

# The Telegraph

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## Centre-state co-ordination holds the key for rejuvenation

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The economic and human impact of the coronavirus pandemic has been unprecedented. To curb the spread of the Covid-19 outbreak, India has been in a lockdown since March 25. As majority of economic activity and business operations came to a halt, job losses were evident across the country, resulting in falling incomes and loss of livelihoods.

Thus, as the government prepares for a graded exit from the lockdown, protecting the workforce and their livelihoods by curbing the rising unemployment has to be accorded utmost priority as this will play a critical role in our economic recovery.

As business activity resumes, the government and the industry need to come together to work on some key as-

pects, such as health safety and precautionary measures, among others, to create a conducive work environment and encourage greater employment in the economy.

### Labour shortage

While business operations for some essential services such as hospitals, pharmacies and food supplies continued through the lockdown and gradually resumed in other sectors such as construction and manufacturing, all sectors continue to face considerable labour shortage.

Migrant workers residing in shelter homes or available locally near the industrial belts may be mapped and deployed to the nearest factories. This, in turn, will ensure that workers do not need to travel far from their homes and will help to restore incomes.

Such a strategy will require coordinated action from both central and state governments along with trade unions. State governments would be responsible for the

mobilisation of workers along with the local district administration for facilitating movement of migrant workers, while ensuring their accommodation, commute, food and other basic needs.

As businesses are hit with declining revenues, to reduce the financial burden of organisations, the ministry of labour and employment may consider the extension of provident fund contribution date from the current 30 days to 60 days for the months of March, April and May.

While the EPFO has extended the date to May 15, 2020, it is suggested that this be further extended for a period of 30 days, given the extension of the lockdown period and the delays in resumption of revenue-generating activities.

Additionally, it is recommended that the government could contribute 3.25 per cent of the employers' and 0.75 per cent of the employees' share of monthly ESIC contributions for the next three months, or relax the contributions, for



Labourers work at a salt pan in Tamil Nadu. PTI

three months. This will enable industries to sustain their business activities by maintaining cash flows.

We have also requested for the extension of the benefits under the Pradhan Mantri Garib Kalyan Yojana (PMGKY) to more establishments, which, at present, has a very limited impact as it is only eligible for establishments employing up to 100 employees, with 90 per cent of the employees earning wages less

than Rs 15,000 per month.

It is recommended that the scheme be extended for an organisation having 50-60 per cent of the workforce earning up to Rs 25,000 per month. This will expand the benefits of the scheme to others, specifically the MSMEs.

### Scheme rethought

During the lockdown, the government had issued various labour advisories under the Disaster Management Act,

such as prohibiting employers from any wage reduction, layoffs and retrenchment of workers etc.

With private establishments now permitted to resume operations, it is requested that the applicability of the said Act be removed for industry while labour laws take precedence. The temporary relaxations and relief measures announced by the government should continue to be available for the employers for them to resume and sustain business operations.

A related suggestion is the further review of labour codes, in line with the government's initiative towards greater simplification and rationalisation of various labour laws through codification, with a view to enable greater ease of doing business and encourage entrepreneurship.

To encourage workers to come back to work, it is suggested that EPFO and ESIC take up massive campaigns and draw up a communication strategy for informing workers

to re-join workplaces. A circular/guideline may be issued from the ministry to direct workers to join work or otherwise be subject to action taken.

The government may also consider restarting the Pradhan Mantri Rojgar Prasthan Yojana to encourage organisations to retain job offers and promote fresh employment. The scheme has dual benefits of providing social security to workers and encouraging employment by incentivising employers to hire new workers.

With only 33 per cent of the labour force allowed to work to ensure social distancing, productivity of enterprises might be adversely impacted. It is, therefore, suggested that normal working hours of employees across sectors may be increased by four hours every day. Workers would be paid in proportion to the normal wages for working overtime and workers' consent must be taken for the same.

Recommendations related to health and workplace safety include availability of indus-

try specific standard operating procedures on websites, redesigning entire supply chain process for preventing the spread of the virus, and ensuring availability of resources for maintaining quality of personal protective equipment (PPE)/sanitisation for MSMEs, among others.

### Job retention

To allow commercial establishments in the services sector to retain maximum workforce, it is requested that the provisions of layoff under the Industrial Dispute Act be extended as a job retention measure for workers having no work. This will allow such workers to continue to be on the company payroll during the layoff period at reduced wages while getting access to statutory benefits such as ESIC and PF.

With all enterprises facing worker shortages while workers too face job losses, a combined effort alone can best arrest the ravages of the coronavirus on the economy.