate challenge is to chalk out plans on how migrants can get engaged in economic activities locally till they return, how can they contribute in whatever little way that they can, and how can we get village and rural economy going better than what it was earlier in a situation where people were leaving agriculture and migrating out to find employment. Yet another challenge is to comparatively understand other severe impacts of pandemic-related economic crisis on women who have been facing a rapidly declining trend in their participation in labour market due to lack of employment opportunities. The fast mechanisation of agricultural operations and use of weedicides have considerably reduced the demand for female labour in agriculture, thus impacting their household incomes. Self-help Groups (SHGs), which are run by women in rural areas are also suffering during the period of pandemic, thereby reducing their incomes and overburdening them with care work. The income losses are creating a vicious cycle of low demand, low investment, low income, etc.

In order to stop further decline in incomes, restart the economic engine, and accelerate opening of new opportunities to accommodate additional labour force due to migration, a new and innovative approach is the need of the hour in terms of policies and strategies.

III. POLICY RESPONSE TO CRISIS MANAGEMENT AND LESSONS

One may note that there are no past experiences of managing such a global crisis and should acknowledge as we go along that improvising is the only option available for policymakers. Therefore, for effectiveness of policy measures aimed at fighting the COVID-19 pandemic and faster recovery of the economy, it is crucial to learn lessons from the experience so far in dealing with the pandemic, especially the choice over centralisation vs decentralisation of decision-making

and management of crisis by the Centre/State/Local governments during critical phases, and transparency and effective communication of decision-making to all stakeholders. This approach can make way for effective and significant planning and improvement in our future policies and strategies.

Towards fighting the crisis immediately after the lockdown, the Government of India announced an assistance of Rs. 1.70 lakh crore as Prime Minister's Garib Kalyan Package on 26th March 2020. It aimed at providing immediate relief to poor and vulnerable sections of the Indian population. It was envisioned to ensure food security by providing 5 kg wheat/rice per person, per month and one kg. pulses free per household for next three months; cash transfers of Rs. 500 per month for the next three months in Jan Dhan accounts of 20 crore women; ex-gratia of Rs. 1000 to senior citizens and widows; and increase in MGNREGS wage rates to Rs. 202 from Rs. 182. Under the Prime Minister Kisan Yojana, Rs. 2,000 were front loaded to 8.7 crore beneficiary farmers. For supporting SHGs, the amount of collateral free loans was doubled from Rs. 10 lakh to 20 lakh. Doing much more would have been desired by all, the support however, kick-started the amelioration of the distress to a certain extent to the distressed sections notwithstanding the criticism about the adequacy of relief measures in fighting the crisis. In the next step, the Hon'ble Prime Minister announced an economic package of Rs. 20 lakh crore on 12th May 2020 for the revival and reconstruction of Indian economy, which was equivalent to 10 per cent of India's GDP of 2019-20. Details of this package were later unfolded by the Hon'ble Finance Minister under the rubric of Atamanirbhar Bharat Abhiyan (Self-reliant India Mission), which included the earlier package of Rs. 1.7 lakh crore under PMGKY. From the perspective of rural economy, this package addressed agricultural development by earmarking Rs. 1 lakh crore for agricultural infrastructure development, Rs. 30,000 crore as an emergency working capital for farmers through NABARD and Rs. 10,000 crore for formalisation of micro food enterprises in a cluster-based approach. The objective of these measures is to develop agri-infrastructure like warehousing, cold chains, post-harvest management infrastructure, dairy

infrastructure along with investment in cattle feed, beekeeping and herbal and medicinal plants. Towards meeting the rising demand for work in MGNREGS amidst rising number of reverse migration, the government allocated an additional Rs. 40,000 crore over and above Rs. 60,000 crore. For boosting forestry and employment, the economic package also included Rs. 6,000 crore CAMPA (Compensatory Afforestation Management & Planning Authority) funds, mainly aimed at benefitting tribal population.

In the sphere of agriculture, three ordinances brought out by the government on 3rd June 2020, namely, (a) Essential Commodities (Amendment) Ordinance, 2020, (b) Farming Produce Trade and Commerce (Promotion and Facilitation) Ordinance, 2020, and (c) The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Ordinance, 2020 are being seen as a game changer in transforming Indian agriculture and benefitting farmers. Though it is premature to speculate on the impact of these measures, the common fear is that these measures will help disproportionately more to traders, especially big corporations. The critiques fear that these ordinances are targeted at usurping state powers, and overriding state laws and market committees. Farmers may be benefitted till the rise in prices is manoeuvred by stockists and/or imports of agricultural commodities, as was being experienced in the past.

