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India's Policy Response to COVID-19: A Reality Check focusing on *Dalits* and *Adivasis*

2021

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Introduction

Pandemics such as the Covid-19 pandemic are known to have a devastating effect on all sections of society. However, the pain is not borne equally and more often than not, it is the socially and economically marginalised sections of the population that bear the disproportionate impact. As a result, if not countered by commensurate policy response, existing gender and socio-economic inequalities also tend to get exacerbated all round. This is what is also indicated in the case of India.

With the World Health Organisation (WHO) declaring the disease a global pandemic in early March 2020, the Government of India (GoI) announced a strict lockdown, at four hours' notice, beginning from March 25, 2020. As response to the pandemic-induced lockdown, the government also announced relief packages, in four distinct tranches – the first, the *Pradhan Mantri Garib Kalyan Yojana* (PMGKY), a relatively small package, announced in March soon after the lockdown was announced, followed by a larger *Atmanirbhar Bharat Abhiyan* (ABA) package around mid-May, then again in October and finally again in November, 2020[1].

From June 2020 onwards, the government also began the unlocking process, in phases. The lockdown, considered one of the most stringent ones in the world, brought all activities to a complete halt, leading to a breakdown in supply chains across the country as well a sharp contraction on the demand side. Expectedly, GDP growth for the April-June 2020 quarter contracted by 23.9 per cent — the highest among major economies. Estimates show that annual GDP growth contracted by 7.3 per cent in 2020–21 (MOSPI, 2021) — the largest annual contraction India's economy has experienced since Independence — due to the health and economic fallout of the Covid-19 crisis. The sharp contraction of the economy has been mirrored by an equally humongous humanitarian crisis as seen in the sharp rise in the unemployment rate and fall in household earnings. In turn, this has deeply impacted household incomes, forcing them to depend on debt to meet daily needs, pushing many into poverty.

Given that one of the biggest casualty of the pandemic and the ensuing lockdown have been the loss of jobs and livelihood, this Discussion Paper focuses on the pandemic's impact on employment and incomes for the economically and socially disadvantaged sections of society, such as *Dalits* (Scheduled Castes), *Adivasis* (Scheduled Tribes)[2] and women (to an extent). In the light of this background, the paper assesses the Union Government's policy response and attempts to analyse i) how much of the financial packages announced by the Union Government, at different points of time since the pandemic began, involve direct government spending; ii) of the total spending that has a direct fiscal impact how much is meant for protection as well as generation of livelihood and earnings of the poor, including for *Dalits* and *Adivasis*; and iii) what the coverage and accessibility of the measures are and whether, if at all, they were inclusive.

As many have noted, the Union Government's relief package is not very transparent (Merwin, 2020). This, coupled with the fact that there is no disaggregated data (caste-disaggregated or otherwise) on the

[1] While some of the measures announced in these packages have been extended since then, this paper covers the packages announced till November 2020.

[2] The terms *Dalits* and Scheduled Castes (SCs) and *Adivasis* and Scheduled Tribes (STs) have been used interchangeably in this paper.

beneficiaries of the package, makes it difficult to make a one-to-one correlation between the total relief package and its impact on *Dalits* and *Adivasis*. The paper therefore examines the impact of the pandemic and the lockdown on *Dalits* and *Adivasis* on the basis of independent surveys and nationally representative survey data. The basic argument is that the severity of the impact can be explained by the parsimony of emergency public spending carried out by the Union Government. To buttress our argument, we take a slightly longer-term view of some of the schemes and programmes (where caste-disaggregated data is available) to assess how these programmes have been performing in terms of providing livelihood and other basic necessities to *Dalits* and *Adivasis*.

The paper begins by examining the state of employment and livelihood in India prior to the pandemic and delineates certain employment and livelihood characteristics of *Dalits* and *Adivasis*. In section two we look at the impact that the pandemic and the lockdown have had on employment and earnings. We start by looking at the situation at an aggregate level, and then go on to examine whether the impact has been particularly harsh on the livelihood and earnings of the vulnerable and disadvantaged sections of the population, such as *Dalits, Adivasis* and women. The section also examines the impact that reduced earnings have had on household income and delves into the related issues of rising hunger and growing indebtedness.

Section three is devoted to analysing the relief package announced by the Union Government to understand to what extent the package involves additional spending by the government crucial for the protection of livelihoods in the short term as well as creating opportunities for livelihood generation in the medium to longer term. Issues with regard to limitations in terms of coverage of the government measures as well as problems in accessing various provisions announced as relief are also discussed in this section. In the next section, the paper looks at two specific programmes, the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and *Pradhan Mantri Awas Yojana (Gramin)* or PMAY (G) to assess their performance over a slightly longer period from the point of view of Scheduled Castes (SCs) and Scheduled Tribes (STs). The final section provides some concluding remarks.

