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PROMOTING LOCAL SUSTAINABILITY AND SELF RELIANCE - STRATEGY FOR POST PANDEMIC SOCIO-ECONOMIC DEVELOPMENT

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<p>Special Issue Editors ¹Norvy Paul ²Johnson Mavole ³Arya Chandran</p> <p>¹The Catholic University of Eastern Africa, Nairobi</p> <p>²St. Augustine University of Tanzania, Mwanza City</p> <p>³Bharathamatha School of Social Work, Kochin, India</p> <p>Chief Editor Web: www.ijfdc.org Email: info@ijfdc.org</p> <p>Editing Oversight Impericals Consultants International Limited</p>	<p>Abstract: <i>Micro, Small and Medium Enterprises (MSME) sector, Small Scale Industries (SSI) and other local production units have emerged as a productive and energetic sector. As Mahatma Gandhi once said, "The soul of India lives in its village", the sector provided enormous employment opportunities and industrialisation of backward and rural areas. Due to the financial crisis, the launching of LPG policy, i.e., liberalisation, privatisation and globalisation, has metamorphosed India as a whole. Globalisation played a significant role in the transmogrifying Indian economy and touched all the spheres such as agricultural, industrial, technological, educational, health, and others. It also had a significant impact on local production units and had diminished even though it was in sustainable development goals. India is now facing upheaval like the rest of the world does. Since the present pandemic was an unforeseen outbreak, the lack of effective preparedness made various segments such as individuals, families and communities to suffer socially, psychologically and economically. COVID-19 spread, a classic example of system theory, resulted in a prolonged lockdown, causing global economic activities to a standstill. The proximity of local production units could provide the essentials to all strata, including the grass-root level. The country had opted for a labour incentive pattern of industrialisation, starting from similar goods and gradually moving to intermediate and capital goods. Even though they had implemented specific policies and packages, they always remained tokenistic. The paper does a reflective analysis of the correlation between pandemic influenza, inaccessibility/unavailability of essentials, and SSI/MSME sectors and other units by reviewing systematically the official/ government/ policy documents, news reports and extant works of literature. The paper also suggests how to promote local sustainability during the post-pandemic period of social distancing in Kerala and propose a community development model.</i></p> <p>Keywords: Local sustainability, Post-pandemic period, Globalisation, Community development model, MSME.</p>
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Introduction

The famous British economist as well as the Viceroy of pre-independent India, Victor Alexander, once said: “India is the Pivot of our Empire... If the Empire loses any other part of its Dominion we can survive, but if we lose India, the sum of our Empire will have set” (NCERT, 2021). It is clear from Alexander's words that India was a country that could become the most significant economic power in the world. Even after several years of independence, the financial status and sustainable development of our country and state is still a question. Since the current Covid-19 pandemic had created various crises, it is time to critically evaluate the strategies that put forward so far to build financial security and health care through local sustainability.

History shows that India had an independent economy before the arrival of the British. The majority of the people had agriculture as their primary source of livelihood. Manufacturing and distribution of handicrafts was also a source of income for the people, and some handmade cotton and silk cloth traditionally. Agriculture had a significant role in the Indian economy, even during British rule. Agriculture and other traditional occupations were the primary livelihood sources that helped about 85% of the Indian population who lived in villages. But agriculture started to diminish by the end of British rule. Problems related to tax and land ownership was one of the reasons for this.

Another significant reason was the idea of commercialisation of the agricultural sector put forth by British rulers. This helped those farmers who were financially backward. But at the same time, these agricultural products were exported to British land. Since farmers do not make any profit, slowly this paves the way for transforming agricultural land into barren land. This affected the agricultural sector and the manufacturing and distribution of handicrafts, handloom, cotton, etc. By the time India got independence, the people who followed agriculture and traditional occupation was in poverty. After independence, the then prime minister Jawaharlal Nehru had adopted various measures to change the existing economic condition and secure the financial sector. The government mainly focussed on agriculture and the traditional occupational sector. As a part of this, land reform and land ceiling policies were formed. This resulted in the temporary abandonment of agriculture due to ambiguity in policies. As a reason for this, India had to confront with severe food crisis during 1950-1960. For the first time in history, India imported food products from the USA to solve this crisis.

