



# HR Klips



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It's now as much about pulling people out of poverty as stopping them from falling back into it

## The Pandemic's New Poor



Anil Padmanabhan

**T**he ferocious surge in the mutated strain of Sars-Cov-2 virus has forced several state governments across India to impose lockdowns. However, unlike last year's nationwide lockdown, which was undertaken before the virus got into its stride — in fact, GoI was accused of jumping the gun — the recent curbs were imposed well after the surge had already set in. This was pretty much bolting the stable doors after the horse has bolted. Worse, there is no clear evidence that lockdowns do succeed in breaking the chain of infection. At best, it slows down the spread.

But there is no ambiguity about the economic fallout of a lockdown, clearly demonstrating the need to tread carefully while dealing with the trade-off between lives and livelihood. The first round macroeconomic impact of the lockdown was a record contraction of 23.9% in the first quarter ended June of 2020-21. However, with the economy demonstrating a quick rebound, the growth for the full year will contract by around 7%.

The ensuing disruption in supply chains and near-shutdown of the contact economy, including hospitality and civil aviation, has caused enormous job losses — particularly in the in-

formal economy, which is crucially dependent on these supply chains. Several households that recently traded up to the neo-middle class have been unable to withstand the twin blows — rising medical expenses and job losses — to the household budget. One obvious consequence of the economic scarring is a big surge in the number of the 'New Poor' in India.

Last April, in the immediate aftermath of the onset of the Covid-19 pandemic, the World Bank put out an initial estimate that world over, about 40 million would be pushed back into extreme poverty in 2020. The Bank, in light of more grim economic evidence, updated this forecast in January this year. It now estimates that the surge in the number of the 'New Poor' could be anywhere between 119 million and 124 million people.

It estimates that 60% of the 'New Poor' reside in South Asia. It is very likely that the bulk of them, in the case of India, will be living in urban areas, or be part of the cohort of the 70 million circular migrants doing a back and forth between their village and workplace as the spread of the virus waxes and wanes.

### Slip, Slide, Collide

This was confirmed separately by the Azim Premji University in its 'State of Working India 2021' ([bit.ly/3ftLir](http://bit.ly/3ftLir)) study released earlier this month. According to the report, the economic fallout of the pandemic would push 230 million into poverty. 'Had the pandemic not occurred, poverty would have declined by 5 percentage points in rural areas and 1.5 percentage points in urban areas between 2019 and 2020, and 50 million would have been lifted above this line,' it said.



Stranded on the economic staircase

In short, before the onset of the pandemic, poverty was, as it has in the last two decades, projected to decrease. But now, it will grow in part due to the rise in the number of 'New Poor', injecting an entirely new dimension to the dynamic of poverty.

Conventionally public policy focus is designed to pull people out of poverty. To be sure, India has done a good job by bringing down poverty levels from about 40% at the turn of the millennium to about 22% before the pandemic struck.

Yet, what has often been overlooked is that those who escaped poverty remained vulnerable. A shock would tip them back into poverty. Covid-19 delivered two such blows — loss in incomes and enhanced payouts on medical expenses.

What the pandemic has done is to highlight this new poverty dynamic. It is now as much about pulling people out of poverty as it is to prevent them from falling back into it. Also, the public policy challenge of extracting people from below subsistence levels is entirely different from preventing them from falling back into poverty.

Like it is doing for the Indian economy — seeking to reverse the contraction through a stimulus — the govern-

ment will have to figure a strategy to restore the living standards of the 'New Poor'.

The thing is that they have done the heavy lifting by extricating themselves from abject poverty. Hence, they have the resilience to bounce back, provided they are extended a helping hand.

### Everyone's Invited

For the medium and long term, some building blocks are being put in place. Schemes like Ayushman Bharat, providing health insurance to 600 million Indians, are a good start. Similarly, programmes like providing drinking water, electricity and housing will only further bolster the capacity of human capital to cushion the economic shock we just witnessed.

In the short run, though, the key would be mitigation — as we have seen over the last one year in the rollout of free food grains and monetary transfers — and simultaneously taking steps to revive the economy and restore jobs. This is not going to be easy when confronted by fresh waves of the Sars-Cov-2 virus. GoI will have to walk the razor's edge in the trade-off between lives and livelihood. Any misstep could be catastrophic.

Ayushman Bharat, offering health insurance for 600 million Indians, and providing drinking water, electricity and housing are a good start for economic cushion



## FALL IN THE NUMBER OF PERSON DAYS GENERATED

# Covid Surge Hits MGNREGA

**Nidhi.Sharma@timesgroup.com**

**New Delhi:** The Covid-19 surge in rural India has hit MGNREGA — considered the go-to employment generation scheme in the toughest times of drought, floods and natural calamities.

