

## COVID RELIEF: HOW MUCH IS ENOUGH

The current status of the pandemic across the country show that the virus is not really close to a point where the guards can come off and people can collectively breathe a sigh of relief to go back to what was considered normal. Several states that had gone into Unlock are revisiting the idea and it is prudent to say that this situation will continue at least for the next few months. What does this mean for the urban poor? How did they manage during the last three months and what are their basic requirements and anxiety drivers? How do state governments and civil society organizations address the huge ask of basic needs of those on the margins? How much is enough?

To address a few of these questions, a rapid study was conducted across four locations – Mumbai, Navi Mumbai, Delhi, and Pune - where STCI intervenes in the disability, education and anti-trafficking space. A quantitative survey was used with a sample of 1703 participants from areas that are marginalized and are a part of the STCI programs. Majority of the data was collected telephonically and the results tabulated and analyzed in-house.

The study found that participants were largely in their prime working years and were already vulnerable before the Covid 19 situation. Almost 80% of the primary earners of the family were daily wage earners (40%) or involved in informal work (42%) and further about 74% of households had only one earning member – a group of households exhibiting very few means to absorb any macro shocks. Across the sample 57% had at least one person in the household losing their job to the virus induced lock down of which 76% were single earner households, causing acute vulnerability and increasing food and cash insecurity. Notably, at this juncture when the lockdown promises to persist, over 50% of the participants have by now dipped into meagre savings, are already in debt (37%) and do not have steady or adequate means of income. The financial stability of most households of the urban poor which was precarious earlier has now been severely impaired with long term implications that will indeed outlast the pandemic.

The study confirmed that the highest needs are food, cash for assorted purchases and education support for their children. However, when exploring the relief that they have received over the last three months, the study found that only 29% of the participants got any relief from the government in the form of ration and only 4% got cash transfers. This despite over 60% participants having a ration card and about 88% households having at least one member with a bank account. Further probing revealed that 74% were unaware of their entitlements, showing a large information gap that was instrumental in keeping several households on the brink of hunger and vulnerability in the last 3 months. Participants fared better with NGOs with 59% saying that they received food packets, while again only 4% said that they received cash transfers. Essentially, close to 71% participants confirmed that what they received from both state and CSOs was not adequate at all to survive the lockdown.

When looking at anticipated needs going forward, the study found that factors that worried majority of the participants were food and livelihood insecurity. Conversely, contracting the disease came much lower in their priority list of worries, further exhibiting the dire need for basic necessities - which by far undermined the threat of the disease to which these participants are potentially much more vulnerable to.

## Recommendations

### A. Food and Cash Relief – an immediate and continuous need

Findings from the study show food, cash and livelihood insecurity as the highest stress points and therefore there is an urgent need to step up relief work by both the state as well as CSOs, as well as make it accessible to all such that no one is left behind. Up until now, the main relief efforts by state governments included free grains through ration shops, free cooking gas through the Ujjwala scheme and cash transfers through DBT. There have been several small studies, media reports and working papers indicating the inaccessibility to relief efforts and this study corroborates that too<sup>1</sup> indicated by the fact that relief was not accessed by more than 70% of the participants despite being eligible for it.

Relief efforts made by NGOs have had a deeper reach within communities that they already serve in, as they could reach out to the members immediately. Other than extending relief, NGOs are continuously involved in counselling, keeping in touch with beneficiaries, and reporting on the changing scope of requirements. However, these organizations are also strained in their capacities with limited funds and staff, especially, as they have to continue to intervene in these areas as the lockdown has exacerbated the vulnerabilities that people and in particular women face, such as an increase in domestic violence and child abuse.

Several corporate organizations have been directing their CSR funds towards relief work through NGOs or on their own. Again, these efforts seems to be limited to communities or locations that they are present in and therefore, never has it been more important for **collaborations between public, private and non-profit organizations** to come forth, to not just fulfill this huge ask, but also make it sustainable in the foreseeable future.

**Addressing food insecurity is paramount** and given its spread, using the PDS is critical to reach the large numbers and is perhaps the only way to meet demand consistently over the period of the pandemic. The relief efforts have to also further take into consideration that food and cash distribution is equitable and has to be allocated or meted according to need derived and established by indicators such as family size, number of children and household income.

Approximately 50% households that have children faced reduced incomes due to loss of livelihoods during the lockdown in this survey and similarly other groups of people such as the

---

<sup>1</sup> For example – Youth for Unity and Voluntary Action. (2020). Access to Entitlements and Relief among the urban poor in Mumbai Metropolitan Region during Covid-19: An Interim report. Mumbai: India

disabled would have specific or additional necessities that would aid in their survival of this period.

