

The Impact of the Lockdown on the Rural Economy: The Situation in Hiana Kalan Village, Punjab

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Hiana Kalan village in Patiala district in the state of Punjab has a population of nearly 1100 (according to anganwadi records). Many of the village's residents—both male and female—travel to nearby towns to work in non-agricultural occupations. In addition, the village includes landless agricultural workers and landowning farmers. Telephonic interviews with ten participants (one from each of the seven wards of the village, as well as a panchayat member, a shopkeeper and a street vendor) were conducted between 30 and 31 March, 2020 to gain some insight into how the nationwide lockdown has impacted the inhabitants of Hiana Kalan.

As noted above, several villagers travel outside the village to work in agro-based industrial units, grocery stores, medical stores, automobile repair workshops and petrol pumps. Some individuals also work as plumbers, electricians and masons, while some female wage workers work as domestic workers in towns or at vegetable cultivation sites outside the territory of the village. The lockdown has had a severe impact on these workers—one of the respondents reported that due to being unable to travel to work during the lockdown, he and many others have entirely lost their daily earnings.

The farmers in the village primarily grow wheat in the rabi season, and as such are concerned about the wheat harvesting season, which usually begins in mid-April. They also grow vegetables, although these are mostly for household consumption. One of the respondents is engaged in vegetable farming and reported incurring huge losses through the lockdown period as he has been unable to transport his produce to sell it at the mandi. Landless agricultural workers, who depend on being employed within the village by landowning households, have not seen an adverse impact on their employment.

Another essential commodity that the village produces is milk. A significant share of the milk is bought by middlemen twice a day, who then sell it at milk booths in urban areas. The remaining milk is either sold to other households within the village who do not own their own livestock or is used by milk-producing households themselves. According to one of the respondents, the middlemen refused to buy milk on the first two days of the lockdown due to the closure of urban milk booths. Milk-producing households lost all revenue they would have received from sales of milk without any reduction in input cost; several of them even had to distribute the milk for free. From the third day of the lockdown, the middlemen began buying milk again, but they only did so once a day, in the morning but not in the evening. The price of milk has also subsequently fallen and livestock owners have lost half of their income.

With regard to the MGNREGA scheme, a panchayat member reported that although there are more than a hundred households registered under this scheme, workers have not been given work for even a single day since the lockdown began.

Access to essential services such as banking have also been impacted by the lockdown. There is a commercial bank three km away from the village, but access to an ATM has almost become impossible due to the lockdown. Thus, although the state

government has credited old age and widows' pensions to their bank accounts, the beneficiaries have not been able to withdraw the cash from the bank.

Most of the households in the village are dependent on local grocery shops and hawkers for essential groceries. For the first few days after the lockdown had been declared, most shopkeepers in the village had shut shop, hardly any hawkers were allowed to visit the village to sell vegetables and other consumer durables. Two days later, the shopkeepers have reopened their shops but they have refused to sell anything on credit—selling on credit was a common practice before the lockdown began. The prices of sugar, pulses and flour were reported to have increased; one of the respondents, who owns a grocery shop, explained that the prices of all essential items at the wholesale market have also increased. The administration has permitted a vegetable vendor to sell vegetables in the village only in the morning, but these too are being sold at higher rates than before. The distribution of grains through PDS has not been adequate. Five kg of wheat per person per month have been supplied to the 426 inhabitants of the village. A number of families facing an immediate shortage of food were provided rations by a youth group in the village called 'Kaar-Sewa'. Welfare Society Nabha, an NGO, was also reported to have distributed rations to poor households in the village.

Our respondents also reported a shortage of essential medications for those with conditions like high blood pressure and diabetes. Elderly individuals in need of medical assistance have unable to get medications and treatment. There have been no visits by representatives of the local or state governments to educate the villagers on COVID-19. However, the sanitisation of all streets in the village has been undertaken by the Prabandhak (managing) Committee of the village Gurudwara.

To conclude, villagers in Hiana Kalan have experienced a number of difficulties during the lockdown due to the break in the forward and backward linkages of village economy with the nearby urban region. Those who used to commute to the nearby towns for work have faced financial losses. The farmers are anxious about the harvesting of wheat and about not being able to transport produce to mandis. Work under MGNREGA has halted. The prices of essential food commodities in the local village market have increased, imperilling the food security of several households.

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