POLICY BRIEF

PROTECTING THE INFORMAL SECTOR IN INDIA FROM ECONOMIC CONSEQUENCES OF COVID-19

Dvara Research

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Protecting the Informal Sector in India From Economic Consequences of COVID-19

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Summary:

In this policy brief, we explore four simple suggestions that can potentially have a significant impact in easing the hardships of unorganised sector households.

A. Ensuring cash-less health care services for victims of COVID-19

B. Operationalising cash transfers to cover income loss and unemployment

C. Measures that the RBI can take to (a) alleviate the debt stress on low-income households, (b) shore up financial institutions, (c) assist the government to increase fiscal expenditure

D. Other measures that the government can take

About Dvara Research:

Dvara Research is a policy research institution based in India. Our mission is to ensure that every individual and every enterprise has complete access to financial services. We strongly believe in the deeply transformative power of finance in unlocking the potential of individuals, households, enterprises and local governments.

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Introduction

The government of India has been proactively introducing interventions to prevent (or at least contain) the community transmission of the pandemic COVID-19. With over 1284 cases recorded (as of 30 March 2020), the Indian government has imposed a 21-day lockdown under s. 10(2) of the National Disaster Management Act, 2005. Restrictions have been imposed on international travel and visiting places of gathering (schools, colleges, malls, temples, etc.), and other social distancing measures have been enforced. With fewer than 100,000 ICU beds across the country, these restrictions are necessary as the Indian health system would be quite inadequate to treat a full-blown epidemic in the country[2].

These policy interventions will be carefully studied over the next few months and there is much to learn from the international experiences, and efforts in dealing with this pandemic. However, with social distancing measures being more strictly enforced, a large portion of the population is likely to be out of work and may not have any source of income. Countries such as the Egypt, Philippines, Brazil have introduced cash assistance programmes for informal workers affected by this outbreak while the US has announced benefits in the form of tax credits for "gig-workers". However, the scale of the informal sector in India provides a unique challenge that very few countries could be expected to face. According to the Periodic Labour Force Survey, 2017-18, informal workers account for about three-quarters of India's workforce, with another 49% of salaried workers without a contract, paid leave or any form of social security. With the economy at a halt, there is a need to employ measures to protect these workers and households from falling (further) into poverty.

On 26 March 2020, the finance minister announced an expansive Rs 1.70 Lakh Crore relief package under Pradhan Mantri Garib Kalyan Yojana (PMGKY) for the poor to help them fight the battle against the COVID-19 outbreak. The package consisted insurance for frontline health and sanitation workers, additional food benefits under the pubic distribution system (PDS), additional direct cash transfer for women Jan Dhan account holders and additional ex-gratia transfers to low-income senior citizens, widows and the physically challenged. Among other things, the package also allowed for advance wage payments for workers registered under Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) transferred directly into their bank accounts[3]. Several states have also announced the roll-out of welfare schemes to protect the vulnerable segments of the populations and to deal with the economic challenges caused by the pandemic.

While these welfare measures are a welcome move by the government, we stress upon their inadequacy in this policy brief. While the sufficiency of allocations made can be discussed in detail, we limit our discussion in this policy brief to larger concerns such as reducing exclusions due to eligibility criteria and/or challenges inherent to the delivering channels employed. Additionally, we stress that the loss of consumption due to the income shock is best mitigated through direct cash/kind transfers from the government, as described above, rather than introducing credit channels to mitigate any cash flow requirements for households.

Here, we explore four simple suggestions that can potentially have a significant impact in easing the hardships of unorganised sector households.

A. Ensuring cash-less health care services for victims of COVID-19

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[2]BBC. Interview with Ramanan Laxminarayan. March 20, 2020 (accessed at: https://www.bbc.com/news/av/world-asia-india-51962813/india-must-prepare-for-atsunami-of-coronavirus-cases)

[3]For the full list of announcements, please see here: https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1608345

B. Operationalising cash transfers to cover income loss and unemployment

C. Measures that the RBI can take to (a) alleviate the debt stress on low-income households, (b) shore up financial institutions, (c) assist the government to increase fiscal expenditure

D. Other measures that the government can take

With the creation of 'COVID-19 Economic Response Task Force' whose mandate is to "consult stakeholders, take feedback, on the basis of which decisions will be taken to meet the challenges", it is important for policymakers, academics, civil society and practitioners to come together and provide a thoughtful set of interventions that can help mitigate the losses to India's informal workforce and their families.

