

Book Reviews

Covid-19 Pandemic and Economic Development: Emerging Public Policy Lessons for Indian Punjab, Edited by Sukhpal Singh, Lahkwinder Singh and Kamal Vatta, Palgrave Macmillan, 2021. Pp. xxvi+309.

The impacts of the Covid-19 pandemic on the Indian economy have been documented and analysed by multiple scholars from diverse perspectives. The Indian economy recorded a negative growth rate in 2020-21, and a positive growth rate in 2021-22. Yet, the overall economic growth rate between 2019-20 and 2021-22 was just 1.5 per cent. All objective accounts of the economy till February 2023 show that the economic revival is patchy and uneven; aggregate demand is lagging; unemployment is persistent; and exports are slowing down. Moreover, the global economic slowdown looming large over 2023-24 is likely to erect new obstacles in the path of recovery.

As economies chart their paths out of the crisis, it is essential to underline the principle that economies must be built back *better* and *fairer*. To begin with, the pandemic exposed socio-economic vulnerabilities that had accumulated over many decades. It is now well-known that these historical policy failures imposed huge costs on the people and the economy. In addition, the breakdown of supply chains, the shutdown of enterprises, shifting directions of human mobility, and changing behavioural patterns – all induced by the pandemic – have forced governments to think in new ways of building their economies.

The book under review is welcome for two reasons. First, it focuses on the major lessons that policymakers have learnt while they grappled with the pandemic, and as they try to formulate plans for recovery. Two, it focuses attention to the level of one State – Punjab. There have been very few studies of the impacts of the pandemic at the regional level.

The introductory chapter by the editors sets the stage by pointing out that the Punjab economy was already facing a multidimensional crisis when the Covid-19 crisis devastated it further. Logically, then, the analysis of the crisis and the policy recommendations must also be multidimensional. The papers in the volume cover an impressive and wide range of themes: macro economy, agriculture and allied sectors, food security, industry, employment, migration, education, health and public finance. Written by experts in these fields, these papers provide us with a unique perspective into the nature of Punjab economy and the broad directions that the recovery paths must take. A concluding chapter by the editors, again, joins the dots and present us with a summary of options for policy in the State.

In agriculture, while labour shortages, higher wages and supply chain disruptions raised farm costs across Punjab during the pandemic, various interventions by the State government averted a major crisis by ensuring procurement of *rabi* wheat and

facilitating sowing of *kharif* paddy. The lessons, according to Kamal Vatta and others, are that governments must invest in the strengthening of supply chains and input services. In this context, Sukhpal Singh writes that strengthening of marketing infrastructure and institutions must be a priority in the post-Covid era. According to him, delisting of fruits and vegetables from the APMC ambit is a poor option compared to incentivising buyers who buy directly from farmers. The State must also invest in improving and modernising APMC infrastructure.

At the same time, the rebuilding of Punjab agriculture must factor in concerns of sustainability. As Sukhwinder Singh points out, the wheat-rice-wheat cycle of monocropping has led to depletion of soil fertility and ground water. But while designing policies to address this concern, policy must ensure that the solutions are largely income neutral. While introducing new crops, such as maize, pulses and fruits and vegetables, are an option, there are also scientifically validated ways of reducing water use in the wheat-rice-wheat cycle itself, such as direct seeding and micro-irrigation. Further, if new short-duration seeds of *kharif* rice are made available, there could even be a third legume crop that would help raise incomes and improve soil structure.

Yet another concern here is that of managing crop residues. Rita Pandey and others write that the solutions must comprise a series of short-term and medium-term measures informed by a long-term approach. The long-term approach must be multi-disciplinary and multi-agency, and include a mix of state support, market incentives, and capacity building. The short-term and medium-term measures must include the introduction of new technologies and promoting a strategy of crop diversification.

Like agriculture, the dairy industry in Punjab was also adversely affected by the pandemic. There was a decline in the sale and procurement of milk, an increase in the cost of production, a breakdown of veterinary services, and a rise in interlinked credit transactions. Here, policy must focus on creating a milk price stabilisation fund, reforming and building resilience in dairy cooperatives, strengthening and expanding the capacity of Milk fed and promoting milk producer companies.

Outside agriculture, building resilience in the informal sector must be a key focus of policy. However, Varinder Jain writes that such a policy must include providing firms with credit support, modernising their technological architecture, introduction of subsidies where necessary, building capacities and ensuring a social security cover. Swati Mehta recommends a broadly similar policy of support for MSMEs in Punjab, which will allow them to overcome domestic bottlenecks and better tap the external market. However, credit support to MSMEs and small business was sorely lacking during the pandemic, as Satish Verma points out. If public sector banks were slow, private banks were lukewarm and focussed on big ticket loans. According to him, reducing the debt burden of MSMEs and small business must be an important component of future policy frameworks.