For businesses and Micro, Small and Medium Enterprises (MSMEs), collateral-free automatic loans worth Rs. 3 lakh crore were earmarked in the form of Guaranteed Emergency Credit Line (GECL) facility. The definition of MSMEs is broadened based on investment and annual turnover criteria with an objective to expand the universe of MSMEs.

One of the major critiques of the government policies relate to its unpreparedness to address the plight of migrant workers and a snail's pace of interventions of both Central and State governments in reaching the stranded people for assistance, mostly millions of migrant workers. This led a panic and exodus of migrant labour back to their villages. Lack of assurance for the safety and support during the lockdown for millions of migrant workers also led to

risky congregations reaching the transport terminals to move to their respective villages. Drawing from human psychology, under uncertainties, every human likes to be with his/her near and dear, however difficult it is going to be. This led to the migrant workers taking the risk of walking along the roads towards their villages, notwithstanding the fact that it might take weeks to reach their destinations. The important protective legislations for such workers, namely, the Inter-State Migrant Workmen Act - 1979 and Building and Construction Workers (Regulation of Employment and Conditions of Service) Act - 1996, intended to protect migrant workers have almost failed or remained inactive, and were hardly invoked by the system. This is worrisome despite a phenomenal rise in the number of migrant workers during the past few decades. The funds collected under the Construction Workers Welfare Funds, thus, remain largely underutilised. There are reports of diversion of such funds, for example in Telangana, to other uses like transport and storage of food grains. The government could have used the far-reaching recommendations of Ministry of Housing & Urban Poverty Alleviation's recent 'Report of Working Group on Migration, 2017' on improving the working and living conditions of migrants in cities, so that such crisis could have been averted to a large extent. Policy framework for urbanisation and migrants labour is largely in terms of regulation, where employers/governments fail to provide migrant workers (daily wage labourers) their basic entitlements such as minimum wages, subsidised ration, shelter, etc. More so, the hostile attitude of various governments (Central/State/local) in the past towards the questions of portability of social security benefits like PDS, public health facilities, education, etc., complicated the situation. A poor database on migrant workers regarding their employment, wages, working and living conditions, commuting, remittances, networks, etc., particularly the internal migrants makes it difficult to estimate numbers and contribution in terms of remittances, thus hampering effective policies for their welfare. Currently, the source States of migrant workers are collecting information about reverse migrants and their skill sets, but the desired approach could have been to go beyond one-time data collection by setting up an organisational structure to collect such data on a regular basis.

In brief, the economic package includes bank guarantees, liquidity measures, monetary measures and free food grain among other major relief measures. These measures are being criticised as most of these are loans and bank guarantees aimed at medium and long-term business development, whereas more liquidity is needed as direct cash support and wage subsidies to boost the effective demand in the economy.

Equally related to the migrant workers crisis is the failure of neo-liberal development policies and processes which did not go in a Lewesian way of transition and created informal and unsecured jobs. This has been further aggravated by increasing regional disparities in development by concentration of economic activities in major urban centres in the country over the years and gross neglect of development of small and medium towns as major centres of economic activities. There has been negative attitude towards the process of urbanisation in the early three decades of development planning, wherein migration to the cities was seen as an obstacle of development and overcrowding of cities, and calling such urbanisation as extension of rural poverty to cities. It is only the 10th Five Year Plan which for the first time recognised urbanisation as an engine of faster growth and started policies and programmes to promote urbanisation. However, a well-planned and sustainable urbanisation has yet to become a reality towards providing decent jobs and improved living in a big way. Similarly, the well-thought Rurban programme aimed at developing infrastructure in rural areas and smaller towns has yet to be uplifted in a large scale to create income opportunities in rural areas and small towns. The present crisis can be converted into opportunities through a massive infrastructure development programme covering all sectors of the economy, which in turn can create multiplier impact on the Indian economy towards faster reviving of growth, creating employment opportunities and providing health security. The Chinese experience of faster recovery and sustainable development after the economic crisis of 2008 is worth to emulate.

Special Economic Zones (SEZs), which were visualised to create large number of employment opportunities, almost remained non-starters and in many cases became land acquisition mechanisms.

