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COVID-19 Impact on Daily Life (CIDL) Survey¹

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Summary:

In this research brief³, we explore the impact of COVID-19 on the daily life of low-income households from surveys done across India. The brief presents the evidence from a panel survey conducted in three rounds by Dvara Research. Round 1 of the survey was held from April 23 to May 7, round 2 from May 15 to May 27, and round 3 from June 19 to July 6. The survey collects evidence from 347 microfinance borrower households from different parts of the country on (i) visible signs of distress, (ii) access to essential services and Government welfare schemes, and (iii) coping mechanisms. Further, the brief also sets out results from other related researches that are happening simultaneously to understand the gravity of the situation.

About Social Protection Initiative:

India has moved over 271 million people out of multidimensional poverty between 2006 and 2016 while halving its poverty rate. However, the analytical apparatus used to measure poverty often leaves out a significant section of households that fall in and out of poverty over time. With 85% of India's 460 million workforce currently engaged in the unorganised sector, there is a significant proportion of the workforce vulnerable to income, livelihood, longevity and health-related shocks. The lack of or insufficient access to risk protection may push these households into poverty when such risks materialise. Trends of growing informalisation of the workforce, even within the formal sector, further exacerbates these vulnerabilities.

The Social Protection Initiative at Dvara Research is a policy initiative that aims to conduct research that will inform the design and implementation of a universal social security system. We believe a universal social security system is one that protects households and individuals against the vulnerabilities faced across the life cycle. At the same time, it is important to keep in mind India's unique demographic and economic realities. These vulnerabilities are the outcomes of complex interactions of being exposed to a threat, of a threat materializing, and of lacking the defences or resources to deal with a threat.

¹This study by Dvara Research is a high-frequency study as it tries to track each household once in every two weeks.

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³This is the final version of the research brief; with this, we conclude our project. Evidence and results from the final round of the survey (Round 3) is incorporated in this research brief

Some of the key findings from all 3 rounds of the survey are:

Table 1: Overview of Results from the CIDL Survey

	Indicators	Round 1	Round 2	Round 3
Signs of Distress	No Income Generating Activity	80%	75%	39%
	Skipping Meals and Missing Food	8%	6%	6%
	Missing Medications/Appointments with Doctors	15%	17%	12%
	No Outgoing	14%	9%	7%
	No Mobile Data	36%	33%	33%
Points of exclusion in availing welfare benefits	Non-enrollment in Cash Transfer Schemes	-	-	13%
	No Access points for Banking Services	-	-	20%
	Received At least One Transfer	-	-	41%
	Received PDS	-	-	53%
Coping Mechanisms	Cash at Home	59%	48%	46%
	Withdrawing Savings from the Bank	26%	19%	17%
	Borrowing on Interest	7%	12%	15%

1. Background

The nationwide lockdown announced to contain the spread of COVID-19 from March 24 to April 14, got extended far beyond its initial expectations. So far, we have seen four phases of the lockdown wherein almost all kinds of workplaces were shut, and only essential services could function. In the third phase of the lockdown, the Government demarcated districts as Green, Orange, and Red zones. It also announced Containment zones within these districts. The types of economic activity allowed would depend on the designation of each district.

Table 2: Activities Permitted under Each Zone from Phase 3

Zone	Services Allowed ⁴
Green	All activities except those prohibited nationwide allowed.
Orange	Four wheelers, including taxis, with one driver and two passengers allowed. Buses not permitted. E-commerce allowed to sell both essential and non-essential items.
Red	Four wheelers with a driver and two passengers, and two wheelers without pillion riders allowed. Offices can operate with one-third of the staff. E-commerce allowed to sell essential services and all standalone shops allowed to be open.
Containment	Restricted entry and exit of people. Only the supply of essential goods and services permitted.

Though the nation has started “unlocking”⁵, this prolonged lockdown has made a massive impact on the livelihood of low-income households, largely working in the informal sector, and often relying on irregular sources of income with little to no social safety nets. According to the Annual Periodic Labor Force Report of 2017-18 (National Statistical Office, 2019), only 22.8% of the Indian workers are in regular wage or salaried employment. Further, 71.1% of the regular wage employees have no written job contract, while 49.6% of regular wage employees are not eligible for any form of social security. With restrictions on economic activities, it is this significantly large segment of workers who have got hit the hardest (Economic Times, 2020)⁶.

⁴For a comprehensive list of relaxations in different zones, refer to: Press Information Bureau (2020, May 1). Extension of Lockdown for a further period of Two Weeks with effect from May 4, 2020. Retrieved from: <https://pib.gov.in/PressReleasePage.aspx?PRID=1620095#:~:text=MHA%20also%20issued%20new%20guidelines,%2C%20Green%20and%20Orange%20Zones.&text=The%20Green%20Zones%20will%20be,in%20the%20last%2021%20days>.