The government of India has introduced various projects for agriculture to restore the

situation as 75% of the Indian population had agriculture as the primary source of livelihood. But the government faced a lot of difficulties implementing those projects due to various factors like old technology, absence of required infrastructure, climate change, and scarcity of water and inadequacy of farms according to the number of farmers. During 1960-70, the India government had initiated 'The Green revolution' to overcome these challenges. As a result of this, the government leased out the acquired land and helped the farmers cultivate their land. Along with that, the idea of high yielding seeds had helped to strengthen the agricultural sector. The Green Revolution, which was implemented in two stages during 1960-1970 and 1970-1980, was a great success. Punjab, Andhra Pradesh and Tamil Nadu were the most prosperous states, and the remaining states were also able to attain self-sufficiency in food production. Thus by 1980, India was able to cease importing food crops entirely and at the same time export to other countries. India had acquired self-sufficiency in the field of agriculture.

In 1955, the Karvey committee was formed to strengthen the small-scale industries. The committee studies show that rural development is possible by enhancing small scale industries and was later proven by providing job opportunities locally and through stable income for the producers. But India was again in recession during 1980 due to the lapse in implementing policies and the flaws in adopted strategies. The stagnation of the Indian economy didn't create many visible problems in the agriculture and small-scale sector. But the scarcity of fertilisers and the high cost of raw materials had gradually started to affect the production of agricultural and small-scale sectors.

In ten years, India reached a stage where the public sectors, imports, exports and trade system became standstill. But taking into account the nation's existence and pride, the Indian government, was preparing for a better economic reform. As a result of this, a new economic policy was introduced for the sustainability and development of India. But the recent economic reform was unfavourable for the agricultural and small-scale sector, and it paves the way for their destruction. Even the policy aimed to develop the country; the government was forced to support the industrial and service sectors that give more economic profits. This increased in many public sectors in India. Along with this, globalisation, foreign investment, and the reconstruction of banking sectors have contributed to our nation's economic growth. As a result, India has attained growth and development in multifarious sectors like health, education, defence, transportation, and communication. But the central crisis was faced by the ordinary people who depend on agriculture

and the small-scale sector as the major source of livelihood.

Kerala is an agricultural state with various food crops as well as cash crops. Even though paddy is the staple food of Kerala, cash crops like coconuts, rubber, tea, pepper, cardamom, cashew, areca nut, cinnamon and the like changes Kerala's agricultural economy into a different platform. Even after the state's formation in 1957, various changes occurred in the landlordism and Janmi system; still, it did not end capitalist landlordism or transfer agrarian power to agricultural labourers poor peasants. The land reform legislation resulted in extreme fragmentation of land, which made agriculture a low-profit venture. Thus, landowners' realisation to change from non-profitable farming to additional income generating programmes like irrigation channels, terracing made the land infertile. Therefore, the low wages of workers compelled them to do other jobs. The recent economic policy significantly impacted agriculture and the industrial sector (Agriculture in the Kerala Economy). The importance of India's small sectors such as Small-Scale Industries, Village and Small Industries, MSME's and local production units were considered next to agriculture since Gandhi believed that the soul of India lives in its village (Joshi, 2002). This plays a significant role in promoting local sustainability and also contributes to the growth and development of the Indian economy. It was considered a heritage of Indian culture.

Even though we have many opportunities for promoting local sustainability, the unavailability or inaccessibility of food crops, vegetables and essentials occur in emergencies situations. This leads to disruption in economic development and imbalance in local sustainability. The paper is a reflective and critical analysis of our economic development approach towards sustainability and how an unprecedented disaster like COVID- 19 altered our economic system. It was done by a systematic review of secondary data and put forth specific suggestions for social and economic development.

The new economic policy had not considered the green revolution's fundamental factors such as water, pesticides, electricity, and the coalition of market. This resulted in the complete withdrawal of small farmers from the field of agriculture. In 1991, considerable changes took place in the service sector and the industrial sector due to the new economic policy. This new economic policy has created a misconception among the small farmers that they can earn a sustainable income source from the service sector than from agriculture. Due to the high standard of living and job opportunities, the immigration of people weakened the agricultural sector, which was on the verge of extinction.

The agricultural sector contributing 3.6% of GDP rate during 1980-1991 had declined to 3.3% during 1992-2001. But it again increased by 0.7% to reach a GDP rate of 4.0% during the period between 2002-2007. DURING THESE PERIODS, the industrial sector's GDP rate was 7.1%, 6.5% and 9.5%, respectively. The service sector, which greatly influenced economic reform, significantly contributed to the country's GDP rate of 6.7%, 8.2%, and 9.1% (NCERT,2021).

