

20 TRLN PACKAGE: FREE FOOD GRAINS TO 80 MLN MIGRANT WORKERS FOR TWO MONTHS

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

NEW DELHI: Finance minister Nirmala Sitharaman on Thursday said about 80 million migrant workers, not covered under central or state food distribution systems, will be given free rice, wheat and gram or chickpea for the next two months. The measure will cost the central government 3,500 crores.

Sitharaman said the idea is to ensure food supply to people who are not covered under the national food security law or under any state government schemes. The measure addresses one of the biggest gaps in ensuring food supplies as a lot of people who migrate to cities for work do not have public distribution system cards in places where they work

The government had already announced additional allocation of rice and wheat under PDS. "The addition was free, and continues in tact,"

"Those who are not card holders, that is, who are not covered under the National Food Security Act or are holders of any state government card, they shall be given five kilograms per person of wheat or rice and one kg of chana (chickpea) per family. We are engaging with states who know about these people," the minister said. Sitharaman said these workers may be either at camps run by state governments or by NGOs.

Based on rough assessments given by states, there are roughly 8 crore migrants who will get the benefit, she said, adding the Centre will bear the cost of 3,500 crore that will be spent on this in next two months.

The Centre has been facing flak on the issue of migrants many of who are walking back to their homes without food or water. "There are a lot of legitimate concerns about migrant workers," Sitharaman said.

Migrants form the bulwark of India's informal or gig economy. More than 90% of India's workforce is estimated to be in the informal sector. According to the 2017-18 Economic Survey, 87% of firms, representing 21% of the total turnover, are purely informal, outside both the tax and social security nets.

Sitharaman had on Wednesday sought to tackle problems faced by micro, small and medium enterprises (MSMEs), which have been battered by loss of business, flight of workers and a severe liquidity crunch.

The other measures announced included a 90,000 crore liquidity injection into fund-starved electricity distribution companies, a temporary tariff reduction and concessional finance. In addition, measures were also announced to provide more liquidity in the hands of people and businesses.

India plans to further open up its economy in the fourth phase of the national lockdown starting 18 May. Economic activities have now been allowed with proper precautions in areas that are covid-free to revive a battered economy which is likely to contract for the first time in four decades.

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