A. Ensuring Cash-less Health Care Services for Victims of COVID-19

The first and most vital step is to offer cash-less health care services for those affected by the outbreak. We recognise that it might not be possible to sell insurance to individuals during this outbreak. Rather it is important to ease the process of availing the benefits of health insurance for the individuals already insured or are eligible for benefits under state-sponsored health insurance schemes. According to a recent IRDAI notification, all insurance companies are explicitly notified to cover and "expeditiously handle" all claims made for treating COVID-19. While the PM Garib Kalyan Package announced on 26 March 2020 addressed the need for insurance for the frontline workers such as health, sanitation workers; there have been no announcements regarding accelerating health care for those affected by COVID-19 and requiring hospitalization as well as protection for some excluded categories of front line workers such as banking correspondents and other agents. India has limited capacity to address this crisis, with only 2.3 critical care beds per 100,000 inhabitants compared to 34.7 critical care beds per 100,000 in the United States. Additionally, there are only about 40,000 ventilators in the entire country. Many of these are in private sector hospitals. We, therefore, state that it is vital to offer health insurance providing for cash-less hospitalisation for all those who need to access private sector facilities for COVID-19 related treatments.

For those left uninsured, we suggest that the government allow self-enrollment into the Ayushman Bharat Pradhan Mantri – Jan Arogya Yojana (AB PM-JAY) programme. Presently, 10.74 crore poor and deprived households, as identified by the Socio-Economic Caste Census, are to be covered under AB PM-JAY. Eligible families may self-enrol in the scheme if they are on the list of eligible beneficiaries identified. We propose that the criteria for inclusion in AB PM-JAY be loosened, and all affected households in need of in-patient care for COVID-19 be permitted to self-enrol under AB PM-JAY if they do not have alternate insurance cover. The complete expenses starting from the quarantine period until the recovery period of COVID-19 infected person should be covered through the policy. In case of any COVID-19 infection symptoms, victims are advised to get tested at the nearest designated hospital for COVID-19 infection treatment. These should be fully equipped with testing, treatment and isolation ward facilities. We note that AB PM-JAY only provides insurance cover for treatment in empanelled hospitals. We suggest that all designated hospitals for COVID-19 treatment be empanelled under the scheme. We note that there is an existing procedure for emergency empanelment in place. In emergency cases, hospitals that are accredited by the National Accreditation Board for Hospitals and Health (NABH) may be auto-empanelled, provided they have submitted their applications on the NABH's web portal and meet the minimum criteria under minimum specified conditions.

The flowchart below sets out the different ways in which a person may receive the benefit of insurance coverage while being treated for COVID-19. We note that it may not be possible for all persons to pay out of pocket for health expenditure and later seek reimbursement.

