

# Scarcity, Rural Consumers and COVID-19: Challenges and Opportunities

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## ABSTRACT

While the entire world is under constant observation and lock down caused by the Coronavirus COVID-19, the most suffered are being neglected. As the press says “The rich brought this virus in to the country and the one paying for it are the poor and marginalized population”. The virus has not only challenged the entire health and immune system, it has also taken a toll on the already damaged economy of our country. Every sector has been through loss, be it is production, transportation or supply chain. The major trouble is the larger the population density is, the bigger the threat it is going to be. As the same has been observed in Italy, India also is dreading for that nightmare to turn into reality. But the recipient of all these hassle and negligence comes down to the bottom of the pyramid. The nation and the GoI sure are trying to support every individual. Yet the question lies: Is this sufficient?

**Keywords--** COVID-19, Challenges, Opportunities, Rural Consumers

## I. INTRODUCTION

Today, the world is challenged by an invisible menace which has crippled even the strongest of nations, India being one among them. By far, more than a million humans have fallen prey to this ghostly terror which has forced nations to shut down their everyday lives. With each passing day, great economies are crumbling down at the hands of the historic pandemic, India being no different. Although the pandemic denotes a health crisis, its economic impact is far more devastating and intense. With its desperate measures to curb the spreading of the COVID-19 disease, India has taken otherwise incomprehensible measures of a three week lockdown across the country. Under the lockdown, roads are barricaded, transportation cancelled and most importantly markets are shut down. This phenomenon has quickly vaporized the incomes of the most vulnerable sections of the Indian society, the rural households. Although, the menace of the health hazard has not yet reached the rural parts, but the prolonging economic crisis has left these people resource less and starving. With no support either from the government or from welfare agencies, these people have lost all hopes to survive.

## II. LITERATURE REVIEW

### • *Learning from:*

- COVID-19: Indian farmers, consumers suffer as lockdown disrupts supply chain
- Real social distancing: Special planes for India’s rich, police lathis for working class poor
- COVID-19: Village tell city folks to stay away from their hamlets

As a drastic measure to prevent the spread of the highly contagious disease, Prime Minister Narendra Modi passed nation-wide lockdown for a period of 21 days and that too within an extremely short span of four hours. Roads were barricaded and transportation cancelled while baton wielded police took guard at all major transportation routes. This came in as devastating news, mostly for those engaged as wage laborers in informal sector which in-fact constitutes 80% of India’s total workforce. Most of these people belonged to rural areas and as a result of lockdown, were left stranded where they were. Due to stringent regulations under lockdown, truckers, who serve as the major carriers of commodities, are now forced to return to their native places struck with a sense of the invisible fear. As a result, there is no transport for village produce to the urban cities that too in the season of harvest. As the mismatch between demand and supply rose, these people lost their jobs and were left with no resources at hand. However, at the same time, when all this menace grappled the poor, India flew its most sophisticated resources to bring back the richer class from foreign countries to nation’s boundaries. In a nation where the poor got mercilessly beaten to reach their native places, the rich were being graciously greeted. As rightly pointed out, India’s poor are like Akshauhini – the countless soldiers in the epic battle of Mahabharata, whom no one knew but remembered as of being some use to the rich.

### • *Learning from:*

- Traders concerned over advance payments made to farmers
- Farmers left stranded with fruit and veggies lying in the fields
- COVID-19 Outbreak: Rural India stares at a larger crisis

Apart from tackling the widespread havoc, farmers are now forced to face another crisis which has already started and is about to get large. Farmers across the nation fear huge losses as the ongoing lockdown has stopped operations of the mandi and subsequent shutting down of

markets. Not only this, there is severe dearth of labour needed for harvesting the standing crop due to transportation bottlenecks and related barriers. In the current scenario, which is predicted to be far worse than demonetization, farmers are in panic of mounting losses as it is the harvest season for rabi crops such as grapes, watermelon, bananas, chillies, turmeric, cotton, onion and potato. Truckers, themselves facing a humanitarian issue being stranded without food or money, have no say in this. Even if we ignore the transportation issues, there will also be a steep decline in the demand of urban consumers during the 21 day lockdown. In states like Maharashtra, prices of perishables such as of tomatoes have completely crashed with farmers being unable to sell them even at INR 2/kg. The unforeseeable terror has also terrorized the traders who have invested crores for advance payments to growers. With the ongoing scenario, traders are almost sure of losing 60%-70% of their investments which will have a huge impact on the economy as well. The migrant laborers are left with no job while the growers are forced to feed their produce to the cattle, the degree of suffering being no different for both the sections. A fairly bigger crisis is set to happen in the coming weeks if the normalcy doesn't return which involves the harvesting of the nation's most staple crop, wheat. Although, the state is trying to delay the situation till 20th of April but beyond that, it won't be possible to curb the massive loss.