There is scanty information on the labour and employment conditions in SEZs and enforcement of labour laws therein. The SEZs policies thus need retrospection from the perspectives of opportunities, equity and welfare of the society at large. The recent ordinances of curtailing various labour laws by several State governments like Uttar Pradesh, Madhya Pradesh, Punjab and Uttarakhand for attracting investment are being criticised for a labour-unfriendly approach. It is feared that such labour reforms are likely to worsen the working and living conditions of workers and make them subject to exploitation.

IV. WHAT NEEDS TO BE DONE?

Following are the suggestions covering a wide range of issues that can be picked up for short, medium and long-term policy interventions for the revival of rural economy:

A. IMMEDIATE AND SHORT-TERM POLICY MEASURES

1. Intensify direct demand stimulus to rural sector

In the times of pandemic when employment and earnings are lost, there is need to infuse and intensify purchasing power into the hands of rural households through food security and increased amount of cash transfers to poor and vulnerable rural households, and extend the same from the current three months to another nine months till the economic situation of households returns to normalcy.

Universalisation of basic services - food, health, pensions, and education can create multiplier impact, leading to employment generation. This requires improving the income/remunerations, working conditions and social security of those engaged in many government schemes such as ICDS, ASHA, village secretaries, Ayush Mitras, Rozgar Sahayaks, etc.

2. Revitalising MGNREGS

There is a need to create a Disaster Management Employment Guarantee Programme by removing restrictions of 100 days of employment, participation of one person of household and listed types of unskilled works in MGNREGS. Rather it should be made an

individual entitlement. It can assure that at least 100 days of employment is received by each participating member of a household. Timely wage payment is crucial to mitigate the economic distress in times of COVID-19 crisis.

It is to be ensured that nobody is left behind and is given work. Returned migrants should be enabled to join the programme by simple procedure and the Gram Panchayat should be empowered to enroll names of such people. This also requires labour budget planning at the Gram Panchayat levels across rural India through participatory approach, which is rarely in practice in most of the States. There are tested experiments like 'Kaam Mango Abhiyan' in Jharkhand where everyone with the intent to work is enrolled, and labour budget is prepared through participatory planning at the panchayat level. It needs to be extended to small towns surrounding rural areas. Though the Central government has provided assistance of about one lakh crore under MGNREGS, it is to be ensured that the scheme is not starved for funds, especially in this pandemic situation. States can add to this through their resources i.e., an open-ended employment guarantee programme.

Local level governments need to be given autonomy to decide on spending the MGNREGS budget, which can be innovatively leveraged in care-giving services such as ensuring delivery of PDS rations, ensuring that none of the elderly and disabled persons go hungry and get social security benefits such as pensions from banks, post offices on time. Like-wise in Kerala, SHGs need to be allowed to manage MGNREGS across different parts of the country. Physical distancing needs to be ensured with the social vigilance at MGNREGS worksites as well as other public places.

People should be given the choice to choose skill development under 'UNNATI' component of MGNREGS. It is to be ensured that those opting for skill development learn skills and simply not go there for wages. It should be combined with credible institutions that give on-the-job skills and certification. This also requires skill-need mapping in every village. For example, villagers need training in skilled agricultural operations, construction, care giving, pest management, etc. This would help in collating demand

for skills needed in the village, which can be imparted under MGNREGS. It would be prudent to take the advantage of skilled reverse migrant workers in skill training of their co-villagers. This can be arranged under UNNATI.

B. MEDIUM TO LONG-TERM MEASURES

3. Making agriculture a profitable enterprise

Agriculture needs to be turned into a profitable enterprise. This would require policies and programmes to improve the productivity and efficiency of resource use in agriculture, and improved marketing and better prices to farmers by linking them to value chains.

Watershed development needs renewed thrust towards utilisation of the so-far-untapped natural resources. MGNREGS should play a role in taking-up watershed development works by including the same in the labour budget and annual plan of Gram Panchayats (GPs). Use of GIS technology for watershed planning can be leveraged.

The potential of inland fisheries, horticulture and floriculture, which require improved technology, quality infrastructure for processing, storage, transportation and market with minimum actors in value chains is yet to be fully harnessed. There is a good potential to promote backyard poultry and backyard vegetable production by providing improved inputs to growers.

Agricultural extension services need to be strengthened for technology transfers, training of farmers in farm and allied activities.

