

FM - Press Conference – II: STIMULUS FOR LESS PRIVILEGED

In its 2nd Press Meet, the Finance Ministry addressed concerns of the under-privileged section of the society. The outbreak of COVID had left many migrant labourers in deep distress. With the intent to cater to the pressing needs of such migrant labourers, small vendors and farmers, the Government has laid out an initial stimulus plan, with some more measures expected to be announced in the press meets which are to follow in upcoming days.

1 MIGRANT WORKERS

Free food grain supply worth ₹35000 crores

- ✓ Free food grain supply announced in March 2020 for Card based migrant workers has been extended for next 2 months for workers. Non card holders are also eligible for wheat/ rice of 5 kgs/ person and chana of 1 kg/ family
- ✓ The Centre and states will work in tandem in this scheme where States will provide all necessary details regarding such non card based migrant workers and will be responsible distribution of grains
- ✓ The extension of scheme to non card – based holders will cover 8 crore migrants

1 Nation 1 Ration Initiative - reemphasis

- ✓ National Portability of Card (PDS card) is being initiated
- ✓ This will enable the card bearer to use the ration card anywhere irrespective of his location
- ✓ By August 2020, it is expected to benefit 67 crore beneficiaries in 23 states covering 83% of PDS population
- ✓ 100% coverage of national portability of cards expected to be completed by 31.3.2020

Affordable rented accommodation for urban poor

- ✓ Affordable rental housing scheme to be launched under PM Awas Yojna
- ✓ Govt. to incentivize manufacturing units and other industries to develop their private lands to provide affordable housing to migrant labourers
- ✓ Govt. is also looking at converting govt. funded houses which remain vacant into affordable rented accommodation through concessionaire agreements

2 STREET VENDORS – CREDIT FACILITY OF ₹5,000 CRORES

- ✓ Scheme to be launched within a month to facilitate easy access to credit by street vendors
- ✓ Expected to benefit 50 lakh street vendors
- ✓ Initial working capital of ₹10,000 rupees to be provided under this scheme
- ✓ Digital payments incentives – street vendors facilitating digital payments might be eligible for higher loans in future

3 EMPLOYMENT CREATION THROUGH CAMPA FUNDS – INFUSION OF ₹6,000 CRORE

- ✓ Proposals from various states regarding employment creation for tribals and adivasis will be approved shortly
- ✓ Tribals, adivasis and other sub-urban workers can benefit from this initiative by engaging in employment opportunities through Artificial/ natural regeneration/ forest wildlife management/ protection and other forest related/ forest infrastructure related activities

4 AFFORDABLE HOUSING FOR MIG – ₹70,000 CRORE SUPPORT THROUGH CLSS

- ✓ Affordable Housing scheme under CLSS benefitting the MIG having an annual income between ₹6 lakhs - ₹18 lakhs has been extended by one year up to March 2021
- ✓ 3.3 lakhs families have benefitted so far and additionally 2.5 lakh MIG families are expected to join in by March 2021
- ✓ Govt. aims to spur job creation by extension of this scheme and improve demands for steel, cement and other construction material

OTHER POINTERS:

- ✓ Increase in enrollment of workers under MNREGA for migrants moving back to their villages to ensure continuity of employment for them

5 SMALL FARMERS

Additional emergency Working Capital Fund of ₹30,000 crores through NABARD

- ✓ Immediate re- finance support by NABARD to support post – harvest Rabi produce and preparatory work for Kharif crops
- ✓ ₹30,000 crores are in addition to the annual provision of ₹90,000 crores
- ✓ RRBs, RCBs many state cooperative banks, district cooperative banks will use this credit for on tap-based lending as they have a direct reach to small and marginal farmers
- ✓ Expected to benefit 3 crore farmers

Kisan Credit Card

- ✓ 2 lakh crores concessional credit will be extended to boost farming activities
- ✓ Expected to benefit 2.5 crores farmers
- ✓ Fishermen & Animal husbandry farmers included in Kisan Credit card scheme

6 SHISHU LOANS OF MUDRA – ₹1,500 CRORES SUPPORT FOR SMALLEST OF SMALL LOAN TAKERS

- ✓ Interest subvention incentive for Shishu loans under Mudra
- ✓ Current portfolio of Shishu Mudra loans allows for loans up to ₹50,000
- ✓ Prompt payees after 3 months moratorium period will have interest subvention support of 2% for next 12 months
- ✓ There are presently roughly 1.62 lakh crores of outstanding Shishu loans
- ✓ Expected to benefit around 3 crore borrowers

IN THE PIPELINE: (BEING DISCUSSED IN THE PARLIAMENT)

- ✓ Re – defining Migrant workers
- ✓ Minimum wages applicable to all workers
- ✓ National Floor Wage mechanism under consideration
- ✓ Ensuring health checkup for all employees and appointment letters to ensure formal structure
- ✓ ESIC to be extended to all establishments which employ at least 10 people and voluntary for establishments having less than 10 employees
- ✓ Proposal to make ESIC mandatory for employees in hazardous industries
- ✓ Portability of welfare benefits
- ✓ Re – skilling of retrenched workers
- ✓ All occupations should be open for women with night working rights

OUR VIEW

The 2nd round of stimulus identifies agriculture sector as one of the most impacted sector. Interest subventions, portability of Ration card usage, increase in MNREGA workers enrollment show a positive intent of the Government acknowledging the hardships faced by labour. From taking steps to strengthen the monetary requirements of farmers and labourers to making provisions for their accommodation and providing free food grains, it is expected that more labourers and farmers will be able to meet their basic needs and sail through these tough times. While the intent of these announcements are noble, it is important that direct benefits like those announced in the first phase in March 2020 are also infused time to time during the next months. We hope and expect, as indicated today, more practically implementable stimulus announcements in the future.

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