⁵Unlocking stands for phased re-opening of activities outside Containment zones that were effective from June 1, 2020: <https://pib.gov.in/PressReleasePage.aspx?PRID=1627965>

⁶Economic Times. (2020, April 8). Coronavirus attacks jobs in India, hiring disrupted - Corona and the job crisis. Retrieved from Economic Times: <https://economictimes.indiatimes.com/jobs/coronavirus-attacks-jobs-in-india-hiring-disrupted/informal-sector-hardest-hit/slideshow/75045029.cms>

Despite restrictions being eased in several parts of the country after “Unlock 2.0”⁷, the adverse effects of the lockdown on vulnerable sections of the society are likely to continue in the medium to long-term. In this context, it is important to understand the magnitude of distress faced by these households as well as the coping strategies adopted by them to tide through these difficult times. It is also equally important to measure the level of access these groups have to essential services, cash and in-kind support provided by the Government.

To measure these adverse effects, Dvara Research, in coordination with 12 partner organizations, conducted a survey of 347 households in various parts of the country. The main objective of this study was to assess the economic impact of lockdown on households. It tries to answer three broad questions:

1. What are the visible signs of distress faced by households?
2. Do households have access to essential services, especially banking? Are they able to avail the benefits of Government welfare schemes?
3. What are the methods adopted by distressed households to cope with this situation?

This research brief highlights the preliminary results of this ongoing study and combines it with the results from simultaneous efforts that are happening across organisations to study similar questions. The results from our survey, combined with those of others, are meant to surface aggregate learnings as well as under-studied questions, with an eye towards formulating a comprehensive response to the ongoing challenges presented by COVID-19. We will keep updating this live brief as new evidence comes onstream.

2. Data

Dvara Research along with 12 MFIs conducted a telephonic survey of 347 households in 47 districts of 9 states: Maharashtra, Tamil Nadu, Rajasthan, Madhya Pradesh, Tripura, Chhattisgarh, Uttarakhand, Gujarat, and Karnataka. The survey has completed 3 rounds. Round 1 looked at 347 households from April 23 to May 7, round 2 focused on a subset of 257 households from May 15 to May 27 and round 3 on 257 households from June 19 to July 6. More than 80% of the survey sample belonged to rural areas (Table 3).

⁷Unlock 2 came into effect from July 1, 2020 and established strict lockdown in Containment zones but eased restrictions on more activities outside these zones than in Unlock 1.0. To know more: <https://pib.gov.in/PressReleasePage.aspx?PRID=1635227>

Table 3: Profile of Respondents

	Round 1	Round 2	Round 3
Location			
Rural	84%	81%	79%
Urban	16%	19%	21%
Zone as on May 1, 2020			
Green	-	16%	-
Orange	-	30%	-
Red	-	54%	-
Occupation			
Agriculture and allied	26%	29%	27%
Wage workers	26%	26%	25%
Self-employed (skilled)	16%	18%	19%
Salaried	6%	6%	7%
Business	12%	12%	13%
Not reported	14%	10%	9%

3. Observations

Overall, the study found an improvement of work prospects by June, when compared to the early stages of lockdown. However, even when people were engaged in work, most experienced a fall in earnings. The impact of this is visible through signs of distress such as consuming lesser food than before, skipping medications and hospital visits due to lack of resources. The study also highlights the prevalence of exclusion from various cash and in-kind transfer schemes even after three months into the lockdown. As a result, many low-income households are forced to make choices such as dipping into their cash reserves or borrowing, which are not sustainable in the long run.

3.1. Signs of Continuing Distress

3.1.1. Gradual Rise of Work; Urban Households Continue to Lag Behind

The effects of the nationwide lockdown have been detrimental for the livelihood of low-income households. In round 1, almost 80% of the households did not have any kind of income generating activity. Despite the relaxation of lockdown conditions in its third phase, round 2 results showed that 75% of the households continue to be out of work. The situation improved by June with 61% households engaged in work. This growth, however, mostly happened in rural areas (Figure 1). MNREGA too added to this rise in employment in rural India. 27% of rural households had applied for work through MNREGA and 19% had work allotted for a median of 12 days. The pace of return to work is also different across segments (Figure 2). While employment prospects improved, 45% of those working (28% of total) earned less than what they did before lockdown, and 40% of the respondents claimed to be available and looking for work but were unable to find any (Table 4).

Table 4: Status of Employment

	Round 1	Round 2	Round 3
Engaged in work	19%	25%	61%
Lower income	-	9%	28%
Same income	-	10%	23%
Higher income	-	2%	4%
Looking for work, unable to get	-	36%	40%