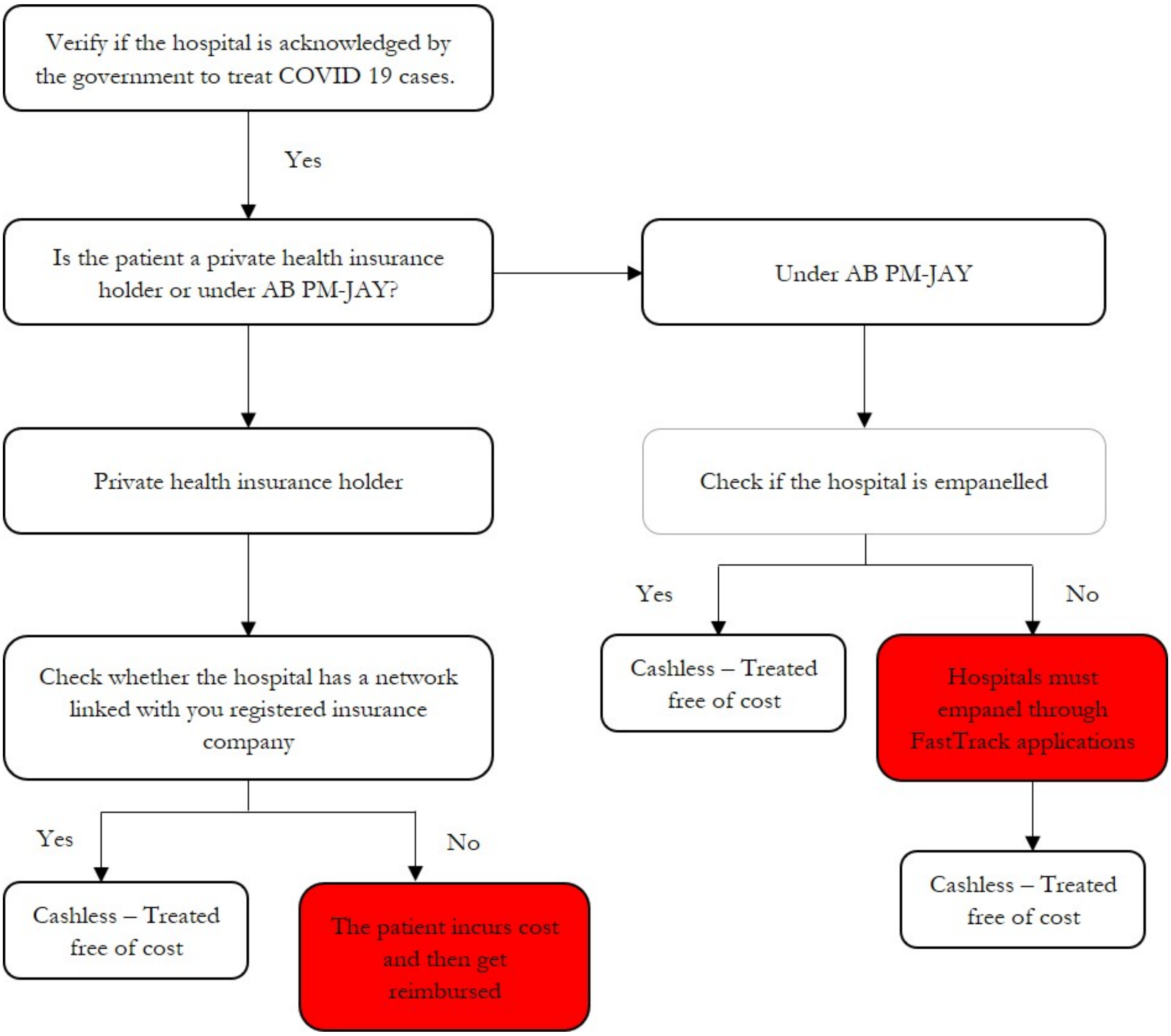

Figure 1: Accessing health care services

We further note that four states have opted out of Ayushman Bharat - Telangana, Odisha and West Bengal and Delhi. The "Quality Health for All" schemes in Delhi, Arogyashri Scheme[4] in Telangana, the "Bima Swastya Kalyan Yojana" in Odisha and the Swasthya Sathi scheme in West Bengal offer health insurance for households

[4]Rajeev, M. (2019, October 11). 'Ayushman Bharat costs may be higher.' The Hindu. https://www.thehindu.com/news/national/telangana/ayushman-bharat-costs-may-be-higher/article29660623.ece

in these states. These states have not clearly announced any COVID-19 related complete health cover separately apart from IRDAI orders. It is important that a similar exercise is done to ensure COVID-19 victims and the frontline workers deployed have adequate "cash-less" health care from all these state-financed health care schemes.

The easiest way to ensure access to cash-less healthcare in treating the virus is to fast-track applications for empanelment of all hospitals treating COVID-19 patients and implement measures to accelerate payment of claims.