The statistics of the rural development ministry reveal that there has been a fall in the number of person days generated and gram panchayats participating in MGNREGA since the beginning of the current fiscal as compared to previous financial years.

From April 1 till May 13, total work generated was 34.56 crore person days. This is lower than 39.77 crore person days in the same time period 2019-20 when there was no pandemic or lockdown. In 2020-21, the financial year started with a lockdown and employment generation suffered from April 1 to May 13 at 28.3 crore person days.

“There has been a slow start to MGNREGA this financial year because of a number of reasons. The second wave of pandemic has affected a large number of workers, increase in deaths and lockdowns by state governments to curb spread in rural areas — all the factors



have contributed to a slowdown,” secretary (rural development) Nagendra Nath Sinha told ET.

In Maharashtra, which has been the worst-hit in the pandemic with the highest number of Covid-19 cases, less than one third of the gram panchayats have participated in MGNREGA. Of 28,488 gram panchayats, only 8,407 have participated. In Uttar Pradesh, which generates the highest employment in MGNREGA, only 22,000 of 59,000 gram panchayats — less than half — have participated in the rural employment scheme.

“Apart from the low uptake, there is a lack of willingness on part of the staff on the ground to implement the scheme because of the sudden spread in rural areas, which had so far remained untouched in the first wave,” said Sinha.

MGNREGA provides a guaranteed 100 days of work in a year to those seeking employment in rural India. At the beginning of Covid-19 outbreak, MGNREGA was one of the main schemes for the Centre to provide employment to returning migrants and others in rural areas who had been rendered jobless due to the national lockdown.

Despite the low uptake, certain states are making adequate utilisation. According to rural development ministry, Chhattisgarh, Gujarat, Bihar and Madhya Pradesh are showing signs of revival in the scheme.

Another issue that had affected the implementation in Chhattisgarh and MP was change in mode of payment from April 1. With an emphasis on separate budgeting for Scheduled Castes and Scheduled Tribes, the wages are now being released from separate Budget heads. Both Chhattisgarh and MP had complained about delay in release of wages under the new system. However, the ministry said the teething troubles had been sorted.

ECONOMIC TIMES, PURE POLITICS, PAGE NO 02, 20/05/2021

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## ■ Wipro to Inoculate Staff, Families with 100k Vaccines



**BENGALURU** Wipro said Wednesday it expects to access 100,000 Covid vaccine doses by early June for inoculating its India-based employees and their dependents, reports **Our Bureau**. Wipro has secured doses of three vaccines – Serum Institute's Covishield, Bharat Biotech's Covaxin and the Russian Sputnik V, which will be administered free to employees and their dependents, it said. "Given the severity of the second wave of the pandemic, the importance of vaccination cannot be emphasised enough. Our objective is to ensure vaccination for all our employees at the earliest," Wipro said.

## ■ BDR Pharma Inks Pact with Eli Lilly for Covid Drug



Generic drugmaker BDR Pharmaceuticals has announced that it has entered into a royalty-free, limited and non-exclusive voluntary licensing agreement with Eli Lilly & Co to manufacture and distribute Baricitinib, a repurposed rheumatoid arthritis drug now being tried to treat Covid-19 patients. India's drug regulator had given restricted emergency use approval for Baricitinib in combination with antiviral drug Remdesivir for suspected or laboratory-confirmed coronavirus disease in hospitalised adults and paediatric patients requiring supplemental oxygen, invasive mechanical ventilation or extracorporeal membrane oxygenation.

## In a Nutshell

### ■ Karnataka Announces ₹1,111-crore Relief Plan



**BENGALURU** The Karnataka government Wednesday announced a special financial package of ₹1,111.8 crore to help people from unorganised sector and the economically weaker section, with the second wave of Covid and the lockdown severely affecting their livelihood, reports **Our Political Bureau**. Chief minister BS Yediyurappa announced the package after a meeting with his cabinet colleagues and said the amount will be directly transferred to bank accounts of beneficiaries. "We are announcing this package despite the state's fiscal health not being in a good condition," Yediyurappa said.

### ■ Magnesita Units' Merger with Orient Refractories Gets Nod



**MUMBAI** The National Company Law Tribunal has approved the scheme of amalgamation of Indian units of RHI Magnesita, a global refractory manufacturing firm that will merge the two units RHI Clasil and RHI India into the public listed Orient Refractories (ORL), reports **Bhavya Dilipkumar**. "From the material on record, the scheme of amalgamation appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to the public interest," the bench headed by justices Suchitra Kanuparthi and Rajesh Sharma passed the order dated May 5.



## Prioritise Vaccines for Hotel Staff: NRAI to PM

Also asks mall owners for waivers on rentals and common area maintenance charges

Ratna.Bhushan  
@timesgroup.com

**New Delhi:** Reeling under the massive impact of the second wave of the pandemic, the National Restaurants Association of India (NRAI) has written to Prime Minister Narendra Modi to prioritise the vaccination of its frontline staff. It has also asked mall owners and landlords to waive the rentals and common area maintenance charges.