The existing value chains with multiple stakeholders is weak and result in substantial losses related to multiple handling, unloading, re-loading, etc. E-Nam could ease this problem but not to a significant extent. The agri-supply chain can be shortened by leveraging ICT platforms to connect 'Farm to Fork'. This requires infrastructure at farm level, village level, cluster level such as pack houses, cooling centres, cold storages, godowns, sorting and grading facilities, and packaging facilities. This will create local employment for managing such facilities. The youth can be upskilled to handle these small enterprises. FPOs can effectively be involved in managing these facilities so that the primarily processed produce can be shipped to the consumer centres. SHGs

can be developed as one of the critical actors in such value chains by forming rural distribution chains. SHGs need to be provided with low-cost funds so that they can procure the products from the farmers, do the primary processing and distribute them back to the rural households/urban centres.

The government has shown its commitment to promote Farmer Producer Organisations (FPOs), by announcing for setting up of 10,000 FPOs by 2024, but the progress is yet to take-off in a desired way. There is a need to quickly analyse and learn lessons and seek reasons for the sustenance of minority of FPOs, while majority are at infancy stage and many more are stillborn. There may be a need to create new participative institutions that support area-specific agri-enterprise development such as FPOs. These FPOs can have a good learning from SHGs and Amul Cooperatives to become independent professional organisations on the lines of self-sustaining business models.

Agri-Entrepreneur (AE) model developed and implemented by the Syngenta Foundation under the guidance of NIRDPR and support of SRLMs of Bihar, Jharkhand, Maharashtra and Andhra Pradesh with proven impact on increased employment and income needs to be upscaled— at least one AE for every 200 farmers. We can emulate Israeli model of high-tech farm enterprises that can generate remunerative employment with minimal land requirement.

Three recent ordinances pertaining to agriculture, which are likely to generate far reaching impact in improving the economic conditions of farmers need to be comprehensively discussed and debated on their effectiveness in the coming days so as to arrive at an implementable plan of action with a clear objective of enabling the small and marginal farmers to reap the benefit of these reforms. In addition, massive awareness and handholding is required for the farmers to reap the benefits of envisaged reforms.

4. Develop rural non-farm enterprises for self-reliance

Equally important is to create remunerative

employment opportunities outside agriculture so as to reduce dependence on subsistence agriculture. The current challenge of economic crisis can be converted into opportunities by developing niche-based clusters of micro and small non-farm enterprises. This will require developing a range of common infrastructure facilities such as roads, electricity, workplaces, storage, grading, waste disposals, service centres, technology, skill training centres, markets, etc. This would require a massive funding towards developing such integrated clusters. Focus should be on cluster-specific manufacturing and service enterprises - first to focus on micro, then on small part of MSMEs.

For this, first identify potential clusters of economic activities such as local small enterprises, rural industry, agri-business, agro-processing, weaving/textiles activities, forest produces, etc., as part of the Gram Panchayat Development Plan (GPDP)/cluster plan. Thereafter:

- a. Enable professional handholding to each cluster either through local CSO/Development Accelerators, or high-end management graduates (IIM, IRMA, NIRDPR-PGDRM, XLRI, etc) to be compulsorily posted for a period of two years with that cluster to make the difference in planning, creating an institutional set up, input and market tie ups, setting up the unit, enable skilling appropriately, create local leadership to run the units, etc.
- b. Complete tax breaks for the next 10 years for such ventures.
- c. Promoting social enterprises to solve the local social problems such as solid waste management, liquid waste management, community bio-gas/fortified manure complexes with viability gap funding wherever required.
- d. Each cluster should have a common infrastructure or 'cluster mall' with shopping, small enterprises, service centres, a mini livelihood training facility, common service centre, digital lab, food processing facility and retail outlets.
- e. Promote the 'one cluster one product' approach

5. Fasten the revival of MSMEs

MSMEs are facing severe challenges of their survival. The Emergency Credit Line Guarantee Scheme (ECLGS) for the MSME sector is a step in the right direction. As firms expect a slow recovery in demand and lengthy labour shortages in the coming months, intensive measures are required to salvage the sector from a total collapse, which may include short-term interest-free loans, deferring taxes, expediting tax refunds, reducing GST slabs to stimulate demand, and wage subsidy until production resumes.

Wage subsidy needs to be provided to micro and small enterprises (MSEs) along with collateral-free loans under the GECL facility through direct cash transfers to the accounts of workers at least 50 per cent to 75 per cent of the wage bill of MSEs for at least the next six months. This would help these enterprises to resume their enterprises. Workers would also be induced to join their work as they see the ensured conditional wages being paid to them through cash transfers.

