

**Statement on the Economic package announced by Finance Minister with respect to
COVID19 pandemic and the lockdown- and our demands**

Joint statement by Jan Swasthya Abhiyan, All India Peoples Science Network and Focus On Global South

The Finance Minister on 26 March announced a financial package for combating the economic and social effects of the Covid-19 pandemic and the economic damage consequent on the lockdown. This package, called the Pradhan Mantri Garib Kalyan Yojana, falls short on many grounds. The package is a marginal financial addition to the ongoing schemes, which are abysmally inadequate. Tackling the extraordinary public health crisis that we face now would require a comprehensive and universal approach towards meeting the food and nutrition security and other welfare concerns of the most vulnerable sections of the populations in both rural and urban India during the period of lockdown and beyond. As stated by the JSA before, lockdowns will only help governments buy time to make their health systems ready. It is most likely that the public health emergency will last well beyond the lockdown period.

The size of the package:

The total relief package announced is officially estimated at Rs 1.70 lakh crore under the Pradhan Mantri Garib Kalyan Yojana (PMGKY), which amounts to a meagre 0.75 per cent of the GDP. Even as a share of GDP, this figure is far below the value of stimulus packages announced by many countries. The US Senate has approved an economic relief package worth about 10 per cent of its GDP. Many other countries including the United Kingdom, Singapore, Italy, Spain, Singapore, Australia, Netherlands, Denmark, Sweden, Japan and France have announced significant financial measures to tackle this pandemic already. The response of the Indian government in respect of the stimulus targeted at the welfare needs of the vulnerable population is rather dismal. It is also concerning that there no transparency on how this Rs. 1.7 lakh crore is to be spent. The estimate of funds required for the various initiatives announced under PMGKY is much lower unless already budgeted items such as the transfers under PM-KISAN and MGNREGS are also taken into account.

On the insurance scheme for health workers:

Taking cognizance of the essential and life saving duties performed by health workers, the FM's first announcement was of an insurance scheme covering safai karmacharis, ward boys, nurses, paramedics, technicians, doctors and specialists of all government health centres, wellness centres and hospitals under the central and state government. Any health worker covered under the scheme would be given health insurance as well as life insurance of up to Rs 50 lakh. Though this announcement is welcome as health workers needs to be provided hospitalisation care free of cost, a large majority of them, if affected, may not require hospitalisation. Insurance schemes typically fail to provide outpatient care and government should take efforts to ensure access to free and comprehensive health care for all health care workers. Further treatment for the disease in government hospitals is covered under a free care regime for COVID19. The scheme would thus be relevant only for hospitalisation in private facilities.

The package only includes health workers under municipalities, local bodies, or those in the private sector, if the facilities they work in are requisitioned. All health workers involved in responding to the epidemic should be covered, whether the facility they work in is requisitioned or not.

Further, while the announcement intends to cover all health workers, including those in very informal conditions such as the ASHAs, the figure of 22 lakh health workers is a gross underestimation. A 2016 estimate suggests that the number of health professionals and para professionals alone (including doctors, nurses and midwives, dentists, laboratory technicians and paramedics) was close to 25.3 lakhs. How can all of them and an additional more than 10 lakh safai karmacharis, ward attendants, housekeeping, and ASHAs be covered if the scheme is only for 22 lakh workers? It is important that the estimate of 22 lakh workers is not used as a ceiling on the number of beneficiaries and the financial allocations have to be correspondingly enhanced.

On the Rs 15,000 crore health fund:

The allocation of the modest Emergency Healthcare Fund of 15,000 crore announced by the Prime Minister has not been detailed yet. It may be noted that if the government had honoured its very modest commitment of increasing public health expenditure to reach 2.5% of the GDP, this amount would have been part of the annual budget for the last three years- and would have gone into strengthening the district hospitals and making those very ICU beds that we are approaching on a crash basis now. Instead the government was at work finding ways to privatize this, when it was caught off guard by this pandemic.

There is distressing news of unavailability of personal protective equipment (PPE) and other essential health safety guards is being reported from across the country. The first call on this fund must be to protect health workers, including by providing adequate PPE, but also adequate training and information, filling vacancies and increasing personnel, special paid sick leave and paid quarantine leave, and other special requirements for infection risk management. Then the next call is on requirements for expanding and strengthening health services, including ventilators, intensive care units, isolation wards and an expansion of primary points of care. The expansion of testing facilities taken to scale is also going to cost a considerable amount.