Figure 1: Employment Across Regions

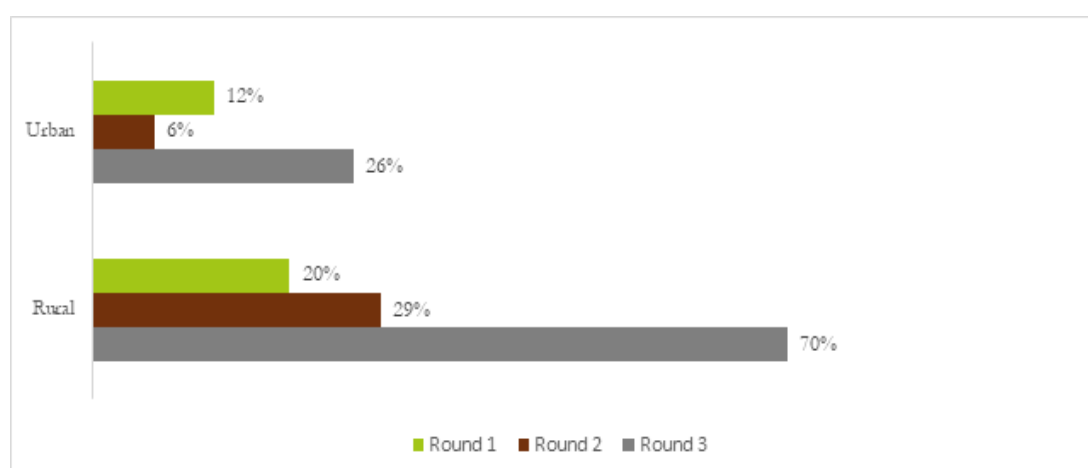
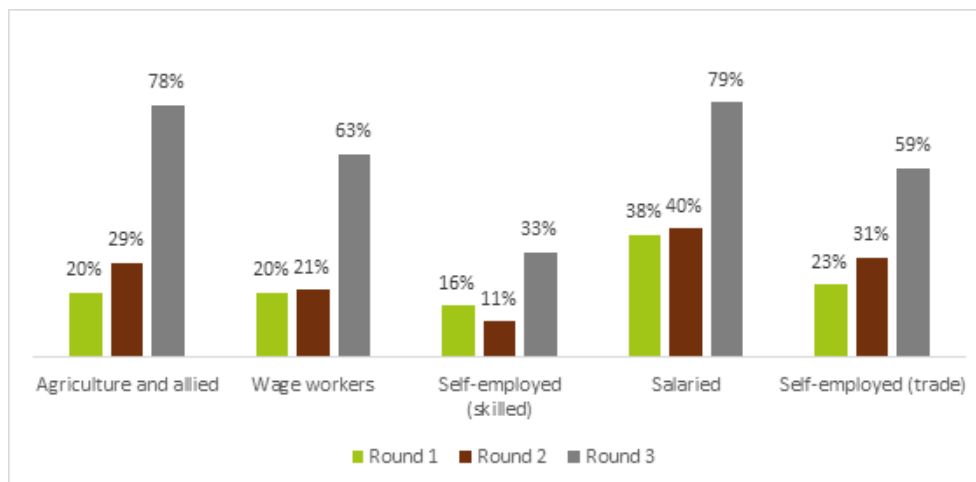


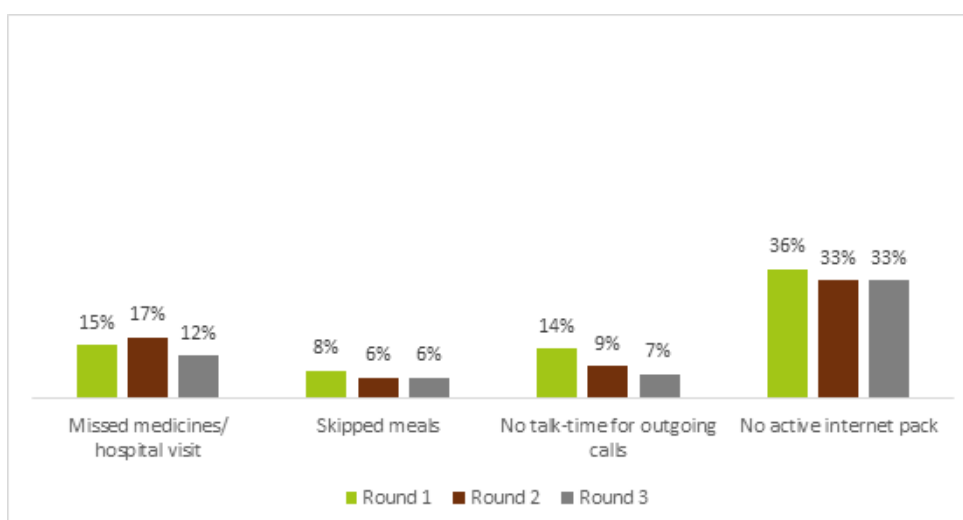
Figure 2: Employment Across Sectors (sector identified through primary source of income)



3.1.2. Incidence of Reduced Consumption of Essential Goods

Due to reduced earnings, households have been forced to reduce consumption of essential items. Even in June, 6% of the households skipped meals, and 12% of the households skipped taking medicines or had to cancel visits to the hospital, either due to lack of funds or due to restrictions imposed by the lockdown. Further, it has been found that 33% of the households had no active internet pack in their mobiles, and 7% did not have sufficient talk-time for calls. This could act as a potential point of exclusion from availing welfare benefits as the Government is heavily relying on the JAM⁸ infrastructure to transfer funds to the most vulnerable sections at this point (Financial Express, 2020). Table 5 reports the indicators of visible signs of distress from other studies which find similar results for loss of employment and reduction in earnings, but the percentage of people skipping meals is much higher in these studies than those found in our survey.

