

COVID-19 RELATED RELIEF MEASURES IN RURAL HOUSEHOLD IN INDIA: A REVIEW OF PHONE SURVEYS DATA OF WORLD BANK

Parneet Kaur

Assistant Professor

School of Management Studies, Punjabi University, Patiala

ABSTRACT

This study is based on Relief measures available to Indian Rural households in the form of cash transfer, food support and employment during COVID-19 pandemic. The study is based on 4550 households' observations from six states i.e., Jharkhand, Rajasthan, Uttar Pradesh, Andhra Pradesh, Bihar, and Madhya Pradesh. Data is collected under two rounds by World Bank. This study found that 59 percent of the respondent have received Government Transfer and on an average 1 person per household received the grant and up to maximum of eleven people in a household received the government transfer. Of the total 4130 respondent, 99.3 percent responded that Ration shops were open during Pandemic, of the total respondent 3,497, 81 percent responded that they got free and cheaper rations. Of the total respondent of 2,790, 92 percent of respondent claim that work days under MGNREGA have not reduced.

Keywords: COVID-19 Pandemic, Indian Rural Households, Relief Measures

1. INTRODUCTION:

Covid-19 came as a black swan event which no one predicted and is of a magnitude that it impacted every living being on earth. Covid-19 infected close to 70.83 million people worldwide with 1.59 million deaths as on December 2020, and infected 9.79 million people in India with close to 0.14 million deaths¹. Industrial and services activities got badly impacted across the countries because of restrictions imposed by Central and state governments, like boarder closers; prohibition on mass gatherings; social distancing; suspension on non-essential activities/ services, SMEs and Educational institutions; city/ nationwide lock down (Upadhyaya et al). Economic impact of Covid-19 on both Developed/ Developing is still unknown because of lack of data and partly because the pandemic is still not over yet.

Due to Covid-19, many countries worldwide have taken preventive action in terms of partial or complete lockdown to control the spread of pandemic. This has impacted 81 per cent of the workforce all over the world. Many firms are facing insolvency and workers are facing loss of income and employment (ILO, 2020). Workers in the informal sector will bear more heat of this pandemic as they are least protected among all types of workers. According to the Periodic Labour Force Survey (PLFS) of 2017–18, for instance, more than 70 per cent of the workers in the non-agricultural sector with a regular salary—most of them migrants—did not have a written job contract, about 55 per cent were not eligible for paid leave, and 50 per cent did not have any social security benefits (Government of India, 2019).

India imposed complete lockdown to avoid further spread of the disease. But lockdown has come at a considerable cost for economic activity. Millions dependent on the informal economy face survival crisis in India (UNDP, 2020). Estimates based on the 2017-18 labour force survey of India indicate that there are over 415 million informal workers in India, representing 90 per cent of the country's total workforce; and nearly 28 million rural-to-urban migrant workers, representing 7 per cent of the country's informal workforce. The rural informal workforce includes small farmers, landless

¹ <https://www.worldometers.info/coronavirus/>

labourers, shepherds, fisher folk, weavers and artisans, forest gatherers, food processors and more. The urban informal workforce includes construction day labourers and tradesmen, domestic workers, manufacturing workers (in factories, workshops or homes), street vendors, transport workers and waste pickers (Chen,2020).

Covid-19 led to Migrant crisis in India, sudden declaration of the nationwide lockdown on 24th March 2020 impacted the inter-district and interstate migrants the most (Rajan 2020).

Covid-19 highlighted once again how inadequate the healthcare infrastructure is in the country. The lack of adequate public health and high Out of Pocket (OOP) expenditure imposes high financial burden on Indian Households (Patnaik and Sharma 2020). Stringent measures adopted by different countries to control spread of disease has inadvertently disrupted peoples` way of life and lead to significant impact on food security and economy.

Upadhyaya et al (2020) argued that COVID-19 has highlighted the social and wealth inequalities in South Asia because of collapse of informal and service sectors employing vast majority of low-income/informal workers and decline in remittances.

Households belonging to different categories are getting impacted in number of ways. Most commonly disruption has occurred in three ways which is firstly, in loss of income secondly, disruption of food system and thirdly, reduction in income. Ceballos et.al (2020) analysed Covid-19 disruptions to agricultural production and food security in the states of Haryana and Odisha. They find substantial heterogeneity in how the lockdown affected farmers in these two states. Harris, Depenbusch, Pal, Nair, and Ramasamy (2020) investigated effects of Covid-19 multi-layered shock on production, sales, prices, incomes and diets for vegetable farmers in India as both producers and consumers of nutrient-dense foods. They find that a majority of farmers report negative impacts on production, sales, prices and incomes.