On the cash and food grain transfer:

The components under the Pradhan Mantri Garib Kalyan Yojana include both cash and food grain transfers. It was announced that farmers under the PM-KISAN Yojana, would receive their first instalment of Rs 2000 in April to provide them relief. First of all, the term 'farmer' is misleading. The eligibility criterion is ownership of land, which automatically excludes all tenants and agricultural labourers, while including landlords without a ceiling on the amount of land owned. Secondly, while the scheme was announced with much fanfare on the eve of the 2019 Lok Sabha elections, the government's enthusiasm for the scheme post elections has waned, and only 54,000 crores out of the scheme outlay of 75,000 crore rupees was spent in financial year 2019-20. *This allocation therefore is not an additionality, but simply part of budgeted scheme expenditure for 2020-2021. Making it part of a special COVID 19 relief package is not acceptable.*

The transfer of Rs 500 to Jan Dhan accounts would also be inoperative since many such accounts are inoperative and due to the lock down and other disruptions people won't be able to withdraw money. Moreover, only 53 per cent of the total Jan Dhan accounts belong to women, at whom this scheme is targeted. Here too, a more universal scheme of cash transfer to all account holders would have been a more beneficial step.

The announcement of extending three free cylinders to PM Ujjwala beneficiaries till June is a welcome move providing relief to women. However, the delivery of these cylinders is crucial to actualising the benefits of this policy.

On the MGNREGS:

The Prime Minister's Garib Kalyan Yojana has raised the MGNREGS wages by a mere Rs 20 starting from 1 April. The Finance Minister directed the concerned officials to continue MGNREGS works complying with social distancing norms. The increase in wages becomes relevant for workers only if there is work available. Moreover, most states have not been opening work and have instead closed down ongoing MNREGS work. And this is apart from the fact that the announced nominal increase in daily wages is a routine occurrence in February/March every year. It needs to be recalled that in the budget for 2020-2021, the allocation to MGNREGS was only 61,500 crore rupees, nearly 10,000 crores less than the revised expenditure under MGNREGS for 2019-2020. A good part of even the reduced allocation would have gone to meet wage arrears. The announcement by the FM on MGNREGS is indeed a cruel joke played on workers. What is needed is to ensure that unemployment allowance is paid in cash, through panchayats or banking correspondents to the workers households for the entire 21 days of lockdown period at declared wage rates in addition to disbursing the already pending due payments. Moreover, government need to prepare to open a large number of MNREGS works after the lockdown period (14th April). It must ensure more than the stipulated 100 days of work are available to all rural households, with adequate health protocols in place in case the pandemic conditions do not subside.

Agricultural distress with respect to crop harvests and animal husbandry:

At a time when most of the Rabi crop of wheat is waiting in the fields to be harvested, labour mobility stands restricted and mandis in several states remain closed. Harvesting and threshing machines which are often shared among farmers across states have come under the clutches of the curfew and are now lying stranded. This has to be addressed urgently. Only Kerala has announced the policy of panchayats assisting in the supply of machines and safety of agricultural labourers to carry out harvesting operations. Rajasthan, on the other hand, has already notified the indefinite deferment of the procuring process for wheat. With supply chains disrupted, prices of perishable vegetables have been crashing. Instances of distress sales and farmers dumping their produce have begun to get reported. Black marketing, hoarding, and artificial rise in prices of food items in urban markets are additional problems.

Poultry farmers have also suffered major losses in this period, due in substantial measure to the spread of false rumours linking Covid-19 and consumption of chicken. None of these immediate and urgent problems of our agricultural producers are addressed by the finance minister's package.

Further fishermen are left out of any relief package though they are not allowed to go to sea.

One the food relief package:

Under the Prime Minister's Garib Kalyan Anna Yojana, it was announced that 'Government of India would not allow anybody, especially any poor family to suffer on account of non availability of food grains due to disruption in the next three months.' Each family under the coverage of the National Food Security Act (NFSA) would be provided with double the amount of food grains they are presently eligible in addition to one kg of pulses (depending on local preferences) free of cost over the next three months. This would primarily mean that each registered family under the NFSA from the Public Distribution System should receive 10 kg of rice or wheat and one kg of pulse in the coming three months.

The NFSA provides entitlements to 'priority' households that account for roughly two-thirds of all households, taking rural and urban areas together. A not-insignificant proportion of these eligible households have had great difficulty in accessing their entitlements over the last six years, as the implementation of NFSA has been rather tardy, and as the insistence on Aadhar has led to a large number of eligible households being excluded (resulting in hunger deaths in some states). Under the present difficult circumstances, the coverage must be made universal (i.e., not limited only to 'priority' households) and the linkage with Aadhar should not be insisted upon. The delivery of entitlements other than grain under NFSA should also be ensured.