B. Operationalising Cash Transfers to Cover Income Loss and Unemployment

A large section of the announcements made by the finance minister on PMGKY related to direct cash transfers to bank accounts of the identified vulnerable classes of workers and households. Specifically, cash transfers to women with bank accounts opened under the PMJDY, an advance on transfers to farmers under PM Kisan, an increase in MNREGA wages and one-time transfers to poor senior citizens, widows and the physically challenged. The government also announced assistance towards provident fund contributions for workers in small and medium enterprises and permitted employees to withdraw from their PF accounts to meet consumption expenses. While these announcements provide much-needed provisions for some vulnerable sections of the population, they largely fail to address the loss of income for the large informal workforce in India.

Given the unprecedented spread of COVID-19 in India, a universal unemployment insurance (as proposed) is necessary. A preliminary assessment by the International Labour Organisation has estimated a loss of 25 million jobs as a result of COVID-19. Although a comparable number is yet to be released for India, it is noted that 90% of the country's work force is not entitled to any lay-off benefits. Thus, the need for unemployment insurance is stronger than ever. There have also been talks about extending the government's 'Atal Beema Vyakti Kalyan Yojana', which provides unemployment insurance to workers who have subscribed to the Employees' State Insurance (ESI) scheme. According to one senior government official, the Ministry of Labour and Employment is considering allowing workers to avail the unemployment insurance under this scheme if they are impacted by COVID-19.

While this is a welcome step, it is important to note that the scheme is narrow in coverage. It only covers those individuals working in the organized sector establishments whose wages do not exceed Rs 21,000/- per month, and who have also met minimum prior contribution criteria of at least 2-3 years of regular ESI contributions before they are unemployed. Daily wage earners do not fall in this category. Further, the ESI applies to all factories and establishments employing at least ten workers, and in India, these represent around 98 per cent of establishments employed less than ten workers. The Periodic Labour Force Survey 2017-18 classifies workers into (i) Salaried: About 23% of workers at the national level (ii) Self-employed: about 52% of workers at the national level and (iii) Casual workers: about 25% of workers at the national level.

According to the PLFS, about 49% of workers receiving a regular wage are not covered by any form of social security. 68.4% of salaried workers not employed in the agricultural sector are employed in proprietorships or partnerships, which may be unable to pay wages or be forced to close down during this period of lockdown. The implication of this is that a very large number of Indians may be vulnerable or left without work at this time. We note that there is an urgent need to ensure that these persons receive income support during a period in which they are unable to work. This would apply not only to casual workers but also to gig workers and those working in small businesses.

How can we identify beneficiaries for unemployment insurance?

One potential way to operationalize the provision of unemployment benefits is using the existing enrolment under schemes such as the Atal Pension Yojana (APY) and Pradhan Mantri Shram Yogi Maan-Dhan (PMSYM). These are pension schemes meant to serve workers in the unorganised sector. The latter is targeted at home-based workers, street vendors, mid-day meal workers, head loaders, brick kiln workers, cobblers, rag pickers, domestic workers, washermen, rickshaw pullers, landless labourers, own-account workers, agricultural workers, construction workers, beedi workers, handloom workers, leather workers, audiovisual workers and similar other occupations whose monthly income is Rs 15,000/ per month or less and belong to the entry age group of 18-40 years. Additionally, beneficiaries should not be covered under the New Pension Scheme (NPS), Employees' State Insurance Corporation (ESIC) scheme or Employees' Provident Fund Organization (EPFO). Further, he/she should not be an income-tax payer.

The last criteria for eligibility of requiring to be a non-income tax-payer must be relaxed for COVID-19 related benefits. There are a few reasons for this: first, this does not account for changes in cash flows because of COVID-19 related restrictions for gig workers and small businesses. For instance, Cabdost has assisted many gig workers (Uber/Ola drivers, Zomato/Swiggy delivery partners) in applying for PAN and in paying income-tax (as well as to receive tax refunds). With bans on travel imposed in many cities, many of these workers are without a source of income. Income data from the previous financial year would not be adequate to determine their cash needs at present. Second, data from the income tax department shows that more than 90% of returns filed reported a taxable income of below Rs. 1,50,000 – well below the taxable limit of Rs. 2,50,000/-. 40% of these were nil returns. Each of these individuals holds a PAN but may not have any income security at this time. Finally, this method identifies the individual rather than the household. As we (and various expert bodies) have argued, financial assistance ought to be based on household consumption expenditure. In this case too, we suggest that household consumption be used as a unit to determine the quantum and modes of cash transfers. Further, gig workers and small business workers ought to be able to apply for income assistance for a sum equal to household minimum per capita consumption expenditure, provided that their taxable income for the previous year did not cross Rs. 10 lakhs.