For the revival of MSMEs, the government has earmarked a package of Rs. 3 lakh crore. It is feared that benefits of such facility mostly would be availed by well documented and registered MSMEs. It is to be ensured that micro and small enterprises in the unregistered segment also benefit from this package. Therefore, there is a need of intermediation between micro enterprise/SHGs and banks. This is possible through creating a cadre of educated SHG facilitators, similar to Bank Mitras in NRLM – otherwise, bottom half of the MSMEs would be left out. Kerala tried this with an experiment of Micro Enterprise Consultants consisting of highly-trained and motivated women. Undivided Andhra Pradesh also did it to some extent. These consultants can help micro enterprises not collapse.

Providing fiscal incentives and other incentives to attract MSMEs to rural areas in a big way can create employment opportunities in a significant way. Both Central and State governments should act proactively towards this objective in the coming months and years.

6. Unleashing the potential of SHGs

The pandemic has seen emergence of a new governance coalition of local level governments, the

SHGs and CSOs. SHGs could emerge as a source of stable employment and income. They were also adversely affected despite their important role in the fight of COVID-19. Though the Government of India doubled collateral free loans for SHGs from Rs. 10 lakh to 20 lakh, it is to be ensured that they get such loans to strengthen their activities without any hassles. Banks also know that repayment rate of loans among SHGs is higher over 95 per cent, and thus, they should be more flexible in supporting the SHGs.

NRLM is a fairly flexible flagship scheme of the government, which has Mahila Kisan Component as well. This is grossly underutilised so far except in few States. This needs to be utilised to develop a cluster of micro enterprises using the SHGs' strengths. We should work towards developing SHGs on Amul pattern of cooperative management. There are about 60 lakh SHGs in India which can be a real support base for GPs in undertaking various socio-economic development initiatives of government and other agencies.

The Start-up Village Entrepreneurship Programme (SVEP), a sub-component of the DAY- National Rural Livelihood Mission helps the rural poor in setting up enterprises and provides support till the enterprises stabilises. This programme can be used for cluster-based enterprise development. SVEP need to be expanded to at least 5,000 clusters of Panchayats. Local CSOs can leverage this initiative by hand holding of SHG enterprises and function as cluster facilitation teams. Organisational capacities of business development of SHGs need to be developed through regular training.

7. Need to accelerate National Rurban Mission progress

The vision of late Dr. A. P. J. Abdul Kalam to develop rural India through a cluster development approach of PURA (Providing Urban Amenities in Rural Areas) holds answers to many problems of rural development at present as well. Under the PURA, 7,000 clusters of villages with common competencies and/or mutual markets were envisioned to be developed through 'four connectivities'- physical, electronic, knowledge and economic, which are linked horizontally or vertically. The scheme was launched in 2006 during the Presidential tenure of Dr. Kalam, but could not

be sustained towards this vision. The Prime Minister launched Shyama Prasad Mukherji Rurban Mission (SPMRM) or National Rurban Mission on 21 February 2016, with an aim of developing 300 Rurban clusters in the next five years. Development of these clusters would entail provisioning of training linked to economic activities, developing skills and local entrepreneurship, and by creating necessary amenities regarding health, education and economic infrastructure. The progress of National Rurban Mission has been satisfactory. However, this needs to be accelerated at a faster pace through enhanced financial resources to achieve its objectives, which are of critical importance during this period of economic retrogression. The central government can peg up its current share from 30 per cent to 50 per cent of the project cost as critical gap funding. The number of Rurban clusters can be increased to 1000. This would give a big boost to local economy and reduce distress migration to a significant extent.

We still look in terms of industrial policy or economic policy at large in terms of a geographical growth, which by plan or design or accidently was getting concentrated in terms of incomes, at least largely in and around a few big cities. Although manufacturing was spreading to other places, the services sector was getting concentrated. This needs to be corrected by developing an organic link between the small towns and country-side around those small towns as hubs of niche-based economic activities. This would help in promoting balanced regional development. This would need large fiscal interventions by both Central and State governments.

8. Broaden and strengthen skill training

The progress of current skill development initiatives have been less than desired and need to be upscaled. Each Panchayat should undertake skill mapping of its population and prepare a 'skill plan' for the youth and then connect with skilling activities immediately. Many of the returned migrants are unskilled and semi-skilled workers, who need to be trained in new trades/occupations. MGNREGS platform can be used to develop skills of both local and returned migrants.