This study found that cash transfers were received by a very low number of people and according to a report by India Spend<sup>2</sup>, the first tranche of DBT (Direct benefit Transfer) of Rs. 500 to women was not accessible by 40% of Jan Dhan account holders largely due to dormancy of accounts. Alleviating these issues and adopting robust measures to ensure **cash transfers for at least 3 months** together with food relief will reduce further financial instability. Additionally, customizing formal **borrowings for the urban poor – low cost, with flexible repayments and acquired at higher frequency** – will stem accrual of informal and insecure debt that would spiral out of control when intersecting with low incomes and savings' stress.

Essentially, a concerted effort is also required to **create and increase awareness at the community level** about the available entitlements and the eligibility for the same.

Communication is vital to the entire relief strategy of all organizations concerned, with CSOs playing a substantial role in **creating linkages for community members with relevant schemes**. It is crucial that organizations collaborate to ensure that support is given to the vulnerable throughout the period of the pandemic and also for some time beyond the lockdowns in order to subsist and avoid slipping into lower poverty levels.

## **B. Livelihoods and skilling – short and medium term**

More than half the households in this study suffered reduced incomes due to loss of jobs that directly translated into economic and emotional distress. This NGO also had several beneficiaries requesting for cash transfers to tide through, as they had to shut down their home enterprises in areas such as food and beauty services. With daily wage earners and informal jobs having suspended wages, micro-entrepreneurs trying to forge their way back slowly and individual essential service providers such as electricians and plumbers trying to navigate through the social distancing norms, the labour scenario for this strata is devoid of reasonable and fitting options to continue to eke out an income.

Furthermore, for many, not knowing whether their jobs will remain post the pandemic, the uncertainty of when they can get back to earning an income again and the new rules of the game, where several jobs may not even exist, are severe points of anxiety. Working from home is also not a viable option for many in terms of the nature of their jobs or even because of internet data consumption. For others, the questions are if they will be able to overcome the losses they have suffered over the last three months from their micro enterprises. While these issues are troublesome for most, the unemployed youth from marginalized areas too face a

---

<sup>2</sup> Patel, A., Divakar, P., & Prabhakar, R. (2020, June 20). 40% Of Jan Dhan Account Holders Could Not Access Govt's COVID-19 Relief: Survey. Retrieved July 20, 2020, from <https://www.indiaspend.com/40-of-jan-dhan-account-holders-could-not-access-govts-covid-19-relief-survey/>

grim reality. Most of them are grade XII pass outs and the entry points for formal jobs were the retail, BPO and BFSI sectors, most of which have had to shut down during the period of the lockdown, leading to reduced options in the labour market and hence a longer time period of unemployment. One has to then take note of research which points to the adverse effects of long term unemployment on youth such as inability to reskill, lack of confidence and increased potential of youth getting into anti-social activities, driving communities into a vicious cycle of reduced labour market participation, poverty and increased crime rates.

There seems to be no quick fix solution to getting livelihoods back on track in the immediate future and the realistic option is to support families with relief. However, in the short term, there should be efforts to register all informal workers and create linkages to relevant employment based boards. Further, at a state level efforts must increase **to create Covid 19- safe livelihood options for the urban poor to earn minimum wage** in the near future. It is also pertinent that all workers are educated at the community level on safety standards when at work.

At the same time, there have been several discourses on skilling youth to match demand, during this period. A major shift into the digital space has occurred to provide skills to unemployed and unskilled youth, but how are households on the margins to cope with the inherent challenges of owning a smart phone, paying for data and comprehension of language? Besides, there is unawareness of the availability of such courses, ignorance about suitability and what are considered viable jobs in the current scenario. The labour market landscape has changed dramatically by weeding out any jobs (formal and informal) and trades that flout social distancing norms and concurrently also giving rise to solution based jobs such as e-commerce, patient care and PPE material production. Understanding these dynamics to **curate shorter term skilling solutions** that can be accessed by youth at economical rates would be an adequate response. Primarily, however, it is important to intervene in communities and reach out to beneficiaries and **counsel youth to create awareness, assess needs** and also create solutions to address **the medium and the means of skilling**. With appropriate hand holding support to the youth, enrollment and completion of relevant and viable online skilling has a larger chance of success and can potentially be attained at scale. Additionally, creating linkages with relevant and available job opportunities, will surely obtain meaningful outcomes and help families tide through difficult times, in the medium and longer term.