

THE HINDU & BL EDITORIALS 26TH MARCH 2020

1. A long road: On India's 21-day coronavirus lockdown

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The unprecedented lockdown can work only if governments help people stay homebound

India's **unprecedented 21-day national lockdown** is an unparalleled effort at stopping the march of a fast-spreading scourge that has overwhelmed the health infrastructure of several nations. Although the Centre seems to have thought of such a move in advance in a bid to flatten the curve of transmission of the **novel coronavirus**, the enforcement has left millions of people unprepared for the severe disruption. The **janata curfew**, on March 22, ahead of the lockdown was obviously a drill for the three-week imposition, but the government failed to anticipate the complex issues involved in confining over a billion people to their homes. Of course, as a public health measure, the full national lockdown announced by Prime Minister Narendra Modi is being welcomed by the medical community as a necessary measure to cut the transmission chain of the virus. Fresh arrival of travellers from abroad has already been stopped, and **three weeks is long enough** to allow for symptomatic cases of COVID-19 disease to emerge. This should give the government sufficient time to plan a treatment response. But for the lockdown to serve its purpose, it should lead to wider testing of all suspected cases. Regrettably, the lack of planning on the lockdown resulted in another bout of crowding, with **people rushing out to buy essential supplies** and medicines. There were instances of mindless police violence against workers performing routine jobs. The virtual curfew could have been made far less stressful through prior discussion with the States, and unambiguous communication to the public. Clearly, State agencies did not follow the order issued by the Home Ministry under the Disaster Management Act, 2005, **spelling out provisions on essential services**.

If the prolonged lockdown is to be executed without too much trauma for the general public, there has to be a war room approach. Chief among the measures needed is reliable access to food, water, medicines and emergency assistance. Here, some States have moved early and **announced cash relief** and free rations. The challenge is to ensure effective implementation. Again, if movement is to be restricted, essentials must be delivered virtually at the doorstep. This is enabled explicitly by the Home Ministry's order. Allowing delivery of medicines by pharmacies is important and essential personnel must be given passes that protect them from police harassment and ensure movement of goods. There is also a deplorable trend of social **discrimination against health workers** handling COVID-19 cases, which must be sternly dealt with. The onus is on the Central and State

governments to provide for everyone during the lockdown, and they should be working round the clock. Otherwise, people will be forced into a situation where breaking the curfew might seem the safer alternative to deprivation and suffering in isolation.

The efficacy of a protracted three-week-long countrywide lockdown in the fight against the pandemic aside, what is very clear is that the shutdown is set to bring the approximately ₹200-lakh crore national economy close to a shuddering standstill. The ramifications are already so wide-ranging that measuring the fallout merely in terms of lost economic output would be grossly inadequate. The hardest hit are the millions of daily wage earners, the self-employed and small businesses, and the rural landless poor. Vulnerable segments of the workforce face the immediate prospect of a lack of income as well as hunger. On a larger scale, with public transport services now withdrawn and private vehicular movement severely restricted to the barest delivery of essential services, it is hard to see how people employed even in vital sectors of manufacturing or the utilities would be able to reach their workplaces. While the Finance Minister on Tuesday announced a welcome slew of tax and regulatory compliance-related deadline deferrals as well as some credit-related **relief to the MSME sector**, the combined steps will at best be of marginal help to tackle the unprecedented economic crisis. Any package to address it therefore demands a set of mitigation and subsequent stimulus measures that would need to be of an exceptional scale and require implementation on a war footing.

For a start, the Centre must abandon its fiscal deficit goals at this moment of a worldwide healthcare and economic crisis that is set to tip the global economy into a recession, at the very least in the near term. In keeping with what some State governments as well as most developed economies have already announced, the Centre needs to immediately release sizeable cash grants to all persons with Jan-Dhan accounts and BPL ration cards and use its various social welfare schemes **including PM-KISAN and MGNREGA** to ensure that the reach of such financial aid is maximised countrywide. The plan must also encompass a broad swathe of spending measures. These should include substantial investments in public health infrastructure targeted at COVID-19 treatment — for which a beginning has been made with an allocation of ₹15,000 crore — as well as provisions for free services to all financial aid recipients; loan repayment holidays and a wage bill subsidy to all MSME businesses that retain their workforce at pre-crisis levels; and once the lockdown is lifted, a huge public infrastructure creation backed spending push to generate jobs and restart economic activity. A modest doubling of the budgeted fiscal deficit figure for 2020-21 could see about ₹16-lakh crore being

freed up for the Centre to both spend directly and provide capital support in the form of grants and subsidies to State governments and banks. The government would do well to use the crisis as a once-in-a-generation opportunity to address both the economy's and the public's well-being. The lives and livelihoods lost to the pandemic should not be in vain.

2. The lockdown should have been preceded by economic stimulus measures

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India's economic response to the coronavirus crisis is in sharp contrast to other nations who have invoked nuclear options to contain the economic fallout of this pandemic, ahead of considering lockdowns

India has announced a 21-day nationwide lockdown on March 25, even as the number of official Covid-19 infections is at a fraction of other nations who are contemplating such measures, points to a Hobson's choice. Given the creaking state of the country's health infrastructure, the fear seems to be that if Covid-19 is allowed to run its course, India's public health facilities will be swamped by an unmanageable flood of patients. Faced with this grim prospect, the Centre is trying to slow the march of the disease through a draconian lockdown that is set to extract a heavy price on the economy. Whether this lockdown manages to win India's healthcare system adequate time to cope with the outbreak will be evident only in hindsight. But there are already signs of its crippling economic impact. Industries have had to drastically scale down operations, supply chains broken by restrictions on inter-State movement. While export sectors are grinding to a halt on the logistics logjam, MSMEs are faced with a sudden stoppage of revenues that threatens their very survival. The freeze on construction, hospitality and other services locks lakhs of informal workers out of their jobs. Given this reality, it is quite astonishing that this lockdown announcement has been unaccompanied by any Centrally-driven economic stimulus, either to provide a safety net to businesses who have been co-opted into it, or financial support to citizens who are expected to survive without incomes.

The measures announced so far by the economic task force have been under-whelming. The FM's 'package' on Wednesday offered marginal concessions on deadlines for income tax and GST filings when what was really needed was a deferral or a waiver of taxes during this

period. Raising the threshold on insolvency references to ₹1 crore from ₹1 lakh should have been accompanied by regulatory forbearance on NPA recognition. To support wage-earners, the Centre seems to be content with 'advising' the private sector not to resort to lay-offs and pay cuts, when it should be bankrolling direct income credits from its own coffers. Indeed, many State governments have come up with far more useful packages entailing cash transfers and food supplies to the poor. India's financial system meanwhile is showing signs of seizing up, and ensuring their smooth working calls for exceptional accommodation from the RBI, for which the Central budget will need to provide the backstop.

India's economic response to this crisis is in sharp contrast to other nations who have invoked nuclear options to contain the economic fallout of this pandemic, ahead of considering lockdowns. The US Fed and the European Central Bank have broken their banks to announce unlimited lines of credit and the UK and the US have pledged direct income support to employees of affected firms. But the Centre's actions so far suggest its idea of battling the crisis is to demand extraordinary sacrifices from its citizens and private entities, while making few proactive contributions of its own.

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