NRAI's letter said that the majority of its workforce falls in the 18-45 year age group and runs significant exposure risks.

"Restaurants workers have been at the frontline through the pandemic," the letter said. "The safety of workers will encourage confidence and lead to faster economic activity." The industry provides direct employment to more than 7 million Indians, which is at risk due to the second wave, NRAI said.

The industry association, which represents more than half a million restaurants in India, has also written individually to mall owners and landlords seeking waivers until the time curbs continue for the dine-in business. It has also sought altered financial terms, such as pure revenue share and no minimum guaranteed rentals for six months. For stores with longer past occupancy record, this revenue share can alternatively be linked to their sale as a percentage to their past period sale.

"With high fixed overheads, restrictions on operating hours, revised social distancing norms and reduced capacity utilisation amid the second wave, decline in consumer sentiments is catastrophic for the sector. We have a grim battle at hand and the most potent way to fight this is to redefine mutual relationships and business models," NRAI president Anurag Katrilar said.



VARANI SAHU

## Big Relief for Indian IT Firms as US Removes H-1B Visa Conditions

US to axe rule that aimed to narrow the definition of 'specialty occupation'

Our Bureau

**Pune:** The United States will formally remove a proposed rule that aimed to narrow the definition of 'specialty occupation', which would have limited who is eligible to apply for an H-1B work permit. The rule, introduced by the administration of former US president Donald Trump, had not been implemented as it was vacated by a US court in December last year.

A final rule to this effect will be published in the Federal Register—the official journal of the US government—on Wednesday. The Federal Register contains rules, proposed rules and notices. This rule will remove the interim final rule (IFR)—

Strengthening the H-1B Non-Immigrant Visa Classification Program, published in October from the Code of Federal Regulations, and the previous definition of 'specialty occupation' will be restored.

The IFR sought to change the definitions of 'third-party worksite', 'employer-employee relationship' and 'specialty occupation', all of which would have restricted the ability of services companies to place H-1B visa holders at client or third-party worksites. This would have impacted Indian companies.

The IFR had also called for restricting the educational qualifications required to be eligible for an H-1B visa, which again would have had an adverse impact on Indian applicants. Every year, the

United States issues 85,000 new H-1B work visas.

About 70% of these go to Indian nationals. In the last few years, the share of visas issued to Indian services companies has dropped significantly, partly due to stricter visa approval norms.



ECONOMIC TIMES, COVID IMPACTS : PHARMA AND COMAPNIES, PAGE NO 08 , 20/05/2021

ECONOMIC TIMES, PURE POLITICS AND ECONOMY , PAGE NO 03 , 20/05/2021





# Sea piles 87% more trash on 7 beaches on day of cyclone

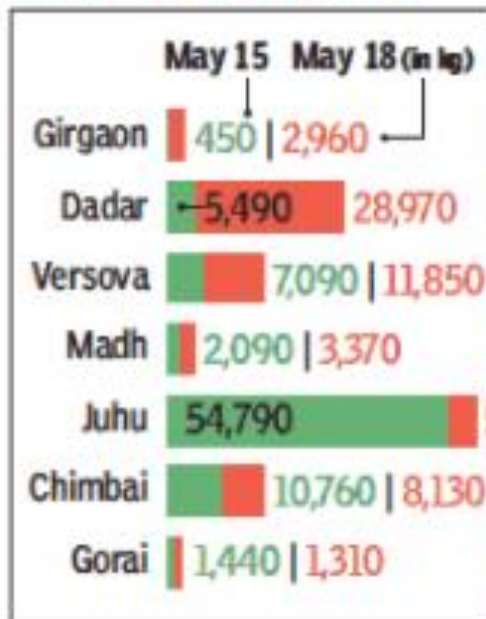
Richa.Pinto@timesgroup.com

**Mumbai:** A day after Cyclone Tauktae churned by the city, heaps of garbage had to be removed from the beaches. Civic solid waste management labourers removed trash weighing 62,010 kg from the city's seven beaches (see box), almost 87% more than that collected barely two days ago on May 15 (33,110 kg).

Interestingly, some beaches like Dadar had much more garbage than usual, while some like Juhu had much less. Citizen activists said more than the location of the beach, the direction of the tide mattered as it brought in the garbage.

"These were not south-west monsoon winds and therefore, the tide and wind direction were different. So it is possible beaches which otherwise do not have garbage being thrown out in large amounts did so now," said Zoru Bhathena, activist, adding that from his home in Juhu, he did not notice much garbage coming to the shore.

## GIRGAON, DADAR DIRTIER, JUHU LEFT CLEANER



ge coming to the shore.

