

## PRIORITISING THE RIGHT TO LIFE

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

The majority of India's working population is today reeling from the impact of multiple crises: a health emergency more ferocious than any in independent India; massive job losses and dramatic declines in incomes from work; and significantly increased mass hunger and worsening nutrition.

The Supreme Court on May 13 directed the Centre and the State governments of Punjab, Haryana and Uttar Pradesh to provide free rations without insisting on ID proof to all migrant workers and to run kitchens providing free meals twice a day. The verdict was significant as this was the first time since the national lockdown last March that the apex court acknowledged a hunger crisis in the country that needed urgent state action. But it fell short of being path-breaking for three reasons: it did not extend the facility to the country as a whole; it did not extend the facility to cover cash payments by the state besides meals and ration; and it made the facility a state largesse rather than a right. Had it recognised a universal right to livelihood as the basis for its verdict, deriving from the right to life, all three lacunae would have been overcome.

The most brazen violation of the right to life by the state at present is its vaccine policy. Being vaccinated against COVID-19 is essential for defending one's right to life; and since the state must respect everyone's right to life, it must make the vaccine equally available to all irrespective of the recipient's capacity to pay. This can be accomplished only if vaccination is free. In many other countries, including the most privatised medical systems like the U.S., vaccines are being distributed free to all the people. India is making people (aged 18-45 years) pay to be administered these vaccines in private clinics — an obscene and counterproductive strategy to deal with a pandemic.

This is the outcome of many grave failures of the Indian government: it did not ensure adequate production through compulsory licensing of more producers; it did not order enough vaccines; it reneged on its responsibility to provide these vaccines to State governments; it introduced differential pricing, forcing State governments to compete with each other and with private clinics to buy vaccines; and it allowed price gouging by Bharat Biotech and Serum Institute of India.

The lack of consideration for lives is matched by callousness about the loss of livelihood that has come about during the second wave. At least 90% of workers are informal, with no legal or social protection, denied adequate compensation over the past year of lockdowns, restrictions and economic distress. But there is hardly any public outcry about the plight of the nearly one billion people whose lives depend on informal activities, and policymakers, especially at the national level, have completely abandoned them. The consequences of inaction are going to be dire and long-lasting, not just for people experiencing untold suffering, but for the country and the future economic trajectory.

A recent study called 'Hunger Watch' by a large collective of social groups found that even two months after the lockdown was lifted last year, two-third families reported eating less than they did before the lockdown, and a reduction in healthy food. For a quarter of the families surveyed, incomes had fallen by half. It also found that hunger was higher in urban India compared to rural. The recent knee-jerk lockdowns will stifle the attempts for revival.

Even as the country confronts its greatest humanitarian crisis in half a century, India is one of

the few countries in the world that has not come up with a significant fiscal package to counter the health and economic effects of the pandemic. It has remained fiscally conservative, and actual Central government spending over April 2020 to February 2021 shows a rise in non-interest expenditure only by 2.1% of GDP. This explains why India's economy has been performing so poorly compared to other countries that were more battered by the first wave of the pandemic, since most of them had significantly larger fiscal packages that were also directed towards providing income support to people.

Finance Minister Nirmala Sitharaman speaks of government spending on the backlog of infrastructure projects as the means for a recovery. If instead she relied on cash transfers to the millions of the labouring poor, it would have shielded them from slipping deeper into hunger and joblessness and also spurred growth, because all of this would be spent for simple, domestically produced goods. Therefore, the 'multiplier' effects of this public expenditure would have been much higher than if spent on infrastructure projects.

Free rations and meals, as mandated by the Supreme Court, though beneficial, have very little expansionary effect on the economy, since the bulk of the commodities required come from decumulation of existing stocks of foodgrains. Thus, both the need to provide relief and the imperative to revive the economy demand that a monthly cash transfer, of about 7,000 per family (the rough equivalent of minimum wages), be made to people, over and above the provision of free meals and rations.

What the state needs to do urgently is to take a range of measures that prioritise the right to life, which also remains the surest way of initiating assured (and equitable) economic recovery today. Among them are enabling expanded production and central procurement of COVID-19 vaccines, and distribution to States for free immunisation to all; universal access to free foodgrains of 5 kg per month to all those who require it for the next six months; cash transfers of 7,000 per household for at least three months to those without regular formal employment; increased resources to the Integrated Child Development Services to enable revival and expansion of their programmes; making the MGNREGS purely demand-driven, with no ceilings on the number of days or the number of beneficiaries per household; and covering urban India with a parallel scheme that would also cater to the educated unemployed.

Where, it would be asked, are the resources? In an economy with substantial unemployment, unutilised capacity and unused foodgrain stocks (about 80 million tonnes at present), resource mobilisation does not require curtailing anyone else's consumption. Even enlarging the fiscal deficit would cause no harm, except that it would gratuitously widen wealth inequalities and frighten globally mobile finance capital. To prevent both, a simple measure would be to introduce wealth taxation (though larger profit taxation will also suffice). These measures together would not cost more than an additional 3.5% of GDP, of which about 1% would flow back as extra tax revenue to Central and State governments, requiring 2.5% of GDP as fresh additional tax revenue. A 1.5% wealth tax levied on only the top 1% of households will be adequate to raise this amount.

These figures are only illustrative. But when U.S. President Joe Biden and U.S. Secretary of the Treasury Janet Yellen are considering more radical measures, India should not shy away from measures that give substance and meaning to the term 'right to life' and the pledges of equality and fraternity in the Constitution.

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To reassure Indian Muslims, the PM needs to state that the govt. will not conduct an exercise like NRC

**END**

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