The continuance of ICDS and MDMS has to be ensured in appropriate ways during the lockdown period by door delivery of services, with such modifications as may be necessary (such as dry rations instead of hot cooked meals under MDMS). This does not appear to have been addressed in the package announced.

All pregnant women should be immediately provided the whole sum of Rs. 6000 under the Pradhan Mantri Matru Vandana Yojana.

The need for community kitchens:

The need for community kitchens in urban areas, given the large numbers of urban poor migrants as well as the homeless population in need of food has found no mention in the government scheme. This is an extremely urgent issue that brooks no delay, as we see the human tragedy of migrant workers and the urban destitutes unfolding before our eyes now.

There are around 4 million homeless people in India, mostly residing in urban areas. At this particular juncture when they do not have access to buy food from vendors and no access to cooking, availability of dry ration would not make much difference. Most of these people would not have ration cards as well. At this juncture a key component of the package should have included creation of network of community kitchens to provide food. Local Self-Help Groups could become partners in such initiative. In rural areas, panchayats should be made responsible to organise food for vulnerable and destitute families, either through community kitchens or provision of additional food items.

Community Kitchens are also urgently required for the lakhs of people including children are fleeing from large cities to villages because of the lockdown, mostly walking hundreds of miles without adequate food, water and proper rest. Access to community kitchen and shelter, with proper sanitation, water supply and regular health check-up needs to be provided to them in major highways as part of the economic package. Chronic fatigue, hunger and dehydration is going to make them susceptible to many other diseases along with magnifying the impact of Covid-19.

On the pension for widows and the disabled:

Presently, under the National Social Assistance Scheme the central government provides a meagre monthly pension of Rs 300 to widows, elderly (over 60 years of age) and disabled people belonging to the BPL families. This amount has been raised to Rs 500 for those above 80 years under these categories in the package announced by the finance minister. It has also been announced that over and above this amount a one-time transfer of Rs 1000 would be made to these people in two instalments over next three months. These gestures are just gestures. They do not come anywhere near addressing in a humane way the most pressing needs of a seriously deprived segment of the population facing a huge survival challenge.

Silence on the Humanitarian Crisis due to Mass Migration:

The most striking part of the announcement made by the Finance Minister was the conspicuous absence of any mention, let alone relief for the crores of informal sector workers including migrants. There is a direction to the State governments to provide economic relief to construction workers using the Building and Construction Workers Welfare Fund. However, the scheme has been limited to registered construction workers in the various states. The 3.5 crore registered workers, who are being projected as the beneficiaries of this policy, constitute only one third or even less share of the total workforce in this sector. One report tells us that Delhi alone has over 10 lakh construction workers of which less than 30,000 would be considered registered. And there are lakhs of others working in a wide variety of private MSME who are laid off with no relief whatsoever.

It is therefore no surprise that these millions decided that faced with disease on one side and starvation, unemployment, apathy and hostility of an uncaring state, they would rather risk the disease and have begun their long trek home to re-unite with families and their own. An economic package would be only a starting point- to bring them back to their jobs and re-start life is going to require much more.

The contrast in mitigation strategies:

It is striking to see the contrast between how the government mitigates the crisis for the millions of the working poor and how it treats the well-to-do.

The economy has been in bad shape for more than 18 months now, and not merely in terms of GDP growth rates. There is a continuing agrarian crisis, massive unemployment and a shocking decline in average per capita household consumption expenditure in rural India between 2011-12 and 2017-18, a period during which the GoI has been claiming that we are growing at 7 or 8

percent per year. Urban per capita consumer expenditure has risen by hardly 2.2 %, implying that a majority of the urban population has also seen a decline in this period.

The attempts to deal with accelerating slowdown of the economy, and rising rates of inflation more recently have had two features: (a) Bonanza for the corporate sector in terms of tax concessions that cost the government 2.25 lakh crore rupees even prior to the recent budget, and then a whopping 65,000 crore rupees of such largesse in the budget itself. (b) Continuing increase in indirect taxes that hurt the poor the most.