Skill development programmes need to focus on

training in various trades pertaining to skill-intensive agriculture and allied activities i.e., organic agriculture, floriculture, fisheries, poultry, farm management, non-farm activities such as agri-processing, storage, value chain management, a range of construction related trades, and care services. With the fast-aging society in the west, there is a huge scope for export of caregiving service providers in the coming years. Skill training can be given in such trades. There is a need to revive all dying skills and make them productive and profitable sources of livelihoods-business ventures.

DDU-GKY, which is at present highly urban-centric needs to be re-oriented in favour of rural enterprise development eco-system. This would entail skill training in a range of economic activities both in farm and non-farm sectors of rural economy.

Technology has to play a critical role in reshaping the development of rural areas, particularly amidst COVID-19 in the coming years. This would require developing rural knowledge platform pertaining to economic, social, cultural spheres through active collaboration between public and private sector, which would provide expertise to take cutting edge technology deeper into villages and generate employment. For example, IT-enabled data services for farming communities can effectively be used to offer more profitable choices to farmers and improve their negotiating power in value chains. Similarly, health services can be accessed for primary health care through e-health care services. Towards the end, Rural Technology Parks can be established in each district to showcase technologies pertaining to rural development and popularise their adoption.

9. Strengthening rural infrastructure

Access to quality infrastructure creates multiplier impact on improving lives and livelihoods. The Chinese experience of expanding its infrastructure in a big way after the economic recession of 2008-09 as its recovery programme is worth to emulate. For a faster economic recovery and sustaining the same, there is a need to accelerate the current programmes to build roads, warehouses, cold storages, better internet connectivity, sorting and grading facilities, basic services centres, rural technology parks in each district, rural markets,

etc. These measures would also improve rural non-farm employment opportunities and strengthen rural-urban market linkages.

10. Strengthen rural education systems

The world of work is rapidly becoming more knowledge and skill-intensive, and there is a growing rural-urban divide on this front. This necessitates to improve educational quality in rural areas and to be made the non-negotiable new norm. This would require widespread institutional reforms and changes in approach and mindsets.

Interventions are required to rejig the entire education system in rural areas, particularly the school education. The learning outcomes in public-funded schools in the country-side are a matter of worry. These would necessitate improvement in educational infrastructure, innovations in curricula, approaches of learning and teachers training. The Draft Education Policy envisages several far-reaching educational reforms, which need to be implemented without further delays. There is a need to create a fresh rural-oriented curriculum in professional and technical education, and business schools to train the workforce to operate in villages.

The e-learning/teaching during the COVID-19 has created another kind of educational inequality as many of the students did not have access to such modes of learning and many could not afford to acquire necessary gadgets. Access to e-learning resources should be provided to poor households in such situations to minimise the loss of teaching and learning of affected students. Education inequities in COVID-19 period are increasing. Measures need to be made to prevent post-COVID huge drop-out of children, who would be mostly from poor and marginalised communities.

11. Strengthen primary health care

The pandemic has exposed the capacities and capabilities of health systems across the world, and India is not an exception. However, even in normal times, the Indian health system is marred with lack of healthcare facilities, paucity of funds and priorities, particularly in respect of primary health care. The need of the hour is to bring primary health care back on the development agenda, which has been grossly neglected

over the years. This needs a strong political commitment. Everything cannot be managed by health insurance alone. Primary health care needs to be upscaled, both in terms of quantity and quality, and should be linked with the PRIs.

There is an immediate need to increase the availability of financial resources for health care, by mandating at least 3 per cent of GDP for health care in the country, with due share for rural health care. There is a need of strong political will for transforming public health care infrastructure in the country with a clear recognition that leaving public health cannot be left in the hands of private players. This would necessitate making transparency and accountability a non-compromisable part of the system.

Rural public health care generally suffers with the lack of health care professionals like doctors. As a measure to overcome shortages of doctors for primary health care in rural areas, there is a need to create a mandatory provision of at least 2 years work for all MBBS graduates after the completion of their degree programme on a full salary basis in government hospitals/primary health centres in rural areas, after meeting such requirement of mandatory work, they should be awarded their degrees.

12. Strengthening social security

Along with other measures of rebuilding rural economy, government could continue to provide food and cash support to Jan Dhan account holders and other poor by expanding its outreach and amount till income of households return to normalcy levels.

Social security entitlements such as ration cards, health cards, scholarships to students belonging to poor households, etc., should be made portable across the administrative boundaries, as well as outside the States. This would require to create a mechanism of subsidy transfers/provisioning in every State.

