

# STIMULUS PACKAGES THAT DO NOT ADDRESS THE ACTUAL PROBLEMS OF THE TOILING PEOPLE!

At the time when our economy is already slowing down, the abrupt lock-down imposed nation-wide without any required preparations in the name of curbing of COVID-19 pandemic by our rulers has caused the collapse of our economy.

The consequence of this collapse of the economy in practical terms is devastation of the livelihoods of majority of the people of this country, particularly the toiling masses of various and numerous sectors, most of them belonging to informal and unorganized sector. According to various estimations made by the official as well non-official studies, around 121 million jobs were lost in April 2020. The plight of these workers and labourers and the apathy and callousness of the central and state governments towards these workers and their heart-rending problems have been clearly exposed in the form of the numerous woes, risks and indignities suffered by the migrant labourers throughout the country. Since several industries are shut or operating at abysmally low capacities massive retrenchments occurred. There is a spat of job losses even in the formal sector. Rural distress is pervasive. Added to those massive job losses, the number of unemployed willing to work is increased by 12 million in October 2020.

On the other hand there is a sharp rise in food prices. Rising prices of essential kitchen items raised the retail food inflation, which is expected to remain high for long. The prices of edible oils, pulses, vegetables and condiments rose very high, making unaffordable to the common people particularly to those who have no jobs or any means of income, whose major savings have already been evaporated. Destitution is spreading at a rapid pace. The government's eye-washing measures like imposition of stock limitation on onion traders, imports of potatoes and onions, temporary reduction in import duties on pulses have not kept prices under check. Thus the retail inflation is continuing to be high, increasing the misery of people.

But our rulers and ruling classes instead of addressing these severe problems faced by the majority of the people of our country are engaging in unwarranted and unjustified activities such as inflaming the border disputes with neighboring countries like China and Pakistan and making military and defense agreements with U.S. imperialism becoming a part of imperialist strategy or passing anti-people, anti farmer and anti worker bills in the parliament and state assemblies as if they are the urgent problems to be addressed. They are cunningly and conveniently diverting the attention of the people from the real and actual problems of the people particularly hit by the ill advised abrupt imposition of lock-down.

On the other hand our rulers and ruling classes are taking special interest to address the long-pending demands of the industry and big capital under the pretext of revival of economy collapsed due to Covid-19, in the form of stimulus packages for businesses and economy. With the argument to create more demand and to revive India's shattering economy the central government is rolling out stimulus to the industry and big capital in the lofty name of "Atmanirbhar Bharat Abhiyan".

Recently, the central finance minister has grandly announced the third tranche of stimulus package in the form of Atmanirbhar Bharat 3.0 as an early Diwali gift to the industry and business, estimating the stimulus package to be Rs. 2.7 lakh crores; which translates to 1.4 percent of the G.D.P. This time the central minister chose the ruse of employment generation and boosting re-employment chances as the main plank of the government's propaganda for rolling out this particular stimulus 3.0 to the industry and business, as if it is focusing on job creation for the poor, farmer's upliftment and a move aimed at fuelling a rebound of the economy. With such a dubious announcement the finance minister intended to hood-wink farmers and workers who are already betrayed by the government, by the passage of bills against their interests and in the service of imperialist neo-liberal economic policies.

The size of the stimulus announcements made under Atmanirbhar Bharat 3.0 amounts to Rs. 2,65,080 crore. It is also informed that the total three stimulus packages announced by the government and RBI till date to help the nation tide over Covid-19 pandemic works out to Rs. 27,87,000 Cr. which is equivalent to 15% of nation's G.D.P. Even according to the finance minister the so-called stimulus announced by the government, for so called regeneration of employment, to boost re-employment chances farmers upliftment is lesser than 10 percent of the total stimulus amount provided by the government. More over out of the present amount of their stimulus, Rs. 1.46 crores is allocated to 10 sectors to boost domestic manufacturing as a production linked incentive. The largest amount of Rs. 57,042 crores will go to auto companies.

Immediately the captains of big industry through their associations like FICCI (Federation of Indian Chambers of Commerce or Industries), CII (Confederation of India Industry), CITI (Confederation of Indian Textile Industry), MAIT (Manufacturers Association of Information Technology), ACMA (Automotive Component Manufacturer's Association of India), Pharmexcil (Pharmaceutical Export Council of India), SLAM (Auto Manufacturers Association of India) and COAI (Cellular Operators of India) have lauded the government particularly for providing them with the stimulus of production – linked incentive scheme for 5 years. (up to 2025). While praising the government, these capitalists of the incentivized 10 sectors of the industry talked about their increasing chances of competitiveness, production and exports, but none of them have mentioned about employment generation or boosting of jobs as has been boasted by the finance minister while launching the stimulus package.

The present stimulus package provides Rs. 65,000 crore additionally for providing fertilizer subsidies. The government claims that this will cause upliftment of farmers. In fact whatever amount is allocated for fertilizers subsidies, it directly goes to the fertilizer companies most of which are subsidiary companies of Multi-National companies. In reality the subsidised fertilizers do not reach the actual farmers or benefits the farmers. The farmers as usual are forced to purchase fertilizers at high cost in the required seasons, in black-market even some-times to purchase spurious fertilizers. Thus this package do not cause even an iota of benefit to farmers who are severely distressed due to various anti-farmer and agricultural policies of our rulers and ruling-classes, besides the vagaries of climatic conditions from which there is no protection and relief.