Many countries' governments supported in big ways to reduce risk. Stiglitz(2020) has highlighted that pandemic relief efforts in US should be directed in four priority areas i.e. reducing contagion and containing the pandemic, funding state and local governments, keeping workers in jobs and providing liquidity and debt relief where needed.

The US government formed The Coronavirus Aid, Relief, and Economic Security (CARES) Act on March 27th, 2020. This over \$2 trillion economic relief package is created to protect the American people from the public health and economic impacts of COVID-19. The CARES Act provides fast and direct financial assistance for American workers, families, and small businesses and preserves American industries jobs.

Alstadsaeter et al., (2020), using Norwegian and United States data has found the impact of government support on reducing firms` economic distress. Kaur & Kaur (2020) investigate the firms' situation during COVID-19 in terms of their liquidity in a few important economies, i.e., Russia, Greece, Poland, Georgia, and Italy. Results show that more than fifty percent of the respondent, in all sectors, mentioned that their cash flow position has decreased during the period.

1.1 Government Grant Declared

GOI announced variety of relief measures to cover all the segments of society. Relief measures included Tax related (payment deferrals, rate reductions), Employment related (State compensation, Training etc.), Health related, Social Security related, Healthcare related and Economic stimuluses etc.

Considering the quantum of impact this pandemic has, Government announces following Relief Measures (KPMG Report)²

- On 26 March: INR 1.7 trillion (~USD 22 billion) relief package announced by the Finance Minister
- On 15 May: The Prime Minister of India declared a COVID relief package of INR 20 trillion (~USD 260 billion)
- On 14 Nov: INR 2.65 lakh crore comprehensive stimulus package announced by the Finance Minister

Since this study focus is on relief measures, we have just taken reliefs related to Food, employment and direct transfers that took place.

Food related

- About two-thirds of population will be covered under the Pradhan Mantri Garib Kalyan Anna Yojana (Food scheme)
- Everyone under this scheme will get 5 kg of wheat and rice for free in addition to the current 5 kg allocation for the next 3 months
- In addition, 1 kg of preferred pulse (based on regional preference) will be given for free to each household under this Food scheme for the next three months.
- This distribution will be done through Public Distribution Scheme (PDS) and can be availed in two instalments.

Direct benefit transfer related

- Farmers currently receive INR 6,000/- every year through the PM-KISAN scheme (minimum income support scheme) in three equal instalments. The government will now be giving the first instalment upfront for fiscal year starting April 2020. About 86.9 million farmers are expected to benefit from this immediately.
- MNREGA workers: Wage increase from INR 182/- to INR 202/-. Such increase will benefit 50 million families. The wage increase will amount into an additional income of INR 2,000/- per worker.
- 30 million senior citizens, widows, disabled to get one-time ex-gratia amount of INR 1,000 in two instalments over the next 3 months.
- 200 million woman Jan Dhan account holders to be given ex-gratia amount of INR 500 per month for the next 3 months, to run the affairs of their household.
- Women in 83 million families below poverty line covered under Ujjwala scheme will get free LPG cylinders for 3 months.
- For 630,000 Self-help Groups (SHGs), which help 70 million households, the government is doubling collateral-free loans to Rs 200,000.
- State governments have been directed to use the welfare fund for building and construction workers. The District Mineral Fund, worth about INR 310 billion, will be used help those who are facing economic disruption because of the lockdown.

² India: Government and institution measures in response to COVID-19. Available at <https://home.kpmg/xx/en/home/insights/2020/04/india-government-and-institution-measures-in-response-to-covid.html>, Accessed on 25th November 2020.

2. SAMPLE AND DATA

The samples for these surveys are drawn from surveys and impact evaluations previously conducted by the World Bank, the Ministry of Rural Development, India and ID Insight.

The current version includes data from the first and second round (of three) of state-representative surveys across six Indian states which are Jharkhand, Rajasthan, Uttar Pradesh, Andhra Pradesh, Bihar, and Madhya Pradesh. It covers indicators related to agriculture, migration, rural labour markets, consumption patterns, access to relief and healthcare. Data were collected Computer Assisted Telephone Interview [cati]. Response rate was 55%

2.1 Survey Review

At the time of Pandemic like this it becomes very important help, if any support in any form reaches the people who have no job, no food and no shelter even in some cases. This section provides the evidence from survey conducted by the World Bank on Rural Household in India.