The unemployment benefits should amount to no less than Rs. 10,000 per month[5]. An expert committee of the Ministry of Labour arrived at Rs. 9773 per month as the "the total minimum consumption expenditure required by a worker's family to live a healthy life and maintain work efficiency". We suggest that this figure be used to determine the extent of financial assistance to be provided to households unable to work during the lockdown.

Finally, the identification of beneficiaries should allow for the self-enrollment of migrant labourers, either stranded in the destination state or unregistered due to their absence in the home state. It is essential that **domicile restrictions denying migrants access to state-level social welfare, healthcare, household and nutritional programmes and schemes are immediately removed[6].**

[5] We note that this is an average figure based on the report of the Expert Committee. The exact quantum of compensation may need to be up or adjusted down based on the cost of living, geographical location and extent of urbanization in each location.
[6] Varun Aggarwal, Priyansha Singh and Prachi Salve (2020, 28th March), "Migrants Returning Home To Ill-Equipped Healthcare Systems". IndiaSpend. https://www.indiaspend.com/migrants-returning-home-to-ill-equipped-healthcare-systems/

How can we increase the efficiency of the delivery of unemployment benefits?

While the policy efforts taken under the Jan Dhan Yojana have resulted in a high degree of access to basic banking services, data from the Global FINDEX survey in 2017 provides a sobering picture suggesting that access to services has not necessarily translated to active use of financial services. The survey had revealed that a staggering 48% of respondents with bank accounts did not transact (deposit or withdraw) in that year[7]. As cash continues to be the primary mode of transactions and given its heightened importance during times of crisis, convenient access to bank accounts is a function of proximity to transaction points. Hence, it is vital to substantially increase the transaction points by activating agent networks for enabling cash withdrawals from bank accounts. CSCs, banking correspondents, local public nodal offices should be activated for the self-enrollment and withdrawals of the benefits under these schemes.

The enrolment (nodal) agency for PM-SYM is Common Services Centre e-Governances Services India Limited. It is the exclusive partner of the Ministry of Labour in implementing this scheme. Given the diverse target population, and CSCs' experiences of enrolling and implementing the scheme, it might be useful to process unemployment insurance during COVID-19, through this programme.

