

IMPACT OF COVID-19 ON RURAL ECONOMY OF INDIA**Dr. Khade Amol Tukaram***Asst. Professor in Economics, Deshbhakta Sambhajirao Garad College, Solapur.***Introduction:**

The Corona virus which has struck into two waves has killed thousands of people at times has brought cities to a halt, the covid-19 pandemic affected the Indian economy. The Indian economy has been hit hard by the ongoing covid-19 crisis. The coronavirus and lockdown aimed at stopping it last year saw millions of people thrown out of the jobs in cities and towns and forced back to their villages and ever higher levels of Debt. India's already stressed rural economy is getting battered by the second wave of covid-19

Copyright © 2022 The Author(s): This is an open-access article distributed under the terms of the Creative Commons Attribution 4.0 International License (CC BY-NC 4.0) which permits unrestricted use, distribution, and reproduction in any medium for non-commercial use provided the original author and source are credited.

➤ **Objectives:** The major objectives of this study are:

1. To understand impact of Covid-19 on overall Indian Economy
2. To understand impact of Covid-19 on rural economy of India
3. To find out the challenges for different sectors in Indian economy

➤ **Research Methodology:** Secondary data used in this study. I have taken survey reports & study reports by various agencies like FICCI, Azim Premaji University report to understand the impact of COVID-19 on Indian economy. Also, I have studied few research papers and News articles which publish during covid-19.

1) Migration: Covid-19 lockdown flooded streets with 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.

400 million workers in India in informal economy is at the risk of falling deeper into poverty during the crisis. The reverse migration will create excess pressure on the agriculture and rural economy which will result in significant number of people to fall into object poverty.

2) Unemployment: During the lockdown, severe restrictions were placed on the movement of individuals and economic activities were significantly halted barring the activities related to essential goods and services.

Unemployment rate in urban areas rose to 20.9% during the April-June quarter of 2020, more than double the unemployment rate in the same quarter the previous year (8.9%). Rural areas, Unemployment has been on the rise since March 2020 entering double digits in May besides the loss of jobs, wages have also decreased. According to multiple household's surveys leaving many workers unable to properly feed their families. Rural unemployment doubled to about 14% during covid-19 lockdown.

During the October-December quarter of 2020 (latest data available), unemployment rate had reduced to 10.3%. However, it was notably higher than the unemployment rate in the same quarter last year (7.9%).

3) Poverty, no saving: In March, with India's covid-19 second wave rising, rumours were spreading among migrant workers that another lockdown would be announced, fearing a repeat of last year's troubles when a nationwide lockdown was announced on March 24, 2020. And daily wage earners in urban India found themselves with no means of sustenance with just 4 hours' notice, thousands of migrant workers left for home.

When they reached at their village within few days their family's savings had dried up and they fell into poverty. They were no money left, their bank account has nothing in it.

Rising poverty- however a year after the country begin easing out of the countrywide lockdown, there remains lasting economic pain among poorer households. About 75 million Indians fell into poverty since last year.

taking into account the general trend of reduction in poverty and estimated 230 million peoples in India have fallen into poverty as a result of the first wave of the pandemic (according to azim premji University 2021)

Measures:

- I) the central and state governments have to take various other measures, such as increasing spending on infrastructure creation.
- II) Enabling access to cheaper lending for businesses, to sustain economic activity and boost employment generation.

Conclusion: Covid-19 will have both short and long run effect on the rural economy in India. The government economic package contains majorly long-term measures. Whereas short-term measures such as cash incentives and wage subsidy should be given to save migrant labourers and marginal farmers.

References:

1. Nikhil Verma, Initiatives of Government of India to Boost up Indian Economy. *Journal of Management*, 5(4), pp. 496–503, 2018.
2. Impact of covid-19 on Indian Economy, Sheikh Aamin Hussain.
3. <https://indianexpress.com/article/explained/explained-how-has-covid-19-affected-the-global-economy-6410494/>
4. <https://www.indiatoday.in/magazine/the-bigstory/story/20200323-an-economic-coronavirus-1654645-2020-03-13>

Cite This Article:

Dr. Khade Amol Tukaram, (2022) Impact of covid-19 on Rural economy of India, Electronic International Interdisciplinary Research Journal, XI (II), 50-51.