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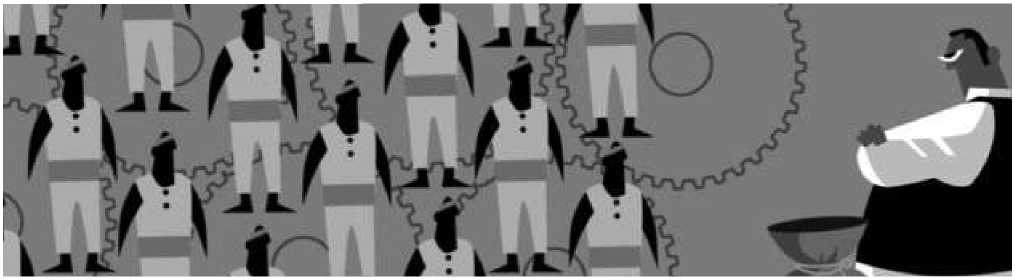

India needs a new social compact

The symbiotic relationship between migrant workers and the economy must be acknowledged when the lockdown ends

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The Covid-19 pandemic has brutally uncovered the hidden drivers of the Indian economy in which sharp inequalities of wealth and income are inherent; indeed they provide the grease which makes the wheels of economic activity, across regions and sectors turn smoothly. We have become painfully aware how much our industry, agriculture, services and even domestic comforts are reliant on a pulsating mass of poor and migrant labour, a majority of whom live on meagre daily wages, away from families that depend on a share of their earnings. According to the 2011 Census, migrant labour constituted 36 per cent of India's total population. This figure is likely to be higher today. This high percentage obscures the fact that migrant labour is concentrated in India's cities, which constitute 30 per cent of the country's population. So the proportion of migrant labour in urban India is huge.

Attention over the past couple of weeks has been focused, rightly, on the plight of migrant workers in major cities heading home to their small towns and villages in the thousands, braving hunger, tiredness and violence from police or being locked down in crowded and unsanitary shelters. But unspoken is the acute awareness that the Indian economy cannot run without the contribution of this mass of disadvantaged and even disparaged pool of semi-skilled and unskilled labour. Ripened crops cannot be harvested in time. Since most of India's industrial production continues to be in the small and medium and unorganised sectors, the unavailability of migrant labour means no production. And since service sectors, such as distribution and retail, are also dominated by the same atomised contributions of this pool of labour, their sudden absence has brought things to a grinding halt.

This cohort is mostly young, connected to their families and to their mates through mobile telephone and exposed relentlessly to the inequities of income and wealth on display all around them. What the pandemic has done and is continuing to do in ever sharper relief, is exposing the indispensability of this mass to India's economic survival. The terms of engagement were clearly to the advantage of the employer who could afford to offer minimal recompense for services rendered. But those terms are likely to change since the indispensability of this cohort of young and mostly migrant labour has now become glaring. When the pandemic begins to recede, the willingness of migrant labour to return to urban employment, the terms on which they are put to work, the manner in which society at large handles the extended period of their severe deprivation and offers them some credible avenues to meet their aspirations for the future, these have become critical issues that we must confront and resolve expeditiously.

Our initial policy actions did not take into account the narrow margin of survival and hand-to-mouth existence of millions of our fellow citizens. Social distancing is a luxury that the rich and middle class can afford, not workers typically sharing extremely congested tenements, with or without their families. A total lockdown does not take into account the existential reality of daily wage labour or contract labour, for whom no work may mean no food or shelter. This is what drove the thousands to defy curfew and literally start walking back to their village communities even hundreds of miles away. They expected neither sympathy nor support in an urban setting inhabited by self-entitled elites. It may now be difficult to bring them back on the same meagre terms as before.

This is a vast pool of mainly younger people driven to the edge of deprivation and despair, now scattered across the country. They could ignite a social upheaval with serious political and economic consequences. The possibility of violence is inherent in such situations. Prudence demands that we consider various scenarios that are likely to unfold in different circumstances. An early recession of the pandemic may have less serious outcomes. A more prolonged crisis may unleash forces that the State apparatus may be incapable of managing, specially in its current straitened circumstances. There may be recourse to coercive instruments to suppress unrest but it would be far better to take preventive measures to avoid such a dangerous denouement. It is in this context that we need to debate a new Social Compact that explicitly acknowledges the symbiotic relationship between this mass of young people and the economy, which they help to run. This Compact should have the following components:

The State, at both the provincial and central levels, must reach out to this cohort wherever they may be and offer financial and other support to help tide over the current crisis. This must be done with minimal bureaucratic red tape, never mind the leakages that are inevitable. The Mahatma Gandhi National Rural Employment Guarantee Act should be ramped up significantly as a means of ensuring funds into the hands of people without requiring participation in labour during lockdown. The penetration of mobile telephones and smartphones can be innovatively leveraged to identify and to bring relief to poor and migrant labour wherever they may be.

The State at all levels will need to work out a phased plan to enable migrant labour to come back to their respective places of work in close collaboration with industry and service-related activities. Some of these units may have been closed down and cannot be revived. Others may need State support for their revival. It would be worse if migrant labour head back to urban areas and find there is no work.

The Compact must include a commitment by the State to ensure minimum wage and work conditions for migrant labour, including insurance. An empowered regulatory authority such as a commissioner for migrant labour may be set up to look after its interests. States may be encouraged to set up similar regulatory authorities.

The National Skills Mission may be restructured and repurposed to provide opportunities to this category of labour to acquire new skills through training and graduate in terms of income and living conditions. This must be included in their terms of employment.

If such a Social Compact is formulated and announced without delay, it may keep alive the hopes of a key segment of our population, reflect the concern of the State and society for its welfare and offer avenues for realising its aspirations for the future.

The writer is a former foreign secretary and is senior fellow CPR.