• **Learning from:**

- State's measures to fight coronavirus are stripping the poor of dignity and hope
- The finance minister's COVID-19 relief package is helpful, but there are gaping holes in it.

None of the measures taken by the government is aimed at providing relief to the poor and the destitute. "I won't die of corona, before that I will surely die of hunger."- Quoted a villager left with no food or money at hand. The relief package announced by finance minister is no doubt helpful but it is in no way adequate enough to tackle the catastrophic impact on the rural households. It will be a severe miscalculation on our part if we believe that five extra kilograms of rice along with one extra kilogram of pulses accompanied with INR 1000 for the aged, disabled and widows, INR 1500 through Jan Dhan accounts, INR 2000 cash transfer to farmers and free gas cylinders can actually help the people sustain. Even the measures in themselves are flawed as it is still not clear why there is a need to transfer relief through the PMJDY accounts of women in the household. It would be better to utilise the list of job cards under MNREGA which is far more inclusive and prevalent than PMJDY. Also, it is almost impossible for people to access bank accounts when there is no public transportation and private means would cost them rather more than what they are getting as relief. Moreover, the data regarding the bank accounts are based on data collected in 2011 for PDS coverage under National Food Security Act which in reality is no way closer to the current figures.

### III. RESEARCH METHODOLOGY

The following term paper has been formed by gathering data regarding the pandemic circumstances in the entire world. We have referred to various news publications and articles to collect secondary data in order to understand the theme and assumptions related to it.

### IV. RESULTS

It is not unknown that trade and commerce are heavily influenced by interactions and that is why cities tend to be more prosperous than villages. But the bitter truth is, these interactions also give greater chances for spreading of a contagion like the COVID-19 pandemic. The denser the webs of economic interactions, the greater will be the impact. One major contributor to the havoc is fear. As fear sets in, a portion of the people relieve themselves of their responsibilities due to self-isolation, which in turn affects the demand and supply chain. Panic among masses also gives rise to an enormous growth in demand for commodities as those with resources try to stock pile each and everything for the forthcoming days. As a result, the supply chain collapses which converts the local crisis into a nation-wide reaction. As someone's supply is someone's demand, the impact is equally felt at both ends. As a matter of fact, now the demand reduces as people start saving whatever they can in-case situation becomes worse. This will lead to shops and traders losing their shares which in turn leads to migrant laborers losing their jobs who now try to move back to the ill-equipped villages which are somewhat safeguarded against the virus but in reality are the most devastated by the economic turmoil. On the other hand, with markets shut down and transportation cancelled, the poor now have nowhere to go and nothing to eat. Their fear of the virus is outshone by the fear of hunger which is gradually catching up-to them. In a state of such fear and panic, they turn to the government they voted for, which in turn gives them an inadequate relief package and a crisis to look forward to, the harvesting season. This is the current scenario in India. As the nation failed to cater to the dire requirements of the poor who now are in constant fear of not only the pandemic but also hunger, the lockdown seems to be the boon for same while bane for most. The overtly evident gap among the rich and poor is further widened as for 70% of the country's population who reside in the rural areas, only 2.6 lacs beds are available while the rest 4.5 lacs beds serve those in urban areas. As they flew back, the rich spread the disease which now is responsible for the death of the poor.

### V. RECOMMENDATIONS

Social distancing is a privilege enjoyed by the rich and not the poor. In order to protect the poor from the current scenario, some of the suggestions are as follows:

- There should be efforts to accommodate the poor within the healthcare systems by providing free testing and treatment as early as possible.
- Efforts should be made to provide economic relief by relaxing loans for individuals and rescheduling repayments for SHGs.
- Public distribution shops (PDS) should provide free ration to the rural households with no criterion for selection.
- There should be efforts to provide warehousing facilities to farmers until the lockdown is over.
- There should be strict instructions not to lathi charge farmers or producers while transferring their produce from villages to warehouses.
- Rather than giving extra rice and pulses as relief, everyday meals should be provided to the poor across the nation.

## VI. CONCLUSION

As rightfully said by Prof. Muhammad Yunus “Poverty is not a created by the poor, it is in fact a fault of the system itself which has gone unchecked for decades now”. For a well-protected nation, the discrimination along with the priority must be bias-free and as marginalized are the most affected, they must be brought into protection. Hence, at this point, it is necessary to insulate the most vulnerable and reduce the gap between the rich and the poor.

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