Figure 2: Incidence of Distress



⁸JAM is the Jan-Dhan Account, Aadhaar, and Mobile connectivity trinity formed as a pipeline under the Digital India Initiative: <https://digitalindia.gov.in/ebook/dot/page6.php>

Table 5: Indicators of Visible Signs of Distress Faced by Households

Indicators	CIDL Observations	Points of Evidence from other sources	Source
No Income Generating Activity/Loss of Employment or loss of income	Round 1: 80% of the respondents had no employment	85% of both migrant workers and resident workers had no income	(Gramvaani, 2020) ⁹
	Round 2: 75% of the respondents had no employment	About 66% of the workers who were working in February lost employment	(Centre for Sustainable Employment, Azim Premji University, 2020) ¹⁰
	Round 3: 39% of the respondents had no employment	Almost 84% of the households earning less than Rs 3,801 per capita experienced a fall in income as opposed to 66% of the households earning more than Rs 12,374 per capita	(Bertrand, Krishnan, & Schofield, 2020) ¹¹
		45% of the daily wage labourers and casual workers and 31% of the self-employed in the informal sector experienced a loss of livelihood. Those who remained employed or found work during lockdown had up to 77% reductions in daily earnings	(Afridi, Dhillon, & Roy, 2020) ¹²
		Out of 2918 workers who answered this, 89% were not given any compensation by employers during the lockdown	(Stranded Workers Action Network [SWAN], 2020) ¹³

⁹Gramvaani is a social tech company that runs participatory media platforms for rural and low-income households, and it was incubated by IIT Delhi. It conducted an Interactive Voice Response based survey of 383 migrant workers and 657 resident workers on their Mobile Vaani platform, which is running in several districts of rural Bihar, Jharkhand, MP, and UP. It has been conducted in three phases (Phase 1: April 22 – May 5; Phase 2: May 6 – May 19; Phase 3: May 20 – May 27) and is an ongoing study. We present results from its latest edition.

¹⁰Centre for Sustainable Employment, Azim Premji University, conducted a telephonic survey of 5000 workers across 12 States of India, in collaboration with ten Civil Society Organisations. The survey aimed to gauge the impact of COVID-19 lockdown on employment, livelihoods, and access to Government relief measures. It is an ongoing study and the results presented here are from data collected from April 13, 2020, to May 20 2020.

¹¹The authors use CMIE's Consumer Pyramids Household Survey (CPHS) data to study how Indian households are coping during the lockdown. CPHS is a representative data for Indian Households as it is a large longitudinal database based on regular ongoing surveys across the country: <https://consumerpyramidsdx.cmie.com/>

¹²Afridi et al. (2020) surveyed 1387 households across five districts of Delhi, in two phases (Phase 1: 3rd- 19th April and Phase 2: 20th April-3rd May) and the results mentioned here are from phase 2 of the survey. They tried to assess the impact of COVID-19 on the livelihoods of households in industrial areas.

¹³Stranded Workers Action Network is a group of volunteers catering to distress calls from stranded workers in Jharkhand and those who are affiliated with Samaj Parivartan Shakti Sangathan (SPSS), an organisation that works on accessing Government welfare schemes in Muzaffarpur, Bihar. They received almost 11,159 SOS requests from workers.

		Almost 28% experienced fall in income and 3% faced layoffs	(Institute for Competitiveness, 2020) ¹⁴
		Almost 74% claimed to have a loss of income	(Sarin, 2020) ¹⁵
		90% of the respondents lost their source of income	(Jan Sahas, 2020) ¹⁶
		82% of the respondents lost their jobs, out of which more than 60% returned without any wage from their employers	(Action Aid, 2020) ¹⁷
		52% of the households lost their jobs by June, as compared to 40% by May and 20% of the households are either not getting paid for work, or are being paid less	(Dalberg, 2020) ¹⁸
		Almost 85% of the respondents claimed to have reduction in earnings in May compared to those before lockdown	(NCAER, 2020) ¹⁹
Skipping meals and missing food	Round 1: 9% of the respondents skipped meals or missed food	74% of the households consume less food than before	(Centre for Sustainable Employment, Azim Premji University, 2020)
	Round 2: 6% of the respondents skipped meals or missed food	43% of the households report having insufficient food and essentials	(Afridi, Dhillon, & Roy, 2020)
	Round 3: 6% of the respondents skipped meals or missed food	A group of 240 workers claimed to eat only one meal a day to conserve food	(Stranded Workers Action Network [SWAN], 2020)

¹⁴This survey was conducted in the first week of April with almost 500 respondents, most of whom were graduates.

¹⁵This survey is based on a sample of 500 low income households in Ahmedabad who have been a part of the community outreach program of IIMA.

¹⁶These results are based on a telephonic survey of 3196 migrant construction workers in North and Central India.

¹⁷This telephonic survey is based on a pilot study by Action Aid on 177 migrant workers on 15 districts of Bihar from May 9th to May 10th.

¹⁸This telephonic survey is based on 47,000 low-income households in 15 states surveyed from April 5th to June 3rd.

¹⁹This survey is based on telephonic interviews of 3466 households in Delhi NCR. The results of this study have been collected over three rounds: Round 1 from April 3-6, Round 2 from April 23-26, and Round 3 from June 15-23.