Of the total respondent of 4,185, 96% (4,017) have bank account. Of the total household responded Table 1 shows that 59 percent of respondent have received Government Transfer. Table 2 shows that on an average Indian household received 1826 as government grant which goes up to 1600 maximum. Table 3 shows that on an average 1 person per household received the grant and up to maximum of eleven people received the government transfer.

Table 1: Households who received a government transfer during Covid-19 Pandemic

	Freq.	Percent	Cum.
0	1,605	40.89	40.89
1	2,320	59.11	100
Total	3,925	100	

Table 2: Amount Of government transfer received during Covid-19 Pandemic

	Percentiles	Largest	Obs.	2,190
50%	1300		Mean	1825.762
75%	2000	15000	Std. Dev.	1749.285
95%	5000	15500		
99%	9000	16000		

Table 3: Number Of members receiving government transfer during Covid-10 Pandemic

	Percentiles	Largest	Obs.	2,233
50%	1		Mean	1.450067
75%	2	8	Std. Dev.	0.896199
95%	3	10		
99%	5	11		

1. Ration card

This section tries to find out that if the rural households had access to Ration facilities at Ration shops. From the data collected it can be said that Rations shops were open and rations were available. Of the total 4130 respondent, 99.3 percent responded that shops were open, 87.3 percent responded there were no changes due to pandemic for Ration shops. 66 percent of the sample responded that that got at least one thing free from Ration shops during this pandemic. Of the total respondent 3,497, 81 percent responded that they got free and cheaper rations.

Table 4: Relief measures in Ration Shops due to Covid-19 in Rural Household in India

Ration shop closed	Freq.	Percent	Cum.
0 (No)	4,104	99.37	99.37
1 (Yes)	26	0.63	100
Total	4,130	100	
don't go	Freq.	Percent	Cum.
0 (No)	3,750	90.8	90.8
1 (Yes)	380	9.2	100
Total	4,130	100	
No changes	Freq.	Percent	Cum.
0 (No)	3,607	87.34	87.34
1 (Yes)	523	12.66	100
Total	4,130	100	
At least one thing free	Freq.	Percent	Cum.
0 (No)	1,404	34	34
1 (Yes)	2,726	66	100
Total	4,130	100	
Price of at least one thing reduced	Freq.	Percent	Cum.
0 (No)	3,905	94.55	94.55
1 (Yes)	225	5.45	100
Total	4,130	100	
Price of at least one thing increased	Freq.	Percent	Cum.
0 (No)	4,016	97.24	97.24
1 (Yes)	114	2.76	100
Total	4,130	100	
ration not available	Freq.	Percent	Cum.
0 (No)	4,074	98.64	98.64
1 (Yes)	56	1.36	100

Total	4,130	100	
Households who reported free or cheaper rations	Freq.	Percent	Cum.
0 (No)	670	19.16	19.16
1 (Yes)	2,827	80.84	100
Total	3,497	100	

2. MGNREGA grant

Looking at Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) it looks like employment schemes were operative and functional even during Pandemic time. Of the total respondent of 2,790, 92 percent of respondent claim that days under MGNREGA have not reduced. However, only 39 percent of the respondent said that MGNREGA work had not stopped for them.

Table 5: Effect on MGNREGA on Rural Household because of Covid-19

NREGA changes			
	Freq.	Percent	Cum.
NREGA: unavailable			
0 (No)	859	30.79	30.79
1 (Yes)	1,931	69.21	100
Total	2,790	100	
NREGA work: Has increased			
0 (No)	2,454	87.96	87.96
1 (Yes)	336	12.04	100
Total	2,790	100	
NREGA days: Have reduced			
0 (No)	2,574	92.26	92.26
1 (Yes)	216	7.74	100
Total	2,790	100	
NREGA days: Are the same			
0 (No)	2,267	81.25	81.25
1 (Yes)	523	18.75	100
Total	2,790	100	
NREGA has Stopped in the area			
0 (No)	1,075	38.53	38.53
1 (Yes)	1,715	61.47	100
Total	2,790	100	

