

India's Response to Covid-19 has been Sadistic*

Jayati Ghosh

One of the most vocal critics of neoliberalism in general and the socioeconomic policies of India's BJP-led Central government in particular, eminent economist Jayati Ghosh is known for her sharp and lucid views on social issues. In a conversation with Number13, Prof. Ghosh talks about India's response to the Covid-19 pandemic and its myriad impacts on society. Edited excerpts:

N13: How will Covid-19 impact the global economy?

JG: First of all, we don't even know what post-Covid is, because at the moment, it's all very unclear as to how long and how widespread this pandemic will be. What is very clear is that it is going to dramatically increase inequality because there is a very big difference in the macroeconomic policy responses in the developed countries and the developing countries. Countries like the US, the UK, many European countries, Japan, etc. have put in fairly large stimulus packages. They will, therefore, at least not face the very deep depression that is likely to happen in many other countries.

Developing countries have not done this. Very few developing countries have introduced large fiscal packages. And some like India have done almost nothing. As a result, we're looking at a very deep recession and possibly a long depression.

N13: What are your specific predictions on the economic impact of Covid-19 on India?

JG: I think in India, it's not so much Covid-19, but the dominant policy response, which is responsible at the moment. They should stop blaming the virus. I would say that it is not Covid-19 itself, rather it is the way the government responded to it with a knee-jerk lockdown that destroyed the economy and destroyed employment and livelihoods.

N13: Your comments on the stimulus measures announced by the government...

JG: I won't even call them stimulus measures. They should have been designed to revive an economy that is in free-fall. But they have not done anything right. First of all, what we needed immediately was to put money in the hands of those who have lost their livelihoods and provide food to everyone. We could have done both very easily. We have huge amounts of surplus food, at least 50 million tonnes of surplus food grain, which could have been distributed immediately to 80% of the household, giving 10 kg per person for six months. We could have provided Rs.7,000 per household, again to 80% of households for three months. These people have lost their income because you did not allow them to work. So it is your responsibility to make up for that. But they have been provided absolutely no income relief.

N13: Is Covid-19 used or seen in India as a Social Darwinistic exercise to weed out the vulnerable and the poor?

JG: It could well be. It's otherwise hard to explain why the government is behaving in this way. The kind of cruelty, lack of compassion, I would say even the sadism of the responses! There is no other country in the world that gave the people five hours

notice. We had 10 deaths and very few cases which were limited to certain cities and states. It was completely unnecessary to do such a complete lockdown without giving notice. You could have given a week's notice to allow people to get their homes and to make preparations. Things would have been very very different, there would have been much less distress, much less economic catastrophe.

N13: What could have been done better about the way India handled the migrant crisis?

JG: We have examples in Kerala. In fact, Kerala had already put in place restrictions. In the early days, they were warning people, screening them and providing them some income. And when the Chief Minister of Kerala announced the Rs.20,000-crore package, these were the important elements of it. They have been providing the migrants their income and food for the period they will not have access to work. That is the basic minimum that we should have done. If the government knew they were not going to do this, it should at least have provided free transport back to their native. These are the things that have been done pretty much in many other countries. And it was done in one of our own states. So none of this is something that we cannot imagine.

N13: Talking about sadism in the government response, why is the government behaving this way? Doesn't even votes bother it?

JG: Everything would have been different if there was an election six months from now, but they know they have four years. They are obviously cynical enough to think that it doesn't matter, people will forget, particularly after the way they got away with demonetisation. They hoodwink people and they feel they can get away with it again. The unfortunate thing is that the reason why the economy and the disease are both going in such a terrible direction is because unlike people and the media, they cannot be manipulated or terrorised or hoodwinked. They can do it to people; they can bamboozle people, they can manipulate people, they can terrify them and lock them in jails. But they can't do that to a disease, they cannot do that to the economy. They are completely incompetent in dealing with them.

N13: Will the crisis lead to widening inequality?