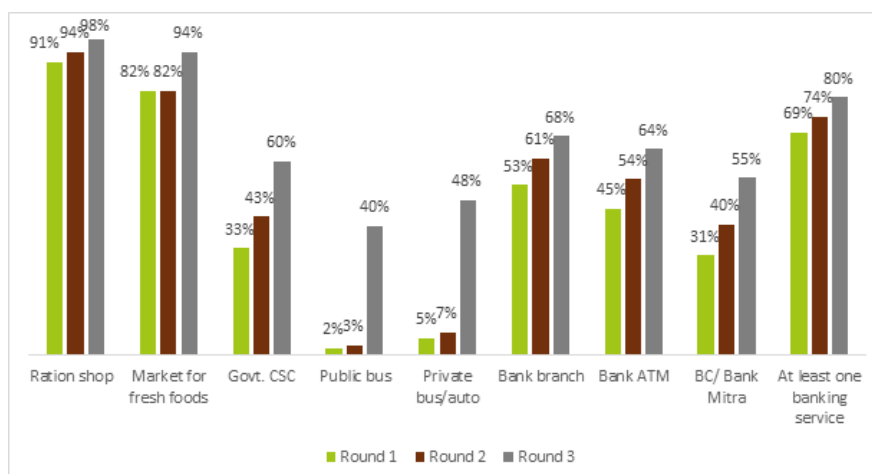
	Many respondents claimed to have started eating less and substituted green vegetables with potato because it significantly cheaper	(Foundation for Agrarian Studies, 2020) ²⁰
	More than 50% workers started having just one meal in a day	(Action Aid, 2020)
	14% households reported that they experienced food shortages during lockdown	(NCAER, 2020)

3.2. Access to Essential Services and Government Transfers

3.2.1. Access to Essential Services Improved with Lockdown Relaxation

The Central and State Governments have announced various relief measures to address the stressful situation that poor and vulnerable households are facing during this lockdown. The Central relief measures took the form of cash and in-kind transfers under the Pradhan Mantri Garib Kalyan Yojana (PMGKY)^{21,22}. However, actual utilisation of benefits would depend directly on the availability of and access to essential services such as convenience and banking services. It has been found that the access to these services has improved over time (Figure 4).

Figure 4: Access to Essential Services - Facilities Open Only at a Limited Capacity or Over-crowded



²⁰This is based on a telephonic survey of 43 respondents from 21 villages across 10 states of India under a project titled Project on Agrarian Relations in India (PARI). The project began in 2006 to collect detailed information on villages and their different socio-economic background and covers over 27 villages in 12 states so far.

²¹Press Information Bureau. (2020, March 26). Finance Minister announces Rs 1.70 Lakh Crore relief package under Pradhan Mantri Garib Kalyan Yojana for the poor to help them fight the battle against Corona Virus. Retrieved from: <https://pib.gov.in/PressReleasePage.aspx?PRID=1608345>

²²Press Information Bureau. (2020, May 14). Finance Minister announces short term and long-term measures for supporting the poor, including migrants, farmers, tiny businesses and street vendors. Retrieved from: <https://pib.gov.in/PressReleasePage.aspx?PRID=1623862>

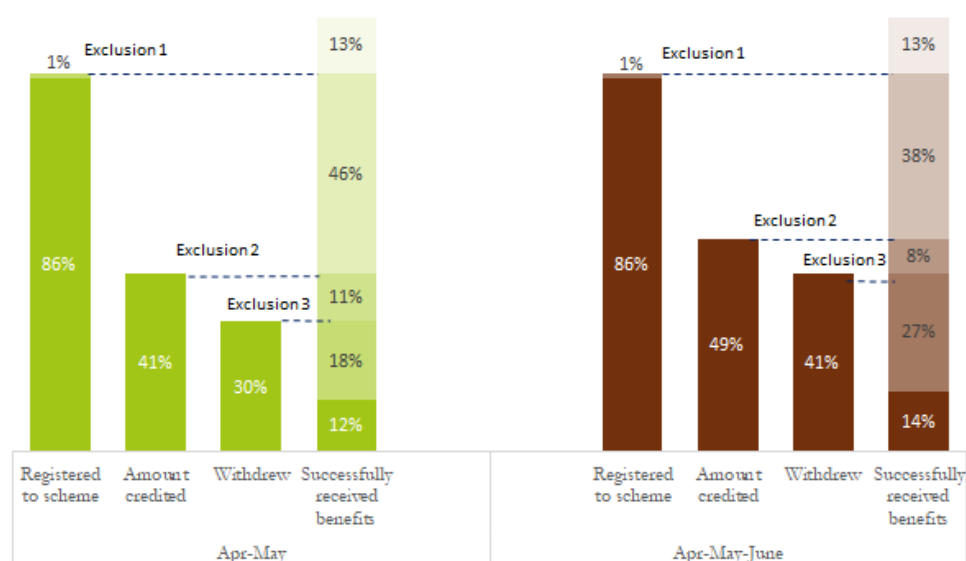
Most of the relief measures that the Government has announced take the form of Direct Benefit Transfers (DBT) to bank accounts of beneficiaries, because of which there has been a sudden rise in demand for banking facilities. However, the low penetration of banking services has always been worrisome²³. While access to banking services has improved between each round (Figure 4), 20% of the households continue to lack access to at least one banking service. In most of these cases, such access points were not available in the village even before lockdown and residents usually travelled to nearby villages to avail banking services. The restriction on movement placed by lockdown conditions added to the difficulty.