In the absence of broad-based industrial growth, service comprise the most of non-primary sector in Punjab. The services sector – i.e., trade, hotel and restaurants, transport, real estate and tourism – was badly hit during the pandemic. Policy must

focus, according to Manjit Sharma and Pushpak Sharma, on repairing the supply chains, tax and loan exemptions to traders, and lowering of property and other taxes in tourism and transport. The pay scales of government staff in Punjab are argued to be lower, and the Sixth Pay Commission awards have been unduly delayed. This must be released.

One of the major drivers of poor female labour force participation rates in rural Punjab is mechanisation from the 1980s and the relative decline of cotton. The pandemic is likely to have made this situation worse, and government's policies were not adequately gender responsive. Ashapura Baruah and Indervir Singh write that policy must focus on creating businesses and infrastructure in the rural areas, with preference to industries that employ more women. Amarjit Bhullar adds that promotion of household gardens managed by women must also be encouraged to promote food security in the rural areas.

The plight of migrant workers is the focus in Lakhwinder Singh's contribution. According to him, policy must resolve the contradictions that exist between the economic theory of transformation and urban development policy. He suggests that female migrant workers suffer from double exploitation due to a two-pronged illiteracy: in education/skills and in finance. Addressing this will not just empower female migrant workers, but also help in their upward mobility. Shinder S. Thandi focuses on migrant Punjabi workers outside India. He suggests a series of policy reforms that see the diaspora as a resource and as a creator of value for the domestic economy.

Caste as an institution is deeply embedded in the rural society of Punjab. Landlessness and inequality in land ownership is high. Deepak Kumar argues that more equal distribution of land must be a part of post-Covid public policy. He suggests experimenting with newer institutions like cooperative farming in this regard. In a similar vein, Sukhpal Singh writes agricultural labourers in Punjab suffer from underemployment, low earnings, and high indebtedness leading to numerous suicides. He suggests a loan waiver scheme for agricultural labourers; a compensation to the families when an agricultural labourer commits suicide; a scheme to lease-out common lands to agricultural labourers; fixing fair wages for agricultural tasks; an expansion of MGNREGS to include 300 days of employment from the present 100 days; and public investments in housing, healthcare and education of agricultural labourers.

Health policy must be at the centre of policy in a post-Covid world. The crumbling state of public health infrastructure in rural Punjab was revealed during the pandemic. Varinder Sharma argues that socialised medicine and universal health coverage must become a part of the plans of governments. Similarly, in education, Kamlesh Narwana and Angrej Singh Gill argue for a major improvement in the quality of education; innovative trainings for teachers; and a network of school mentors; social regulation of private education. Baldev Singh Shergill argues that food security and social security must be the cornerstones of any post-Covid policy. He focusses on basic human needs

as a right of all citizens, and calls for policy to provide a basic minimum of a set of human needs free to all. Only such a policy can ensure dignity in the life of the masses.

Sucha Singh Gill writes that Punjab's economic revival strategy must be aimed at compensating the losses to livelihoods and enterprises, institutional reforms in agriculture, and assistance to MSMEs. If these need to be addressed in the short-run, the government must strengthen public health system and the public education system in the medium-term. Pritam Singh argues for a major change in policy – “to think outside the box” – after the pandemic. Policy must move away from considering growth of GDP as the end of development. It must instead focus on an equitable and ecologically sustainable path of recovery. Jatinder S. Bedi and Gayatri Prabhakar note that any economic revival strategy in Punjab is constrained by the increasing centralisation in economic policy in India today. In particular, the new GST regime has closed most options for independent revenue generation at the State-level. Centrally Sponsored Schemes burden the States with more share of contributions. Without fiscal autonomy, they argue, Punjab will not be able to finance any new developmental pathway.

As we have seen, the coverage of themes in the volume is impressive, and the chapters flag a number of possible areas of detailed study in the future. At the same time, I must also note down a few points of concern. There is much unevenness in the length and quality of papers in the volume. Some papers are very short, and could have been excluded from the volume. In the absence of adequate analysis, a few other papers appear a bit preachy and could have been analytically better developed.

Yet, this volume is an important contribution to our knowledge of the State-levels impacts of the pandemic and the direction that post-Covid developmental policy must take. It documents the multiple ways in which the pandemic affected people's lives. It critically analyses the response of the state and central governments during the pandemic. It sets forward a framework to think about the nature of the economy after the pandemic. And it reminds the reader of the political economy constraints to achieve such desired outcomes. It must be read widely.

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