COVID-19 has emerged as a health emergency and has resulted in many social and economic problems globally. The economic impact of the COVID-19 crisis is enormous and unequal within and across countries. Government of different countries has come in a big way to support the people and provide relief to recover from this pandemic. In India, the relief provided is considered as very low compared to other countries. An assessment by the International Monetary Fund (IMF) shows that overall support by the central and state governments through various cash and kind transfers and other measures, such as healthcare infrastructure, testing facilities and tax relief, was only about 0.2 per cent of India's GDP (IMF Policy Tracker). Where, countries like US and Singapore had spent 10% of GDP on similar packages (Upadhyaya et al 2020). Our results have provided the other part of the story by highlighting public response for these relief packages. This provides actual reality on the ground in few major states. Our results show that in majority of cases people are getting relief in terms of cash, food and income opportunities provided. Pandemic is not over yet and still people are suffering in a big way from its economic and social after effects. It is a point where continuity in government support is required and efforts should be made to cover more and more people under different kinds of relief schemes so that recovery becomes easier and smooth.

REFERENCES

1. Alstadsæter, A., Bjørkheim, J. B., Kopczuk, W., & Økland, A. (2020). *Norwegian and US policies alleviate business vulnerability due to the Covid-19 shock equally well* (No. w27637). National Bureau of Economic Research.
2. Ceballos, F., Kannan, S., & Kramer, B. (2020). Impacts of a national lockdown on smallholder farmers' income and food security: Empirical evidence from two states in India. *World Development*, 136, 105069.
3. Chen, M. (2020). To die from hunger or the virus. An all too real dilemma for the poor in India and (elsewhere). *WIDER Blog*.
4. Government of India (2019). Periodic labour force survey 2017-18. <http://microdata.gov.in/nada43/index.php/catalog/146>
5. Harris, J., Depenbusch, L., Pal, A. A., Nair, R. M., & Ramasamy, S. (2020). Food system disruption: initial livelihood and dietary effects of COVID-19 on vegetable producers in India. *Food Security*, 12(4), 841-851.
6. Hirvonen, K. (2020). Economic impacts of COVID-19 pandemic in Ethiopia: A review of phone survey evidence.
7. International Labour Organisation (ILO). (2020). ILO monitor: COVID-19 and the world of work (2nd ed.). Updated estimates and analysis. Retrieved from https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/briefingnote/wcms_740877.pdf
8. International Monetary Fund (IMF). (2020). Policy responses to COVID-19 policy tracker. Retrieved from <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-toCOVID-19>
9. Kaur and Kaur (2020) "Impact of Covid-19 on Liquidity of Firms in selected European Countries" *working paper*.
10. Patnaik, A., and Sharma, A. (2020). The COVID-19 Crisis: An Opportunity to Invest in Equitable Public Health Systems. *Economic and Political Weekly*, 55(47).
11. Pinto, Alreena and AchCOVID-19 Related Shocks Survey in Rural India 2020, Round 1, IND_2020_COVIDRS-R1_v01_M Acessed on 25th November 2020. <https://microdata.worldbank.org/index.php/catalog/3769/get-microdata>
12. Rajan, S. (2020). COVID-19-led Migrant Crisis-A Critique of Policies, 55(48).
13. Stiglitz, J. (2020). Four priorities for pandemic relief efforts. *Roosevelt Institute*.

14. Upadhaya, B., Wijethilake, C., Adhikari, P., Jayasinghe, K., & Arun, T. (2020). COVID-19 policy responses: reflections on governmental financial resilience in South Asia. *Journal of Public Budgeting, Accounting & Financial Management*, 32(5).

APPENDIX

Table 1: Households who checked their balance

	Freq.	Percent	Cum.
0	707	19.64	19.64
1	2,892	80.36	100
Total	3,599	100	

Table 2: Received transfer in bank account

	Received transfer in bank account	Freq.	Percent	Cum.
	Don't Know	232	5.56	5.56
	Refuse to Answer	14	0.34	5.9
	No	1,605	38.48	44.38
Yes -	Received	2,320	55.62	100
	Total	4,171	100	

Table 3: Last time checking bank balance

	Last time checking bank balance	Freq.	Percent	Cum.
	Don't know	362	9.04	9.04
	Refused to respond	44	1.1	10.14
	In the last seven days	1,379	34.43	44.57
Not	in the last seven days, but in April	1,513	37.78	82.35
	Checked in March	293	7.32	89.66
	Not checked since before March	414	10.34	100
	Total	4,005	100	