1. Impact of New Economic Policies & Neoliberal Capitalism

India faced the worst financial crisis, Balance of Payment, in the year 1991, which leads to the implementation of New Economic Policy. That is liberalisation, privatisation and globalisation. It had a vast impact on various sectors like agriculture, industrial, economical, technological, health sectors and the like. Globalisation can be said as the integration of world economies. The communication and transportation facilities have enhanced, which lead to the growth and development of economic, political, technical areas. It had contributed to the increase in international trade, business standards and productivity. Globalisation and neoliberal capitalism have created both positive as well as negative impacts.

The agricultural sector increases agrarian production by helping the farmers purchase the best quality of high yielding variety seeds at an affordable price from other countries; it allowed the farmers to cultivate diverse crops such as medicinal plantations etc. It also made the volume of export effectively. But on the other side, the country was not able to achieve self-sufficiency because of the dependency on the crops that provide more advantage. Most of the benefits were usually enjoyed by the capitalist or affluent farmers. The influence of multinational corporate sectors has created competition among the agricultural workers, which sometimes ends in the suicide of farmers and their family. The implementation of the Agreement on Agriculture (AOA) called for market liberalisation that affected the Third World's poor and thus made the Indian agricultural sector more competitive. *The main concern of the AOA is to limit and gradually do away with "all production and market-distorting interventions like subsidies, protective measures such as quantitative restrictions and high tariffs."* (Impact of neoliberal economic policies on the Indian peasantry). The impact of liberalisation policy led to a steady increase in agricultural commodities, land growth and growth in construction activities, trade, commerce and other activities. Thus, the increase in the cultivation of commercial crops made a decline in food crops production. An excellent example to be cited is the spread of Monsanto organisation in all agricultural sphere corners. Then farmers were made to address the global capitalist agrarian

markets. The lasting effect of seed trade contributed to their growth and the ability to build a monopoly over Indian farmers. *Monsanto now owns about 90% of all seeds that are in use in the country.* (Tristan Jones, 2017). Thus, globalisation made India with high growth rate but less sustainability.

According to Brundtland, sustainable development was defined as "the development that meets the needs of the present without compromising future generations' ability to meet their own needs." It is an integrated development in terms of social, economic and environmental factors. *Partha Chatterjee further argues that under neoliberalism, the domination of corporate capital remains confined to 'civil society', that is, the urban middle class and the elites, whose members are not only formally citizens like everyone else but also behave in a 'civil' way—for example, utilising the proper workings of the law—and are treated as such by the state.* (Strümpell, 2013). Neoliberal economic growth always encouraged global trade, consumerism and debt. This inequality paves the way to the disruption of local sustainability. *Its central dogma is economic growth through increasing competition by deregulation of social, welfare, health, labour and environmental laws, opening domestic markets to foreign competition, limiting the role of the state by the privatisation of state assets and liberalisation of economic policies, and increasing corporate influence and involvement in governance.* (Vombatkere, 2016). This injustice and inequity made an imbalance in social welfare. Kerala has put forward various schemes and policies for the upliftment of ordinary people. Kerala model is an example that can be cited as a positive aspect in this field. But is Kerala a welfare state? Even though we have social welfare departments, justice systems and all, many people still exist in a fragmented society. The government had implemented various policies, projects, plans, pensions, etc. Many studies are going on for development; most of the time, it remains tokenistic. Even though Kerala was a state mainly depended on agriculture and farming. But now, we rely on other conditions like Tamil Nadu and Karnataka for our basic needs. This dependency happens because of the inequity that occurs in our welfare policies. When farmers are not able to meet the criteria set by the government, they became unable to survive, go bankrupt and chose to stop the production. Likewise, in many cases, the word "welfare" is getting violated due to the influence of politics, globalisation and capitalism. There are many social problems around us that we can understand; sometimes, even when we understand, we are neglecting. Then the rich became more prosperous, and the poor became poorer.

2. COVID-19 Pandemic Crisis

The outbreak of the COVID-19 pandemic was a shock to the Indian economy. India had faced the worst situation of poverty, hunger, unemployment during the initial stages of COVID-19. The suicide cases of farmers from Kalburgi district from Karnataka due to the lack of facility to sell his product, the dumping of six tractor load of grapes, dumping 1500 litres of milk by a milk vendor shows the problems faced by farmers due to lack of buyers, cold storage, processing and transport facilities and so on. (Bailey, 2020) Many states of India, including Kerala, had confronted with the scarcity of essential commodities. Due to Kerala's dependency on other states, like Tamil Nadu, Karnataka, Andhra Pradesh and other states, the inaccessibility of food essentials from grains, fruits, and vegetables a more significant concern. The closing of the border between Karnataka and the northern district of Kasargod resulted in shortages of food essentials (Sebastian, 2020). The shortage of agricultural products and the scarcity of soap, sanitiser, oil, etc., affected ordinary people.