The sea has only expelled what was accumulated within it, Bhathena pointed out. "With almost all drains open in the city, any garbage on the roads that is not cleared eventually lands in the sea. A simple solution would be to ensure that drains are well covered to protect litter from entering it," he said.

tering it," he said.

"Recently, during a visit to the pumping station, we noticed garbage entering the sea whenever the pumping station gates are opened. This is the same garbage that has been accumulating in the nullahs," said Zahida Banatwala from the Juhu citizens welfare group.



## DAY AFTER FOUR ONGC VESSELS WENT ADRIFT BECAUSE OF CYCLONE TAUKTAE...

# 'Underestimating Cyclone's Ferocity Cost Many Lives'

Predictions on speed, atmospheric pressure, route all went wrong, say sources

Sanjeev.Choudhary@timesgroup.com

**New Delhi:** An inadequate estimation of the cyclone Tauktae's ferocity and its path by forecasters contributed to a false belief that the oilfield operations need not be paused, according to sources close to the state-run ONGC whose vessels were struck by storm causing loss of lives.

ONGC's four vessels, including three hired from oilfield service provider Afcons, carried 701 people when they went adrift after their anchors gave away in the storm on Monday night. These included 37 ONGC staff. Others worked for the service providers.

By Wednesday evening, most people stuck in those vessels had been rescued. But 22 lives were lost and 53 were still missing, setting off debate over whether there were enough warnings to evacuate the vessels ahead of the cyclone or if managers erred in their judgment.

"It's important to know that offshore installations are built for working in difficult weather conditions. In every adverse weather event, companies don't shut operations nor evacuate people. It's done only when it's assessed that an event would be hard to handle," said a source close to ONGC. "And that assessment would principally depend on the weather input one receives."



Naval personnel on board INS Kochi help injured people, rescued from an offshore barge in the Arabian sea, after Cyclone Tauktae hit the west coast of India. AFP

The source said cyclone predictions went off the mark. "Predictions on speed, atmospheric pressure and route all went wrong." Oilfield operators also need adequate time, of about a week or so, to safely pause operations and shift people, sources said, adding that offshore activities are quite complex and must follow certain protocols to avoid any mishap.

## Govt Orders Probe Into Drifting of ONGC Vessels

**NEW DELHI:** The oil ministry has set up a three-member committee to enquire into the sequence of events that led to the drifting of ONGC vessels during cyclone Tauktae that cost several lives, as per an official statement issued on Wednesday. The committee will comprise Amitabh Kumar, director general of shipping, SCL Das, director general of hydrocarbons, and Nazli Jafri Shayin, joint secretary in the defence ministry. The committee is expected to submit its report in a month. — Our Bureau

Moreover, captains of the ship take the final call on the safety of the vessels and base their judgment on the kind of input they receive from the weather office or other government agencies. All information received from the weather department and the Coast Guards were passed on to oilfield service providers as well as the captains of the four vessels, the sources said.

ECONOMIC TIMES, COMPANIES : PURSUIT OF PROFIT , PAGE NO 04 , 20/05/2021

# 82% women employees see workload rise

TIMES NEWS NETWORK

**Bengaluru:** More than 6 in 10 (61%) Indian women say they feel less optimistic about their career prospects today than before the pandemic, compared to 51% of the global sample, shows Deloitte's report 'Women @ Work: A global outlook'.

It said 82% of women surveyed in India report their workload has increased since the Covid crisis broke, while 78% say that their household tasks have increased during this period. Indian organisations are more likely to have increased access to mental health resources (32% vs 21% globally), and provided addi-

## LESS OPTIMISM, FINDS SURVEY

Topics	India	Australia	China	Japan
Career not progressing as fast as I would like	57%	38%	34%	32%
Less optimism about career	61%	49%	42%	41%
Employer support during pandemic	31%	43%	37%	40%
Considering leaving the workforce	26%	23%	16%	23%
Faced non-inclusive behaviours	69%	57%	50%	52%

tional financial support (30% vs 22% globally). But are less likely to have increased access to flexible working (25% vs 30%), and to have clear boundaries around working hours (17% vs 22%).

Just 39% of women believe their organisation's commitment to supporting women during the pandemic has been sufficient. Less than a quarter of women (22%) say their employers have enabled

them to create clear boundaries between work and personal hours, while 63% of women feel that their employers evaluate them based on the amount of time spent online rather than quality of output. Over half (52%) have experienced non-inclusive behaviours over the past 12 months, and approximately one-quarter of women did not report these incidents because they were concerned about negative impacts to their careers.

Indian women are also taking on the most responsibility at home. Nearly 8 in 10 (78%) Indian women say they take on the bulk of the household management and chores, much higher than 66% globally.

TIMES OF INDIA, TIMES BUSINESS, PAGE NO 13 , 20/05/2021