Welfare funds need to be promoted on a big scale where employers, the workers and the government contribute for social security and are transparently managed for effective benefits. Welfare funds collected under Building and Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 should not remain highly underutilised and be used extensively for the welfare of construction workers and their families.

13. Strengthening institutions for effective governance and service delivery

Effectiveness of any policy would greatly depend on coordination and efficiency of various institutions at different levels of governance. The role of local self-governance institutions is critical for developing organic links between people and government. One of the successful examples is the Kerala model of governance, which has empowered local level institutions in planning and execution of development programmes including relief measures to reach people in situations like floods and COVID-19 pandemic. This requires preparing People's Plan for the revival of local economy in consultation with each ward member and members of Gram Sabha. Enough resources need to be allocated accordingly. More powers need to be delegated to Panchayats in terms of planning and execution of development initiatives by involving every individual in the Gram Panchayat (GP). The approach should be to reduce uncertainty and focus first on survival - personal health as well as economic necessities, and thereafter recovery. This requires firm assurance from the government, like in the case of Kerala, where the State government communicated with credibility and clarity. In this regard, Panchayati Raj Institutions (PRIs) need to play a crucial role in building proactive connections between the people and government. In Kerala, this could be possible through continuous capacity building measures of PRIs over the past several years.

Transparency and accountability need to be made non-negotiable in local self-governance model. Every single disbursement made to GPs should be made transparent, so that it does not go into pockets of contractors and middlemen. Social audits are to change their approach with greater accountability. For resource use efficiency, we can mix this local monitoring and transparency along with using available technologies that are there and record every grievance and related response, and then make these open to all. This would effectively control the big danger of vested interest groups.

Grievance redressal mechanism needs to be set up, like in Rajasthan where anybody can telephone to the local committee to solve problems pertaining to food, health, isolation and physical distancing. This becomes

easier to monitor and is transparent.

There is a need of integrated departmental approach for better results with efficiency of resource use. The convergence is still missing in many of the development programmes despite recommendations by several committees in the past. For example, Rural Development Departments in most of the States have been rather cut-off from Health & Family Welfare Departments and Women's Welfare Departments in the present fight against the pandemic.

Like-wise in the past, Civil Society Organisations (CSOs) once again proved their active role in helping people in the times of COVID-19 pandemic by distributing ration kits, face masks, helping migrant workers to return to their villages and community awareness programmes. In some places like in Gujarat, local NGOs purchased food grains from farmers who were unable to sell their produce during the lockdown for distribution to poor and vulnerable groups in villages. Their efforts need to be encouraged and strengthened in a big way both by the government and citizens. They need to be trained on information and community handling. NIRDPR can play an important role in their training, for which funds under CSR can be channelised. They should not be discouraged by the government, rather be allowed to mobilise funding for which easing out the FCRA rules may be considered. Networking of national/international NGOs from top with the local NGOs needs to be facilitated to strengthen the capacities and outreach of the NGO's development initiatives. A very positive development that is noticed in COVID period is that many NGOs are now interested in working with Panchayats, which they avoided earlier.

GPDPs are critical in the present day context for accelerating sustainable development at local level. Panchayat Development Plan can be revised which should initially focus on welfare and services, and then gradually moving on to the local economic development including agriculture and local markets. This requires strengthening the capacities of PRIs through training on a large scale. The present circumstances demand for revival of constitutional institution such as District Planning Committee in preparing local plans and policies. These institutions have been made almost non-functional over the years.

Building a cluster facilitation team is absolutely essential in these times, which brings some kind of technical support from volunteers from academic institutions, government departments and CSOs to help Panchayats negotiate and prepare their plans. Unnat Bharat Abhiyaan, sponsored by the Ministry of Human Resource Development and promoted through a network of higher educational institutions to provide holistic village development approach, could not take off. This needs to be revamped based on the past experiences.

The government can avoid delays in the availability of financial resources by frontloading budget and Finance Commission funds, which are generally pumped in more amounts towards the end of the financial year. Finance Commission should help in the strengthening of GPDPs through special funds in its resource allocations.

14. Bringing migrant workers in development agenda

The heart-breaking plight of migrant workers should never be allowed to be repeated. For this to happen, it is non-negotiable that they are treated as equal citizens as guaranteed in the Indian Constitution, and should ensure that as workers they are given their rights of decent employment with social security, education of children, health security and dignified living. This requires a committed policy framework with empathy and social cohesiveness. It also necessitates making a comprehensive policy for migrant workers that helps them not to suffer the way they suffered. Winding up of labour laws in the garb of economic distress and providing competitiveness to industry is not certainly helping labours, including migrant labour in making their lives better.