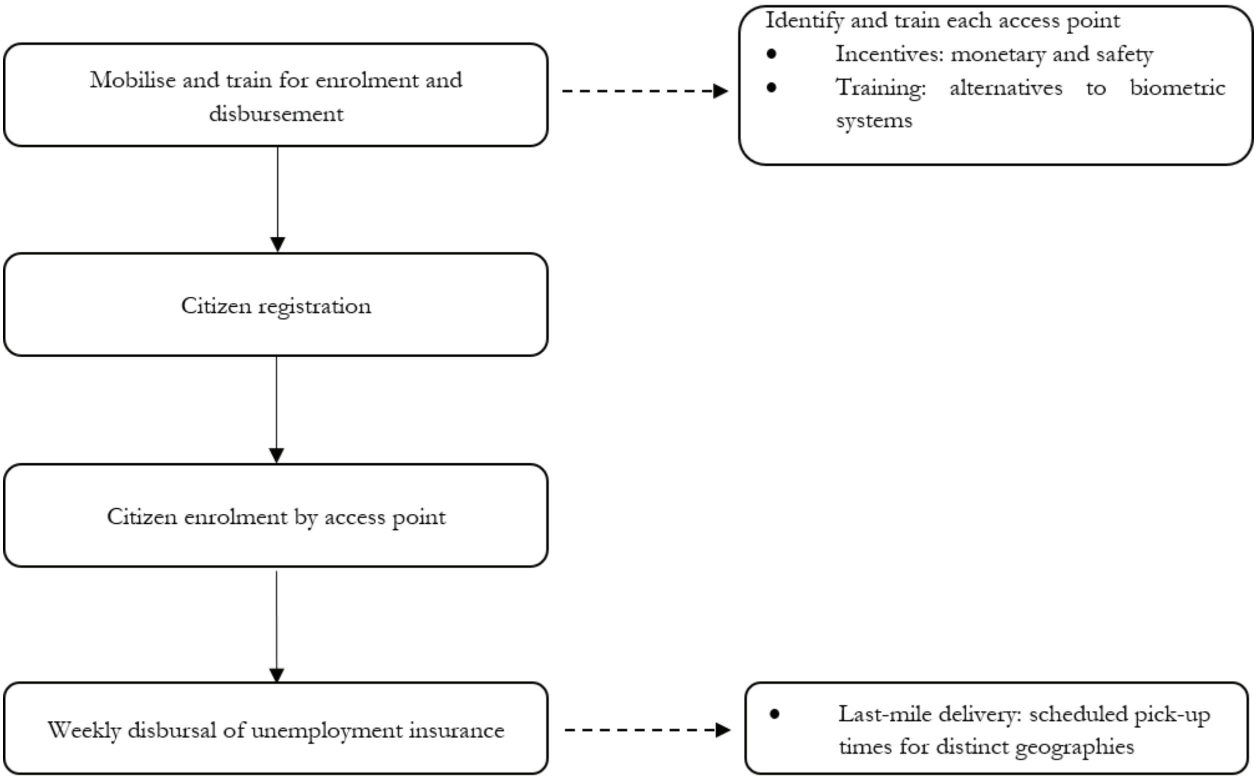

Figure 2: Enrolling and disbursing cash transfers for informal sector households

A simple enrolment and disbursement process can be administered through various access points including but not limited to post offices, bank branches, banking correspondents, banking agents and common services centres across the country. To keep it straightforward, all access points as identified and provided by the findmybank.gov.in webpage should be mobilised and trained to make these enrolments and disbursements.

[6]Bindu Ananth and Greta Bull (2018, October 28), "India's Findex data: Reasons behind non-usage phenomenon even after widespread financial services", Financial Express.
https://www.financialexpress.com/opinion/indias-findex-data-reasons-behind-non-usage-phenomenon-even-after-widespread-financial-services/1358810/

The following points should be deliberated:

1) **Avoid biometric-based PoS devices:** Given that the pandemic may spread through touch, it is strongly urged to train all officers to avoid the use of biometric-based PoS devices to authenticate individuals. An alternative could be to use OTP based transactions or shift entirely to the conventional passbook and withdrawal slip based transactions.

2) **Incentives:** All entities/individuals engaged in banking and disbursement during COVID-19 must receive hardship allowances to provide these functions during an active pandemic outbreak.

a) **Monetary:** At the minimum, a 100% to 200% increase in commissions should be considered. For example, if a banking agent is currently receiving Rs.5 commission per banking transaction, they should now receive Rs.20. A useful start to arrive at the exact upraise amount could be looking towards the private sector. For example, Amazon.com recently announced double pay for overtime workers and a $2 increase in their hourly rate from $15 to $17.

b) **Safety:** Safety equipment (gloves and masks at the very least) should be provided to all entities/individuals operating access points during this time.

3) **Disbursement:** Given the hazardous nature of doorstep delivery, access points should announce scheduled times during which citizens can collect their disbursement. For example, all citizens from village A can collect their disbursement from the closest access point every Monday morning, and all citizens from village B can collect their disbursement from the closest access point every Monday afternoon and so forth and so on. In situations where citizens cannot visit the access point, the local taluk office should take measures to cover them.