This stimulus scheme is claiming that it would boost employment and encourages companies to consider rehiring of workers, including those who may have lost their jobs during the lock down, just because of providing a special subsidiary for E.P.F. subscriptions for a period of two years for all new employees who joined office on or after October 2020 with a monthly salary of less than Rs. 15,000 P.M. For firms with more than 1,000 employees the centre will bear the E.P.F. contributions that have to be borne up by the employee. For the smaller firms with less than 1,000 employees the center will bear the entire contribution of both the employees and employees for EPF for two years.

Those who are aware with the practice of industry and employers with regards to the E.P.F. contributions can easily perceive this subsidy of E.P.F. contribution will not encourage the employers to generate additional employment, since after two years they are bound to pay their share of E.P.F. contribution continuously. At the most they may induct the names of employees who are already in their employment and who are not given the benefit of E.P.F. and show-piece it as if they have created new jobs, for the sake of inflating the governmental statistics of employment.

The stimulus also includes an additional amount of Rs. 10,000 crores for the MGNREGS or P.M. Gram Sadak Yojana. With this the government boasts as if it would benefit the rural poor in distress. Compared with the magnitude of the present day distress of the tens of millions of rural poor, this additional amount will not address even the periphery of the problem leave alone benefitting the rural poor.

Through this stimulus package government expects that 78 lakh new jobs will be created. When compared with the colossal job losses occurred during to lock-down period and rapidly increasing unemployment, any sane person can easily perceive that the governmental claim of generation of employment and job creation is purposefully intended to keep people in the illusion of so-called job creation in a bid of averting from their just anger.

This scheme offers tax sops for the salaried tax payers to enable them purchase residential units valued up to Rs. 2 crores. This would help the real-estate business and realty sector. But there is no guarantees that real-estate-construction sector and housing-construction sector would revive in to operations (construction) creating more employment and demand for construction materials like steel and cement. At the most the demand for the unsold units (constructed apartments) in the affordable and mid-segments may be boosted. According to the estimation of property consultants there are approximately 5.45 lakh unsold units across India's top seven metro markets alone. This stimulus may a bit ease the sales prospects of those unsold numerous units lying across the country but do not revive construction sector and cannot provide employment.

While the first package of Atma Nirbhar has only provided liquidity to the economy that benefitted the big-capital, the second package basically provided white collar workers, who were already spending, more benefits linked to their Leave Travel Concession (LTC). The third and the present stimulus is benefitting only to the industry and business in the garb of creating jobs and generation of new employment.

These stimulus packages provided by the government are not in the interests of the toiling people of our country who constitute the majority of our population, but are exclusively intended to further the interests and benefits of industry, big-capital and businesses.

One need not be deceived with the misinformation propaganda launched by our rulers and ruling-classes while providing a lot of economic incentives, tax concessions sops, etc to big-industries and big-capital.

If we can recollect the farce enacted by the central government very recently during the lock-down time, deceiving the workers with regard to the payment of wages by the employers during lock-down period, we can easily understand how the rulers have chosen to hood-wink workers, farmers in the name of this stimulus 3.0. On March 29 the Home ministry issued a mandatory order that "All the employers, be it in shops and commercial establishments shall make payment of wages of their workers at their work place, on the due date without any deduction for the period their establishments are under closure during lock down". But on 18<sup>th</sup> May at the time of fourth phase of lock-down, while issuing the guidelines the Home ministry has with-drawn the above order without giving any explanation. Commenting on this, the general secretary of Bharatiya Mazdoor Sangh (BMS), an affiliate to R.S.S., had to lament that this new order amounts to complete injustice to workers and stated that "when the government is ensuring salary for others, there can not be separate set of rules for workers. Ensuring livelihood and wages during the period of lockdown is the duty of the government".

However the government and the rulers do not have such sentiments towards workers and toiling community and they always choose to fail the working - lot. So how can anyone believe that the stimulus packages are provided in the interests of workers, farmers and the poor.

While launching this stimulus 3.0, the finance minister announced that the government expects no additional borrowing. No additional borrowing means the government would be diverting other budgeted expenditure for spending on the stimulus package.

Experts claim that these packages could have little impact on India's economy. Despite the government's claim of providing a combined stimulus to be of 15 percent of the GDP, experts claim the actual money spent by the government would be less than two percent of the GDP. But with such dubious claims the rulers have perfected in hood-winking the people.

Without addressing the actual problems of majority of people our rulers are serving the interests of industry and big-capital.

This deception practiced by our rulers and ruling classes against people has to be incessantly exposed, revealing their anti people, anti-worker and anti-farmer class nature; so as the people can prepare themselves to unite and conduct struggles to protect and improve their class-interests and aspirations for the betterment of their devastated and distressed living conditions and livelihoods.

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