JG: There will be a massive increase in inequality and it will actually reinforce and accentuate existing inequalities and the class divide we have already. Containment measures are so classist; they can only apply to the middle class and the upper class. People living in slums in urban areas or even in poor settlements in the rural areas can't do all these social distancing. Second is the loss of jobs. Of course, it affects all the informal workers, but more it will predominantly affect women, SCs, STs and Muslims. In short, all the existing fault-lines have aggravated.

N13: Do you think the government is going to continue its apathy towards these issues from the way you observe government policies? Are they likely to learn any lessons from this?

JG: I have given up trying to understand this government, the only way you can explain it is by believing that they're just so deeply cynical and really don't care about the people. I did not believe even when they first announced this doctrine, I knew it was going to mean terrible things for the economy. Even at that point, I didn't expect

they would be so callous. I thought they would do something. But they have done nothing about that. That requires a degree of complete callousness and also guts.

N13: All these grandstanding and talks about online education, can it really make a difference to the people at the bottom of the ladder?

JG: It cannot. I have been trying to do online classes for my students in JNU. I have 92 students, it's a compulsory class. Not more than 35 to 40 are being able to connect to the lecture. They cannot connect and it's too heavy for them to even download. About 25% of them do not have laptops. You can't just watch a lecture on the phone, you cannot access the materials on your phone. And some of them have written and pointed this out. Somebody is in Sikkim, somebody is in Mizoram, somebody is in Kashmir. How can they have access? This is really deepening the divide.

N13: A lot of people, especially migrants, who have gone back to the villages are not coming back because they don't get any benefits in the urban centres. Do you think this will completely wreck the rural economy?

JG: I think a lot depends on how the government responds. If the government actually, for example, dramatically increased the allocations and allowed MGNREGA (the rural job scheme) to meet the demand, if it actually enabled small, medium and micro enterprises and provided them a proper package for revival in the rural areas, then we could get a recovery in the rural economy. Migration is not a joyous thing. It's not fun to be away from your family, your children, your parents and have them die in your absence, but people do it because they are desperate. But we have broken that basic social contract. As a migrant worker, overnight, you can lose your job and you have no idea when you will get your compensation, you will not get any protection and we will even prevent you from going back. With that kind of betrayal very few people will feel safe about going back to the urban areas to work.

N13: Can you suggest a few measures that can be taken in the short term and in the long term?

JG: I think in the short term, we must, as I said, immediately revive demand in the economy, which means that we have to actually put money in the hands of the people who have been deprived of it. That refers to all the informal workers. They should be paid Rs.7,000 a month. We must immediately provide food to everybody, 10 kg per person for six months at least. We must dramatically increase the NREGA by allowing all adults to work and not put any limit in the number of days. It should not be 'maximum hundred days per household', it should be such that any adult can go and work without a limit on the number of days they can work. We must introduce an 'Urban Employment Guarantee.' These are the immediate measures. We have estimated that doing this immediately would cost about 5% of GDP. A fiscal increase of 5% can be paid immediately by borrowing from the central bank. Over time, you have to pay for it. Right now, you just have to borrow from RBI and do it. Over the next few years, you have to raise more money.

You also have to have a wealth tax. Just tax the top 1% of the population, not everybody. You tax 4% of their wealth, introduce inheritance tax and tax multinationals. At the moment MNCs are getting away without paying any taxes in

India. Facebook, Google and Amazon and others barely pay any taxes because they shift all their profits outside India.

This is just one pandemic. And we know we will have more and more natural disasters. So in the medium term, we have to have much more public spending on adaptation. And we need much more public investment in the care economy. We don't have enough health workers and we don't invest enough in healthcare. For all of that we have to put more effort into coordinating between the central and state governments. Sadly, unfortunately, among the many things that this government has undone is the idea of the country (India) and unfortunately, this country cannot revive until they bring it back in some form.

N13: What should the civil society do at this juncture?

JG: Civil society's job is to hold the government to account instead of allowing the government to tell us to do our job. The basic problem is that the economy has to revive and it can't revive via manipulation, bamboozling, lying, cheating, and bullying. So you have to do the things that will make it revived and our job as civil society is to demand that the government do all the things that will revive the economy and preserve us from other public health disasters.

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