Delivery of in-kind transfers to cover consumption requirements of households

While the informal pensions schemes may be targeted at the demographic likely to be the most vulnerable to an economic shock due to the epidemic, it will by no means cover all households in need of welfare measures. The package under the PMGKY allows for additional in-kind transfers to be made to all registered beneficiaries of the National Food Security Act (NFSA). These benefits, on paper, may significantly support for consumption during distressed times, the real concern here is in ensuring the delivery of these benefits. All beneficiaries registered under the National Food Security Act (NFSA) and Pradhan Mantri Ujjwala Yojana should also be afforded doorstep delivery of these in-kind transfer for this period. More detailed thoughts on these proposals can be found here and here.

C. Measures That the RBI Can Take

According to the Periodic Labour Force Survey 2017-18, about 68% of non-agricultural workers are employed in proprietorships or partnership concerns (i.e., small businesses) which may not be able to continue to pay wages during this time. There is a need to ensure adequate financial support to these businesses. Countries such as Colombia and Bolivia have announced loan holidays and waivers, while Armenia has offered reimbursements of loans taken by businesses to continue to pay salaries. Other jurisdictions such as Bosnia and Herzegovina and Brazil are providing cash transfers to those unable to work[8].

[8]Ugo Gentilini, Mohamed Almenfi and Ian Orton (2020). Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures. World Bank.

In India, we expect a severe income shock to the informal sector, lasting the next few months. Therefore, any policy that seeks to increase the indebtedness of the informal sector will have adverse consequences for both the informal sector and the lenders[9]. If existing debt arrangements remain active, households may be forced to use any cash transfers made by the government to pay off their debt obligations rather than spend on essential consumption.

To limit this, we propose that the RBI could enact the following measures:

1. **RBI should provide specific guidance to NBFCs on expected credit loss (ECL)** Under the new IndAS regime, NBFCs will have to calculate the ECL on all loans and provision for the same at the time of disbursement. Given the dearth of data on how this crisis might affect loan loss rates and the repayment holiday that has been announced, RBI should come out with guidance for NBFCs on the estimation of ECL. This would not only provide NBFCs with greater regulatory clarity but also lessen the exogenous shock on their balance sheets.

2. **Provide greater clarity on the repayment holiday directive**

In a welcome move RBI, in its Corona19 – Regulatory Package[10], has permitted all lending institutions to reschedule installments on all term loans and working capital loans for three months. However, the language of the circular suggests that the implementation of the repayment holiday is under the discretion of the individual entities. This creates uncertainty and could prove counterproductive to the borrower. It would be better if this directive is given as a mandate to provide certainty to both the borrowers and the lenders.

3. Step up liquidity to the banking system

It is quite evident that banks will face significant liquidity risk in the coming days and weeks, though not necessarily a solvency risk. In partial recognition of this, the RBI announced targeted long term repos to enable banks to provide liquidity to corporate bonds, commercial papers and debentures in the capital markets[11]. This is a welcome step given that NBFCs and other non-financial corporates rely on these instruments to meet their own cash flow requirements. However, banks themselves would face liquidity pressures as people's incomes get cut, and they draw down on their savings. Going forward, the RBI might have to be more broad-based in allowing banks to utilise the liquidity provided by the term repos.

4. Finance government's fiscal measures with Perpetual Bonds

With the Indian government announcing welfare measure amounting to Rs. 1.7 Lakh Crores and the economic task force yet to submit its measures, it is almost certain that the there will be considerable strain on the government finances. With growth forecasts being drastically cut[12], it is highly unlikely that the government will be able to finance these measure with tax revenues. Sale of capital assets also does not seem feasible in the current economic situation. Thus the government would have to finance this additional expenditure through debt. However, it needs to be recognised that this is not fiscal profligacy but urgent, necessary and directed spending by the government in a war-like situation. Considering this, the RBI could finance these measures by subscribing to perpetual bonds issued by the government at low-interest rates. Such an operation would be quick and would not cause much disruption in the markets.