When interstate transport becomes a risk, farmers were compelled to dump their perishables or leave the crops to rot in their fields. Small scale sectors like MSMEs are the sectors that became the victims of the prolonged shutdown and unprecedented spreading of the COVID 19 pandemic. MSMEs contribute 29% of India's GDP, 120 million employees and 48.1% of India's total exports in 2018-19. But the companies are too small to face the consequences that occurred due to the current situation. Many of the employees working in such sectors had to confront the financial crisis. The undocumented, daily wage, informal workers lost their jobs (Dewan, 2020).

3. MSME/ SSI, SHG's and Domestic Production Units

The current situation will directly or indirectly affect the economy and employment of India. It can overcome by large companies under a capitalist economy. But the worst problem is always faced by the poor/ local or domestic production units. Even though the central government and the state government had implemented various schemes and policies to support the small-scale sectors, they remained tokenistic. Many sectors are not able to avail of this benefit when they cannot meet the criteria. Finally, they became unable to survive, go bankrupt and chose to stop production. *MSMEs in remote areas also faced lots of difficulties due to interrupted supply chain systems and intrastate lockdown provisions* (Agyeya, 2020).

3.1 Community Development Model Promoting Local Sustainability

- Provide requirements and financial package for the small-scale farmers to cultivate nearby barren land. Our country has already implemented various schemes and policies to promote

agriculture. These policies, schemes and the allied institutions should be more specific by considering the landscape, climate, soil properties, availability of resources and other factors. The initiatives like a kitchen garden, rooftop cultivation and community programme put forward by the Government of Kerala with the Agricultural Department and Local Self Government can be models for other states. Not only agriculture but also the subsidies and schemes for various fields like fishing, dairy farming is also irrefutable.

- Provide a good economic package and insurance to overcome the losses and assure the availability of seeds and fertilisers among the farmers can also make them self sufficient in agriculture.
- Provide requirements to undertake the products manufactured from small scale units and ensure a reasonable price. The government should provide equal priority to the needs, necessities, and resources among producers, distributors, and consumers. Facilities for delivering products made by the small-scale producers should also make available through the public distribution system. By this, unemployment and poverty can be reduced. The government should take the initiative to sell products from small scale firms like Milma stores, Maveli stores, HortiCorp etc., instead of products from large scale industries. Training programmes and awareness classes should be conducted following the variations in the field of agriculture.
- Local self-government plays a substantial role in the life of people. LSG is the constitutional power that is closest to the people. They provide business opportunities and facilities for selling agrochemical products in the local market through local self-government.
- Deliver central and state schemes to the farmers, small-scale and local production units, and integrate small-scale and industrial sectors.
- Public distribution system and centres should be encouraged to gain more profit among the farmers and entrepreneurs by excluding the intermediates.
- Allow selling products from local production units, SHG's etc., through online marketing sites.
- To make insurance policies for farmers via joint liability groups to engage in all activities, especially in risk activities (Agricultural Insurance in India Problems and Prospects, 2008).

Conclusion

COVID-19 teaches us the necessity of having self-sufficiency. We have now discussed the

need to unify the agriculture and small-scale sector to strengthen our economic sector and eradicate poverty. Even though agriculture and small-scale sectors are getting more important in the present situation, farmers and small commercial producers have always been undervalued. The measures that we put forward to combat and conquer the issues of the COVID-19 pandemic helped us to think and study more about the problems faced by agriculture and the small-scale sector. So, it is our responsibility to help, support and invigorate these ordinary people who face the brunt of lockdown and its after-effects. Also, measures should implement to restore the crisis faced by the sectors by conducting studies on the diversities of each state and its geography. There is no doubt that our country will achieve rapid growth and development if we give more significance to agriculture and the small-scale sector. For that, the government and administration should adopt specific budget packages to enhance the basic infrastructure facilities of farmers and small-scale entrepreneurs. We will be again in jeopardy if we do not give much consideration to the agricultural and small scale sector according to their diversities. The crisis that happened during 1950-1960 should not happen to our country or state again. For that, we have to confront and fight against this crisis unitedly. By remembering Mahatma Gandhi's words, "The future of India lies in its village", let us combat for a bright and prosperous future.

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