

AN INADEQUATE LOCKDOWN PACKAGE

Relevant for: Indian Economy | Topic: Issues Related to Poverty, Inclusion, Employment & Sustainable Development

The Central government has asked States to seal borders to prevent lakhs of workers, who have been rendered jobless overnight with no guarantee of wages and shelter, from reaching their villages. The workers are to be herded into quarantine zones. These atrocious actions amount to a mass criminalisation of the labour force of India. The workers are paying for the callousness of the government in declaring a [lockdown](#) without even a day's notice.

The Home Ministry has also invoked Sections 51 to 60 of the Disaster Management Act, 2005, to imprison those who violate government instructions. However, it is not using the same law to transfer essential funds to the States in the front line of dealing with the [COVID-19](#) crisis.

From apathy to action

The sealing orders come after the Finance Minister's announcement of a "package of 1.7 lakh crore for the poor". If the workers really believed that the package was helpful, they would not have started their long march home.

There are two components of the Central government package that are welcome. One, households that are already entitled to receive foodgrains at subsidised rates from the public distribution system will be given an additional 5 kg free for the next three months. With the sharp rise in the prices of essential commodities, this measure will also bring down the prices of foodgrains. The government should follow this up with the inclusion of other essential commodities at subsidised rates through the PDS. Offering one kilo of pulses a month for an entire family, as has been done in the package, does not even rate as a charitable gesture. It is also too small an amount to have any impact on the rising prices of pulses.

The challenge will be to ensure that the free foodgrains reach the beneficiaries. For this all the conditionalities should be waived. For example, lakhs of people, including migrant workers, do not have ration cards. They should not be denied free foodgrains; their presence in the village should be enough proof of their existence. Similarly, the thousands of migrant workers stranded in the cities should also have access to free foodgrains. Mechanisms have to be set up urgently.

Two, all beneficiaries of the PM Ujjwala Yojana will be given free LPG cylinders over a three-month period. Apart from monetary relief, this will especially help women who will find it difficult to step out of their homes to collect fuel. So far, for the last few years, the government has not given any benefits to the people in spite of the sharp reduction in global crude prices, the levying of higher duties on petroleum products, and the consequent windfall in government revenues. A free gas cylinder would be a tiny portion of this revenue. Nevertheless, it is welcome.

The rest of the "package" can be described in many ways, the most polite of which would be to call it disappointingly inadequate. In fact, although claimed to be a package of 1.7 lakh crore, the actual additional funds allocated by the government for alleviating economic distress caused by measures to control the spread of SARS-CoV-2 are much smaller and mainly notional.

For crores of daily workers the reality is that if they stay home, their families can't eat. For this large section of the population, what was required was an immediate cash transfer, through the PM Jan-Dhan Yojana or MNREGA accounts of a minimum of 5,000 for the three-week period of the lockdown. Instead, the government has decided to give a cash transfer of just 500 a month

to women with Jan-Dhan accounts. This is around 53% of the 38 crore accounts. The other cash transfer is equally meagre. The government has decided to give 1,000 to pension holders who are widows, disabled and senior citizens. As is known, these are not universal schemes. Only a small percentage of such citizens, about 3 crore people, get the pension. Taken together the cash transfers to the poor comes to under 35,000 crore.

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These cash transfers are the lowest in the world. Every other country hit by the COVID-19 pandemic has done more for its poor and working people than the Indian government. It is a shame that a government that can write off bad loans, primarily to corporates, amounting to 2.4 lakh crore (in 2019) cannot even match that amount to save its poor from certain hunger and starvation. Whereas countries have guaranteed up to 70% to 80% of workers' wages to prevent lay-offs, the Indian government limits it to a subsidy on EPF. If workers are thrown out of employment, what good would this be?

The Finance Minister claimed that 5 crore families would benefit from a 20 increase in the daily wages for MGNREGA workers. This is based on the assumption that all workers who are registered get 100 days of work a year. The MGNREGA website itself contradicts the Minister's claims. The average workdays are just between 45 to 49 days a year, which means a less than 1,000 annual benefit from the measly wage increase. Moreover, there are a substantial amount of wage arrears that the Finance Minister was silent on. In the lockdown period, all MGNREGA work has stopped. Shockingly, the guidelines issued by the Home Ministry on March 24 do not consider agricultural work as an essential service. The Central government has to change its guidelines so that rural workers can demand work under MGNREGA.

[Coronavirus lockdown](#) | [At 'Zero Point' on Yamuna Expressway, flight from hunger beats fight against virus](#)

The 2,000 for farmers is already a government scheme which was due in four months and has been accounted for in the Budget. It would be deceitful if this amount were to be included in the 1.7 lakh crore package, as seems to be the case. Also the District Mineral Fund, which is legally mandated to be used for tribal welfare in mining-affected districts, is now to be used by State governments for meeting COVID-19-related expenditure. It is illegal to divert funds meant for the most exploited of our society to fulfil the financial responsibilities of the Central government.

The government's refusal to take the people into confidence about the lockdown that had already been planned, as indicated by the Prime Minister in his second address on COVID-19, has led to immense avoidable distress. Thousands of workers remain stranded without food, shelter or money in cities. Countless have walked hundreds of kilometres, facing hostile police forces, just to get home. A lockdown which is considered essential to fight SARS-CoV-2 cannot lead to a disproportionate burden on the poor. The government must expand its package to ensure that the spectre of SARS-CoV-2 is not replaced by the spectre of hunger and suffering for the majority of Indians. At a time of crisis when India unites, the lockdown should not mean a lockdown of the rights of the working poor.

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