

# Statement On the current lockdown and how the government can help make it better by Shri P Chidambaram<sup>7</sup>

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## STATEMENT OF P CHIDAMBARAM 25 March 2020

The Prime Minister's announcement yesterday of a nationwide 21-day lockdown is a watershed moment in the battle against COVID 19. We should put behind us the debates that took place before March 24 and look upon the nationwide lockdown as the beginning of a new battle in which the people are the foot soldiers and the PM is the Commander. We owe a duty to extend our total support to the Prime Minister and the central and state governments.

**#STAYHOMEINDIA** is a great rally cry. But to **#STAYHOMEINDIA**, people will need money and food. We must think and plan not only for the next 21 days but for some weeks beyond the lockdown period. Besides, current employment and wages must be protected.

Here is a 10-point plan (without too much elaboration) which is intended to put cash and food immediately in the hands of the poor and the vulnerable. It is placed for the consideration of the government and for an immediate announcement of relief.

1. Farmers: Double the amount paid/payable under PM-KISAN (to Rs 12,000) and transfer the additional amount immediately to the bank account of each beneficiary.
2. Tenant Farmers: Bring tenant farmers under PM-KISAN. Take the lists from the state governments and transfer Rs 6000 + Rs 6000 (in two installments) to the bank account of each tenant farmer.

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3. Take the lists of registered MGNREGA workers and transfer a sum of Rs 3000 into the bank account of each beneficiary.

There will be some duplication despite the de-duplication efforts made by seeding Aadhaar in these accounts. There will be cases where the beneficiary received a double payment. There will be some mistakes. Does not matter. Even allowing for 15 per cent of 'wrong' payments, it is worth doing these cash transfers.

4. For the urban poor, take the Jan Dhan accounts with the urban branches of the banks and transfer a sum of Rs 6000 into the bank account of each beneficiary. (While identifying the Jan Dhan accounts, don't forget to include the 'no frills or zero balance accounts' opened before the Jan Dhan scheme was launched.)

5. Offer to every ration card holder, through the ration shops, 10 kg of rice or wheat absolutely free, as a one-time measure in the next 21 days. Arrange for home delivery.

6. Ask all registered employers (registered under any law) to maintain current levels of employment and wages. Guarantee to such employers who do so that the wages of the employees will be reimbursed by the government within 30 days of payment.

7. Open a register in every ward or block and invite persons who have not received payment under any of the categories listed above to register their name, address and Aadhaar. Street people and destitutes will fall under this category. After minimal verification, open a bank account in each name (if there is not already one), seed it with Aadhaar and transfer Rs 3000 into each bank account.

8. Extend the deadlines for payment of any kind of tax until 30 June 2020. In the interim, banks can be instructed to lend to panchayats, municipalities and corporations against the security of the tax receivables.

9. Instruct banks to extend the date for any kind of EMI payment until 30 June 2020.

10. Cut GST rates by 5 per cent on all wage goods, essential goods and services, and all goods of mass consumption for the period 1 April to 30 June 2020.

These are, for the present, one-time cash transfers and the need for more cash transfers can be assessed depending upon the situation as it evolves. You will notice the above plan will address only the immediate challenge of putting cash in the hands of the people who will **#STAYHOMEINDIA**. There are many other challenges that have to be addressed in the next few days.<sup>8</sup>



<sup>8</sup> [https://twitter.com/PCChidambaram\\_IN/status/1242714462232035328?ref\\_src=twsrc%5Etfw%7Ctwcamp%5Etweetembed%7Ctwttr%5E1242714462232035328&ref\\_url=https%3A%2F%2Ftheprint.in%2F%2Feconomy%2Fchidambaram-proposes-cash-transfers-to-urban-rural-poor-to-help-them-during-lockdown%2F388111%2F](https://twitter.com/PCChidambaram_IN/status/1242714462232035328?ref_src=twsrc%5Etfw%7Ctwcamp%5Etweetembed%7Ctwttr%5E1242714462232035328&ref_url=https%3A%2F%2Ftheprint.in%2F%2Feconomy%2Fchidambaram-proposes-cash-transfers-to-urban-rural-poor-to-help-them-during-lockdown%2F388111%2F)