15. Fiscal commitment, financial infusion and autonomy

A definite fiscal commitment of at least Rs. 2 lakh crore is needed for the revival of rural economy. While provisioning, the Centre should give freedom to States to spend money and force the States in decentalisation of spending directly through Panchayats. In this regard, experiences of some States like Kerala are worth to emulate.

Along with infusing purchasing power into the hands of the households, all financial liabilities of enterprises need to be reset for the next 12 months – complete interest-free moratorium for 12 months on all loans, additional working capital for reviving, recovering and spearheading the activity, topup bank credit to SHGs, CLFs, VOs, SVEP enterprises, rural SMEs, etc. Additional resources need to be infused over and above the existing deferment with a rider that there won't be any loan waiver for which consensus should be reached across the country. This can encourage the bankers to lend liberally and the customers will strive to use the same effectively and repay at the end of the day. Universal insurance can take care of the exigencies and calamities.

V. IN LIEU OF CONCLUSION

As is well known, the recent phase of economic slowdown, job losses and deceleration in employment opportunities and almost stagnant wages have adversely affected the household income in rural areas. The outbreak of COVID-19 has posed formidable challenges to the lives and livelihoods of people. While the recovery of the economic losses and return to normal life may take a considerably long time, much would depend on the policies and strategies aimed at recovery and reconstruction at a faster pace. This paper outlines several suggestions towards faster and inclusive recovery and reconstruction of rural livelihoods in India amidst the COVID-19 pandemic. It argues for building up the momentum and an out-of-box approach in a mission mode to transform village economy and society towards achieving self-reliant economy and dignified lives and livelihoods. For this transformation to happen in the villages, it is essential to provide (i) a range of quality infrastructure, (ii) good foundational education, (iii) skill training in the context of fast changing skill demand landscapes, (iv) cluster-based approach of development, (v) increased financial support, (vi) branding of local products, (vii) adding to these products and services to value chains with ensured remunerative incomes, and (viii) institutional reforms. This transformative journey would be much easier, faster yet inclusive by augmenting the capacities and capabilities of local level institutions such as PRIs on a sustained basis.

Shri S. R. SANKARAN

S. R. Sankaran, a Civil Servant, is known for his commitments and actions for the upliftment of the poor and the marginalised. The seamless integrity between his life, ideas and work was the unique dimension of his personality. As a civil servant he took Constitution as a mandate and made every opportunity to put in practice the fundamental principles of equality, non-discrimination, justice and affirmative action in favour of the economically backward sections. He believed that his true vocation as a civil servant was to serve the people where the poor occupied the primacy of position. Within the poor his concern was about SCs and STs as they have been at the lowest rung of the social hierarchy, wallowing in chronic misery and deprivation and subjected to daily acts of injustice and indignity.

The transformative role that Sankaran as a civil servant, played in the lives of the poor is exemplary to date. His deep understanding of the social environment of the poor is remarkable. In his view, the poor are typically unorganised, hard to reach, inarticulate and often invisible by residing in periphery. Along with lack of access to land and other natural resources, lack of access to education makes them vulnerable to manipulation by adversaries leading them to internalise the ideology of dependence and submission. The conditions of poor can be compressed into five disabilities: (i) lack of access to land and employment, (ii) unfree labour, (iii) low wages, (iv) institutionalised discrimination, and v) deprivation in social services. His work during his career and after retirement devoted to uplifting the poor by relieving them from such adversaries and organising them. While working for the poor he had not only used his professional skill but also brought to bear on the problem of human touch and his moral values.

Sankaran was a legendary civil servant, a crusader for social justice, a civil rights activist, a perceptive critic of development and public policy with extraordinary sensitivity, clarity, and above all, an epitome of compassion. A single social goal of his entire life's work was the reduction of contradiction between political and socio-economic inequality.



S.R. Sankaran Chair (Rural Labour)

S. R. Sankaran Chair (Rural Labour) is instituted at the National Institute of Rural Development and Panchayati Raj (NIRDPR), Hyderabad by the Ministry of Rural Development (MoRD) with the objective of promoting research on issues that would enhance understanding and help in improving the world of work and the life worlds of rural labour. Collaborative research, seminars, workshops and policy dialogues involving institutions, organisations, policy makers and other stakeholders with similar objectives, and placing the results in the larger public domain through working papers, articles in learned journals, books and policy briefs are part of the activities set out for the Chair.



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