3.2.2. 41% Successfully Received at Least One Cash Transfers; 49% Successfully Collected Ration

With most experiencing a reduction in earnings, low-income households look to the Government for help with tiding through this period of distress. Though the Government did announce a slew of measures to address the distress, a host of issues prevent these benefits from reaching the poor. To avail these benefits, households need to enrol/register themselves under relevant schemes. However, even if the households are enrolled, exclusion can take place at various points in the supply chain. Finally, if somehow the benefits make it to the end of the supply chain, a multitude of factors such as inaccessibility of banking services or authentication failures impede the households from availing these benefits.

Figure 5 show that there are three major points of exclusion faced by households while accessing cash transfers.

Figure 5: Access to Government Transfers



Exclusion 1 - Non-enrollment in schemes: 13% of the households surveyed were not registered to receive benefits under any Government cash transfer schemes, including State-initiated cash transfers through PDS. This problem is exacerbated by having limited access to CSCs as new

²³In a separate study by Dvara, Gupta et al. (2020) found that the Access Point Density (APD) in the poorest districts of the country is as low as 61.89 as opposed to 118.26 in richer districts and this still may not be representative of the current situation because of limitations applied in the operation of these services. This study defines Access Point Density as the total number of bank branches, ATMs, and 'Bank Mitras' per 100,000 adults. It is based on data from 'Find My Bank', a GIS-based platform hosted by the Ministry of Finance, Government of India: <http://findmybank.gov.in/FMB/>

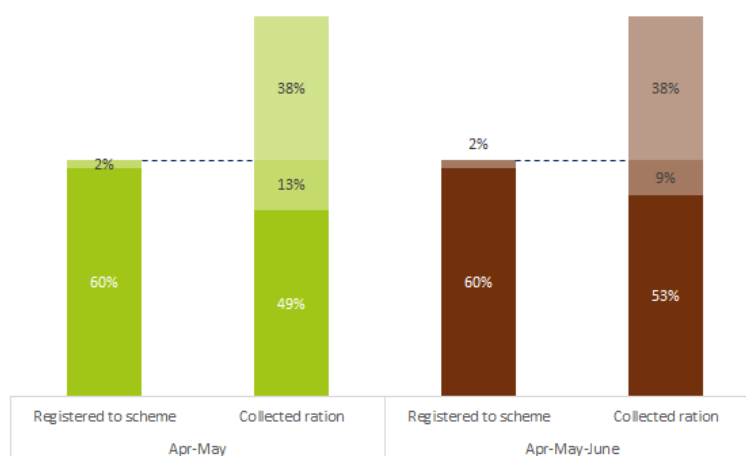
enrollment becomes implausible. Certain State Governments have tried to extend the support to those even without enrollment by issuing temporary IDs, tokens, etc., (Mukherjee, 2020). However, our survey found that this exception handling has reached only 1% of the total sample.

Exclusion 2 - Not receiving transfers: Though 38% of the households surveyed are registered beneficiaries, they claimed to have not received any amount from the Government. This is often caused by DBT backend issues (such as errors in spelling the names of beneficiaries, blockage of accounts by banks during cleaning exercises, issues with Aadhaar in mapping to the bank account, etc.²⁴) or recipients not being informed of such a transfer.

Exclusion 3 - Not being able to withdraw: 8% of the respondents claimed that they received cash transfers but were unable to withdraw. This inability to withdraw was caused due to (a) lockdown restrictions preventing access to cash out points or (b) persistent transaction failures, even when respondents did have access to a cash-out point.

Notably, while 41% of the people out of the total sample were able to withdraw the received benefits, only 14% of the households received the minimum amount of cash benefits that they should have received given the schemes in which they were registered (Figure 5)²⁵.

Figure 6: Access to in-kind transfers



On the other hand, results show that rations have been more accessible for households as 53% could successfully collect them (Figure 6). 38% remained excluded because of non-enrollment. 9% either did not attempt collection or could not avail the benefits either due to the access point running out of stock or because of technical errors. Table 6 lists some of the key points of evidence from other sources for exclusion from accessing welfare schemes, and they report results similar to our survey except for Dalberg, (2020), which finds that close to 91% of the households received grain.

²⁴For a comprehensive list of issues refer to Gupta, A., Kumar, A., & AP, J. (2020, May 19). How can we fix the pipelines? Last-mile Delivery of PM Garib Kalyan Yojana Benefits during the COVID-19 Pandemic. Retrieved from <https://www.dvara.com/blog/2020/05/19/how-can-we-fix-the-pipelines-last-mile-delivery-of-pm-garib-kalyan-yojana-benefits-during-the-covid-19-pandemic/>

²⁵In this study, we take the minimum amount of benefit as the amount proposed by the Central Government under PMGKY and not include benefits extended by State Governments to have a standardised set of results.