Measures announced by the PM, the FM or the government that would address the food and nutrition security needs or other essential needs of the mass of workers including labourers, peasants, other small producers and traders all of whom would face massive loss of incomes because of the lockdown, have been woefully inadequate.. This utterly neoliberal approach to the challenge facing the country puts the poor at great risk from both the health impact of the pandemic and the overall economic implications. The government is in essence stating that it is up to the citizens to work out survival strategies to deal with both the economic and the health emergencies upon us. And calling for charity and philanthropy from corporate sector. This is clearly unacceptable.

Unless the government policies provide relief to the vast population who now have no surety of livelihood, this pandemic might have far greater consequences than just being a public health crisis. The steps to counter this pandemic have to be more emphatically and sensitively directed towards the most downtrodden who stand to face the greatest threats on all fronts.

The humanitarian distress caused by the lockdown and other measures imposed in the hope of containing disease spread may well lead to more lives lost than the disease itself unless there is immediate action taken by the government.

The peoples movements therefore call for the following minimum set of measures:

Immediate Relief and Care for migrant workers:

- Provide community kitchens, accommodation, health and transport facilities
- Community kitchens particularly in urban areas and even for slum settlements
- Accommodation and health facilities
- Transportation – it is concerning that in the face of people willing to walk 200 kms to reach home the government has decided to force lockdowns and prevent movement. The same government which hardly a week back closed down all hostels and compelled students to head home is now reverting its stance to compel migrants to stay in their city of work. Instead of pendulum swings in very strict policy measures- a series of measures that could address different cases is required. There is no room for coercion or force be applied on the migrant workers. News of brutal and humiliating treatment met to migrant workers from different states is highly despicable.

Provision of food grains and other essential commodities to sustain lives

- Immediate release of promised 10kg rice and 1kg pulses through ration shops
- Expanding the PDS to provision of subsidised cooking oil, salt, masalas and even perishables like vegetables, fruits, eggs at subsidised rates. This could also be done through Mother dairy, vegetable kiranas and other government run groceries, milk booths and provisioning stores.
- Hygiene and sanitary items such as soaps should be included in the PDS basket of essential items.
- Universal PDS coverage for the next few months with entitlements to all who require grains from these shops.
- Door to door provision of dry ration under MDM and ICDS schemes
- Transparency and clarity in procedures to be announced well in time to avoid confusion and long queues at ration shops.
- Remove Aadhar and other requirements

Cash transfers to vulnerable sections of the population

- Enhanced pensions of at least Rs 2000 for widows, elderly and disabled sections
- Immediate release of pending payments and unemployment wages at rates already announced for the entire lockdown period of 21 days to all job card holding households under MGNREGS. Cash disbursement to worker households through panchayats and bank correspondents.
- All pregnant women should be immediately provided the whole sum of Rs. 6000 under the Pradhan Mantri Matru Vandana Yojana.
- Ensure availability of other essential household items through local co-operatives, Sahkari bhandars and other such stores

On SHGs and Jan Dhan accounts

- Special provision to facilitate SHG meetings which express immediate need must be put in place, so that they can avail of the credit enhancement announced.
- Extend additional credit to all borrowers based on credit worthiness and Double credit to Rupay cards,
- Convert Term loans of SHGs as Cash Credit with enhanced limit by simple acknowledgement of credit
- Extend cash transfers to all Jan Dhan accounts.
- Enhance Working Capital for MSMEs

For health care workers

- Extend the insurance scheme to all health workers involved in responding to the epidemic, whether the facility they work in is requisitioned or not.
- Enhance the financial allocations to reflect the real size of the health workforce
- Provide enhanced hazardous wages to sanitation workers and contractual staff
- Make the Emergency Health Fund available to cover costs related to protect health workers, including adequate personal protective equipment (PPE), adapted information

and training, filling vacancies and increasing personnel, special COVID- related paid sick leave and paid quarantine leave, and other requirements for infection risk management.

For essential service providers

- Expand the ambit of the insurance scheme to other workers declared as essential service providers.
- Include public transport workers, electricity and water supply workers and key government staff.
- Include production workers in many essential manufacturing occupations
- Guarantee health care, safe accommodation and transport to work to all essential service providers

For Agriculture:

- Secure procurement of grain from the farmers at higher MSP
- Support in fulfilling the requirements of machinery and labour movement of the harvest season with optimal safety arrangements.
- Where possible decentralized procurement and provision at the local areas to be considered
- Increase instalment amount under PM KISAN to at least Rs 5000, extending it to all producers.
- Relief measures for poultry farmers and fisher people

In Preparation for opening of lockdown measure

- Expand and ensure more than 100 workdays under MNREGS for the current year for all rural households
- Plan for safe travel back to cities as required

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