

Plight of Workers: Financial Assistance during Covid19 Lockdown

- *According to a survey conducted by the Centre for Sustainable Employment (CSE), a research unit at Azim Premji University, Bengaluru, 67% of workers have lost their jobs in 12 states of India between 13 April and 20 May 2020.*
- *From a report dated 12 May 2020 the Centre for Monitoring Indian Economy (CMIE), it is evident that during April 2020, about 24%, that is 2.70 crore between 24 to 30 years, have lost their jobs. In the age group of 30 to 40, about 3.30 crore have lost their jobs of whom 86% are males. Workers outside agricultural sector have had their incomes slashed by 90% from Rs 2240 to Rs 214 per week. Takings of contract workers have dropped from Rs 840 to 415 per week. About 51% of those on monthly wages have either not received their salary, or have had to take a cut. Almost 49% of the families covered by the report, did not have any money to buy food.*

On the eve of Lockdown4.0 declared on 27 May 2020, the Prime Minister in his speech gave lessons on self-dependence to his fellow citizens. Indians were told to take the oath of self-dependence. However the joke is that it is during the 'reign' under his prime ministership, that a lot of things took place! It includes much higher instances of privatisation; greater disinvestment in public sector; foreign direct investments in state owned banks, insurance, mines, and even the most sensitive defence sector. The Ambanis and Adanis were handed over national resources while Nirav Modi, Mehul Choksi and Vijay Mallya were handed over huge bank loans. Those who are trampling on the self-dependence and self-respect have no business lecturing the citizens on self-reliance.

It may not be out of place to remind ourselves that in its efforts towards self-reliance, the following had been set up in India: SAIL (1954); HAL (1964); BHEL (1965); CCL (1975); GAIL (1984) and so on. The present government is garnering revenue by disinvestment in these very industries which stood as symbols of self-reliance. Yet we are forced to listen to lectures on *atma-nirbharata* or self-dependence.

There are some who say that the present central government has expanded the khadi industry. However it can be stated from experience that ordinary persons avoid entering the shops selling the khadi products since costly items are displayed for upper class or foreign visitors.

The majority of the ordinary people are dependent on the small scale and the self-employed producers for much of their daily needs. The small shop-owners or street hawkers on the one hand, and the likes of agricultural producers and fisher-folks on the other, are involved with such a supply chain. Incidentally these comprise 80 crores of what is our working class. To lecture them about self-dependency is clearly insulting. Their daily existence is a struggle, a war! The attitude of the political party in power towards this section of the population has become amply clear during the phases of Lockdown.

After his speech the Prime Minister announced that a fund of about Rs. 20 lakh crore will be made available in respect to Covid-19 which will be explained in details by the Finance Minister. A large section was impressed thinking it to be a mega stimulus package announced by PM Modi which works out to roughly 10 per cent of India's GDP comparable to the stimulus packages for similar purpose of 13 per cent of the GDP in USA and 21 per cent in Japan. Finally, at the end of the six-day long commentary from our Finance Minister it appeared that 'stimulus' was in essence 'loans on offer' – from hawkers to farmers, to small and medium scale industry owners, and also, to the state governments. But then all loans would be 'conditional'. In effect the welfare state becomes glorified money lenders, instead of providing much needed financial assistance at the time of unprecedented calamity.

There were those who had expected that the government would tax the super-rich and the rich and subsidize the acute financial catastrophe the working class and the middleclass had been subjected to. Many economists of stature had even directly proposed that some cash had to be handed over even if by printing currency notes. Even

providing rice, wheat or pulses as free ration through public distribution system would not be sufficient for the needy to tide over such a difficult phase. This was of paramount importance even if this could create some inflation. It's not as if the Government doesn't print currency notes to tackle financial crisis! Or for monetising deficit when Central Government used to ask RBI to print currency notes!

One cannot assume that providing financial support to industrialists necessarily result in a reasonable amount of cash flowing to the workers with their backs against the walls? One looks in awe at the figure that 91% of the workers and employees who had worked before the Lockdown was effected, and are yet to receive their dues!

The Finance Minister has announced that for the next three months both employees and employers would be required to deposit 10 instead of 12% of the salary by way of provident fund statutory deposits. This way the workers and employees would get 2% of their salary as cash. Provided they are, or they will be, getting their salaries!!! However, what happens to the employers 2% contribution is not clear. Do the workers get it, or do their employers deposit it with the provident fund organisation or whether it goes to the employer's funds? Isn't it an astounding game plan? The government is 'assisting' workers by giving them a miniscule portion of their own hard-earned earning? Whereas, at this given point of time, the PF Fund has Rupees three lakh crore a part of which could have assisted the workers in one of the most difficult of times.

According to a 422 page World Bank document titled '*Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures*' which is available on the Internet, global knowledge is shared in great details 'on how countries are responding to the pandemic by documenting real-time actions in a key area of response – that is, social protection measures planned or implemented by governments.'

- As of May 8, 2020, a total of 171 countries have planned, introduced or adapted 801 social protection measures in response to COVID-19.
- Among safety nets, cash transfer programs remain the most widely used safety net intervention by governments.
- Cash transfers are being adapted to COVID-19 response in three ways. This includes expanding coverage, increasing benefits, and making administrative requirements simpler and more user-friendly.
- Overall, findings should be considered preliminary, subject to change, and as such interpreted with caution.

Finance Minister said the 'One Nation One Ration Card' system allowing ration card portability will enable migrant workers and their family members in future to access public distribution system (PDS) benefits from any Fair Price Shop in the country by March 2021. Undoubtedly with adequate political will temporary ration cards based on aadhaar, could have played a huge roll to give real time support when the workers were jobless, penniless and famished by giving them access to PDS benefits from any Fair Price Shop in the country. Who knows it might well have kept the workers from taking their long marches to home on foot.

The central government which has acquired an expertise in administering like a police state, which has appropriated all founts of authority and institutional power, has not been able to provide social security or confidence to the marching millions by providing them with the minimum support. A government which even has absolute power might still be unable to provide food, clothes and housing to the working class.

The prerequisites of self-dependence are self-esteem and self-respect. Taking the ultimate risk, brave people from various parts of the country are determined to trudge back home. Even after experiencing their plight, should the pradhan sevak give lessons of self-dependence?

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