Table 6: Access to Welfare Schemes along with Evidence from Other Sources

Indicators	CIDL Observations	Points of Evidence from other sources	Source
Enrollment in schemes	13% of the respondents were not enrolled in any Government welfare scheme	<p>In their migrant workers survey, only 20% of the workers were registered with a welfare board, PF, or ESI like social security schemes.</p> <p>Moreover, 19.1% of the workers don't even know about such schemes.</p> <p>Whereas, in their resident workers survey only 15% of the workers were registered with a welfare board, PF or ESI like social security schemes.</p> <p>Overall, 21.2% don't even know about such schemes</p>	(Gramvaani, 2020)
		94% didn't have BOCW cards for identification; 14% didn't have ration cards and 17% don't even have bank accounts	(Jan Sahas, 2020)
		2% of the households remain excluded from PDS, Cash transfer schemes and MGNREGS	(Dalberg, 2020)
Received Cash Transfers/PDS	41% successfully received at least one cash transfer and 53% successfully received ration benefits announced	<p>49% of the households earning Rs. 10,000 or less received a cash transfer whereas only 36% of urban and 58% of rural households earning less than Rs. 10,000 have received at least one cash transfer from the Central or State Government. Moreover, 77% of the households earning Rs. 10,000 or less in February received rations</p>	(Centre for Sustainable Employment, Azim Premji University, 2020)
		56% of the households received some kind of Government assistance, 90% of which was in the form of food and groceries	(Afridi, Dhillon, & Roy, 2020)

		More than 65% of both migrant workers and resident workers didn't receive any kind of cash transfers from either State or Central Government	(Gramvaani, 2020)
		Out of 3160 workers who were asked about receiving cash transfers from Government, 98% didn't receive them. 96%, out of 9703 workers, hadn't received ration and 70%, out of 2487 workers, didn't receive cooked meals from the govt.	(Stranded Workers Action Network [SWAN], 2020)
		52% of the respondents in Gujarat and 45% in Maharashtra received ration, but 35% of the respondents in Gujarat and 47% in Maharashtra claimed that they received no additional support	(Centre for Labour Research and Action, Habitat Forum, and Mashal, 2020) ²⁶
		Delivery of grain in PDS improved from only 50% in April to 91% in June whereas for pulses, it remained close to 49% (a fair improvement from 33% in May); 14% of the households didn't receive any cash transfer in June which is reduced from 26% in April but 40% from the ones who received a cash transfer couldn't withdraw because of lockdown	Dalberg, 2020)
		89% of the intended beneficiaries reported to have not received Government benefits due to lack of documents	(Action Aid, 2020)
		Only 57.3% of the respondents received double rations that were committed, whereas 48% of the respondents didn't receive any cash transfer from the Government	(Rising Concerns for Nutrition and Food Security: Mobile Vaani Community Survey, 2020) ²⁷

²⁶This study is based on a rapid assessment of 592 unorganized, informal, and migrant workers in Gujarat (200), Rajasthan (51), and Maharashtra (341).

²⁷These results are based on a community survey conducted by Gramvaani on 702 ration card holders from June 14-15, 2020.

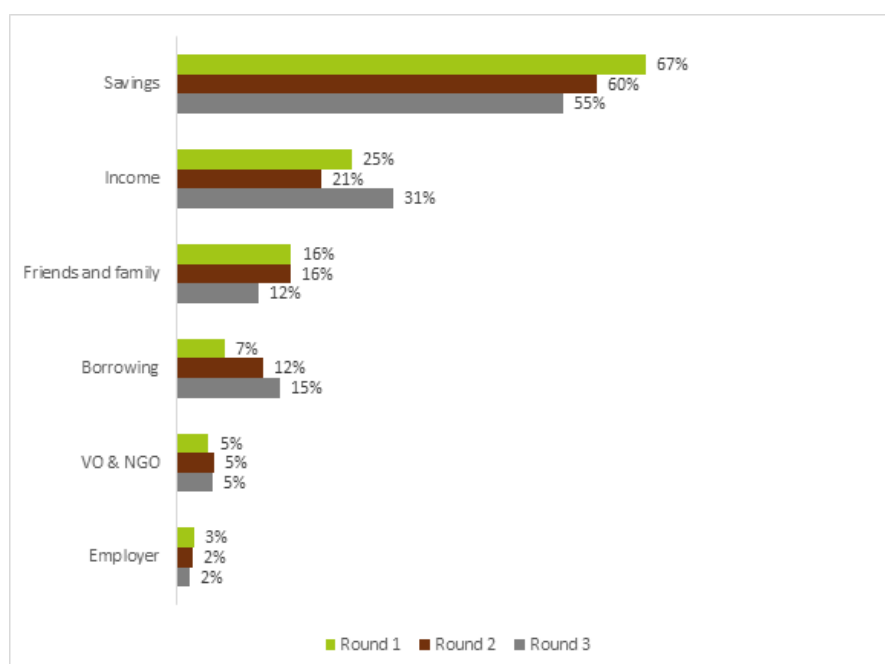
		<p>From round 2 to round 3, there has been some improvement as almost 60% the households in round 3 received rations as opposed to 50% in round 1. Similarly, 35% the households received a cash transfer in round 3 as opposed to 29% in round 2</p>	<p>(NCAER, 2020)</p>
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3.3. Coping Strategies

3.3.1. Dependence on Informal Borrowings Increased

With reduced earnings, and high levels of exclusion prevailing in access to benefits under PMGKY, households turned to their limited savings and informal safety nets to get through the distress. While a majority of respondents continued to depend on whatever cash they had in hand and were able to withdraw during this period, the reliance on savings has decreased between each round (Figure 7). With work prospects improving, the reliance on income increased.