[9]See https://voxeu.org/article/coronavirus-and-financial-stability-20-act-jointly-now-also-think-about-tomorrow - retrieved on 25-03-2020
[10]https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11835&Mode=0
[11]https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=49582 – retrieved on 28-03-2020
[12]https://www.livemint.com/news/india/moody-s-cuts-india-2020-growth-forecast-to-2-5-11585282735100.html - retrieved on 29-03-2020

The government would also be getting low-cost funds to help tide the emergency. And most importantly, the very long maturities of these securities would mean no debt strain on the government's balance sheet. The only trade-off over here is the potential inflationary pressure. This, again is mitigated to some extent by the fact extent by the fact that non-food non-fuel inflation is still relatively low at 3.8% as of December 2019[13].

5. Ensure adequate provision of banking services throughout the country

Due to the temporary loss of jobs, many people would be dependent on their savings to tide through the crisis. Also, most of the economic relief measures announced by the government have a cash transfer component. Thus, access to basic banking services becomes critical. While RBI has directed all banks to review and monitor their Business Continuity Plans (BCP)[14], it should proactively engage with the state governments and banks to identify the most vulnerable areas and direct resources accordingly. Such engagement should also consider leveraging the existing BC network to ensure seamless access to basic banking services.

6. Ease restrictions on External Commercial Borrowings (ECB) to allow the raising of low-interest debt for NBFCs and MFIs

RBI's liquidity operations will be restricted to banks. However, it has to be recognised that the MFIs and non-bank MSME lenders play an important role in extending credit to low-income households. This is borne out by the fact that NBFCs and MFIs together contributed to 35% of the total amount sanctioned under the MUDRA scheme in 2018-19[15]. With the current lockdown, banks could view these entities unfavourably and cut their liquidity lines. An alternate route of funding for these institutions could be long term, low-cost funds raised from multi-lateral agencies through the ECB route. Given the relatively small sizes of most MFIs and NBFCs, it would be prohibitive for them to take this route. However, a financial intermediary with extensive knowledge, expertise and relationships with players in the capital market and the MFI sector could facilitate funding through this route. To operationalise this, the RBI could look into easing, temporarily, some of the restrictions in its ECB guidelines[16].

The directions outlined above, if implemented, would temporarily lessen the debt burden on the borrowers who are most likely to be worst affected, while ensuring that the lenders' already weak balance sheets are not put under greater undue strain.

Additionally, the RBI's actions would complement the government's fiscal measures. It needs to be recognised here that the global and unprecedented level of the crisis could overcome any moral hazard concerns the RBI might have in implementing these directions.

D. Other Measures For the Government of India

To complement the measures proposed for the RBI, we also propose that the government implement the following interventions:

[13]See Minutes of the MPC meeting, Feb 2020
[14]https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11820&Mode=0
[15]See Mudra Annual Report, 2018-19
[16]Master Direction - External Commercial Borrowings, Trade Credits and Structured Obligations, RBI
- https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11510

1. Infusion of Equity into Public Sector Banks (PSB)

The credit growth of PSBs declined from 9.6% (year on year) in March 2019 to 4.8% in September 2019[17]. This combined with their relatively low capital ratios, restricts them from increasing their loan book. Given the importance of maintaining credit supply at this juncture, the government ought to ensure that the PSBs are well capitalised to maintain and grow the credit supply in the coming months. As mentioned earlier, however, such a measure would have to be weighed against the possible harm from a greater churning of credit in the troubled times that we are currently passing through.

2. Clear all pending dues to MSMEs

As a matter of priority, the government should clear all pending dues to MSMEs, thereby injecting them with an immediate infusion of cash and fortifying their finances against disciplinary actions by banks.

3. Strengthen the Public Procurement Policy

The government can support MSMEs by having a favourable public procurement policy. While no MSME would be producing any good or service during the lockdown, the government could provide much-needed business orders once the MSMEs start functioning. The RBI Expert committee on MSME has some pertinent recommendations. For instance, only 17% of the total registered sellers in the government e-Market portal were MSMEs. This could be due to a lack of awareness among MSMEs. The committee recommended that the government should create awareness and scale up this portal. The committee has also recommended that all procurements of PSUs/Government Departments from MSMEs be made through only the e-Market portal to bring in greater transparency.

[17]See Chapter 2.2 Financial Stability Report, RBI, Dec 2019