Figure 7: Coping Strategies



Cash from friends and family, either through the recovery of old dues or through interest-free transfers, is usually heavily used by the households as a cash reserve. However, with the current crisis, which has not spared any, cash from friends and family as a source of inflow is low at 12% (Figure 7).

With common sources nearing exhaustion, there is a rising dependence on borrowing (Figure 7). But, since formal borrowing has a limited scope, people have turned towards borrowing at interest from informal sources during this crisis. The high repayment burden that comes with this adds to the distress. Table 7 compares our findings on different coping strategies adopted by the households in distress, with those of other studies and observes that these studies find a slightly higher percentage of households that borrowed money during the lockdown to meet their daily expenses.

Table 7: Depletion of Savings (The CIDL observations have been written in a manner different from the rest)

Indicators	CIDL Observations	Points of Evidence from other sources	Source
Depletion of savings	Round 1: 67% depended on cash in hand/ withdrawal from banks	61% of the urban and 34% of the rural households do not have enough money to buy even a week's worth of essentials	(Centre for Sustainable Employment, Azim Premji University, 2020)
	Round 2: 60% depended on cash in hand/ withdrawal from banks	34% of the households do not have enough resources to survive for more than a week without additional assistance	(Bertrand, Krishnan, & Schofield, 2020)
	Round 3: 55% depended on cash in hand/ withdrawal from banks	50% of the workers that contacted SWAN helpline had rations left for a day. The situation even worse in Maharashtra with this reaching 71%	(Stranded Workers Action Network [SWAN], 2020)
		44% of the respondents claimed that they had less than a week's food supply left	(Sarin, 2020)
		42% of the respondents claimed that not even a single day's ration was left with them	(Jan Sahas, 2020)
		Almost 25% of the households have run out of savings since April	(Dalberg, 2020)
		60% of the households claimed to not have enough to meet their daily expenses	(Action Aid, 2020)
Borrowing - mainly from informal sources	Round 1: 7% of the households borrowed mainly from informal sources	43% of the urban and 34% of rural households have taken a loan to cover personal expense	(Centre for Sustainable Employment, Azim Premji University, 2020)

<p>Round 2: 12% of the households borrowed mainly from informal sources</p> <p>Round 3: 15% of the households borrowed mainly from informal sources</p>	<p>30% of the people (migrant workers) borrowed money on interest, whereas 8.4% sold off their assets for cash. Moreover, 32.1% (resident workers) borrowed on interest, whereas 14.6% sold off their assets for cash</p>	(Gramvaani, 2020)
	<p>40% of the households got indebted due to loss of income</p>	(Dalberg, 2020)
	<p>The incidence of debt increased from 40% pre COVID-19 for households to 68% post COVID-19</p>	(Action Aid, 2020)
	<p>44% of the households had to borrow money to manage day-to-day consumption expenses during lockdown</p>	(NCAER, 2020)

4. Conclusion

Across studies, we see that with a reduction in earnings, households continue to face significant distress, visible in the form of skipping meals or medication due to lack of resources and cancelling visits to hospitals. With limited income, welfare transfers have an important role to play in supporting these households. However, as evidenced by different surveys, those in need are excluded at different stages of welfare delivery. There is, thus, an urgent need to address these exclusions. We at Dvara Research (Gupta, Kumar, & AP, 2020) note that, interventions such as granting panchayats the discretion to relax documentation requirements for needy beneficiaries, at least for the short term, and enabling universal PDS would bring a larger proportion of those in distress into the ambit of welfare delivery. To ensure that eligible beneficiaries are effectively able to access benefits that are due, the issues of absent access points and rising transaction failures at available access points should be addressed immediately. Moreover, as we suggest in Gupta et al. (2020) and Raghavan, (2020), increasing access point density in high priority regions, developing a transparent system that tracks the underlying reasons for biometric failure, and maintaining clear seeding of Aadhaar-linked accounts at the Bank-level are immediate measures that can help tackle the issue. Moratoriums announced by the RBI may be an important step to protect borrowers, but when providing moratorium low-income customers should be provided complete information on the implications of the moratorium, to avoid inadvertently taking on additional debt burden. With the nation past Unlock 5.0, MFIs can step in to provide top up loans to help households get back on their feet. Additionally, solutions such as the restructuring of debt should be explored. Introducing flexibility in repayment frequency, variability in instalments and a standing line of credit especially for small-ticket loans are measures that would help borrower households in the medium term (Chatterjee & Banerjee, 2018).

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