Methodology and limitations

Availability of timely data, including caste-disaggregated, is critical for understanding the impact the pandemic has had on people's livelihood and earnings. The Periodic Labour Force Survey (PLFS) (2019-20), which is the third annual labour force surveys that the National Statistical Office (NSO) began conducting in 2017-18, covers the period until June 30, 2020. PLFS (2019-20) is the main official data available, and like earlier rounds of the survey, provides caste-disaggregated data on employment. The only other source of a nation-wide, household level panel data is the Consumer Pyramids Household Survey (CPHS) of the Centre for Monitoring the Indian Economy (CMIE). The CPHS provides data on details of employment and other socio-demographics of individual respondents in the household, with each household being interviewed once every quarter in a year. The CPHS, which is a private data source, captured data on incomes up to October 2020 and on employment up to December 2020, at the time when this paper was written. Clearly the CHPS captured data over a longer period since the pandemic began compared to the PLFS (2019-20) and hence helps understand the situation regarding people's livelihoods and earnings several months after the stringent lockdowns were lifted. However, since the CPHS is a private data source (therefore not publicly available), studies based on the CPHS form the mainstay of the analysis in this paper[3].

Other than this, a number of reports based on independent surveys conducted during the months of the stringent lockdown and beyond (in some cases), with sample sizes ranging between a few hundred to several thousand, have also been used. Most such surveys are purposively designed to cover the weaker and vulnerable sections of the population, such as informal sector workers, migrant workers, low-income households, etc. The paper focuses on surveys covering both urban and rural areas, with around 4,000 respondents or more[4], and spread across at least three states.

The paper focuses on the first wave of the pandemic, in particular the period between March 2020 and December 2020.

[3] The other reason why the paper focuses on CPHS data-based analyses is because, as experts note, in the available public data PLFS (2019-20), indicators such as unemployment rates derived from the “usual status” approach that captures data on those who are chronically unemployed, give a misleading picture of the extent of labour underutilisation and the employment challenges in the economy. For developing countries such as India, where casual and intermittent work and part-time and temporary jobs are widespread, unemployment rate based on the weekly status (which corresponds to the activity status of a person for a reference week) is considered to be a better indicator as it tends to include the under-employed workforce (Kapoor, 2021). The current weekly status approach is also considered to be close to the international standard for measuring unemployment (Mehrotra, 2021). However, the PLFS (2019-20) does not provide data based on the weekly status for different social groups, which makes it difficult to assess the true extent of unemployment among these groups (see, NSO, 2021 for details).

[4] Many independent surveys with sample sizes of less than 4,000 are available. See Azim Premji University, 2021, for details of these surveys.

Section I:
Pre-pandemic scenario of employment and earnings

A) Overall structure of employment and earnings of India's workforce

As is known, India has a large informal economy, with the bulk of employment being informal in nature. Informal workers — those who are self-employed or work for daily wages and other forms of short-term employment without written contracts and any kind of social security — constitute around 75 per cent of the country's non-farm workforce (State of Working India, 2018) and about 90 per cent of the total workforce.

In terms of absolute numbers, there are variations in the estimation of the total workforce. This, in turn, translates into a variation in the absolute numbers of those constituting the informal workforce. As Nath and Basole (2020) note, the estimated workforce in India for 2017-18 ranges between 439.2 million and 452.4 million, depending on the definition of employment used. As per the official Periodic Labour Force Survey (PLFS) data from 2018-19, "nearly three-quarters of this workforce are either self-employed or casual workers who are completely out of the ambit of any employment benefits. What this means is that even assuming a highly conservative estimate, nearly 330 million workers in the country are bereft of any basic social protection" (Right to Food Campaign, 2021).

In addition, there is a clear hierarchy of employment type or arrangement by income[5]. Wage or salaried workers with formal jobs are the best off, with the highest average earnings (Table 1). Their relatively higher earnings, coupled with the fact that they draw a salary on a regular basis and receive some form of social protection from employers, places them at the top of the employment structure. However, they account for only around 10 per cent of the workforce. Temporary salaried workers[6] and the self-employed earn considerably less followed by casual or daily-wage workers.

Table 1: India's workforce structure and earnings, 2018-19

	Share in workforce (%)	Monthly earnings (Rs)
Permanent salaried	11.4	28,900
Temporary salaried	10.5	10,700
Self-employed	48.3	15,600
Daily wage worker (Casual)	29.9	8,700

Source: Azim Premji University, 2021

Clearly, the fact that a very small proportion of workers is engaged in regular formal employment (i.e., the best form of employment), reflects the overall conditions of the quality of employment in India. It also implies that only this category of workers would have had the financial wherewithal to cope with an income shock such as the one generated by the pandemic-induced lockdown. Thus, other categories of workers are likely to have been particularly vulnerable, albeit to varying extents, to the Covid-19 shock.

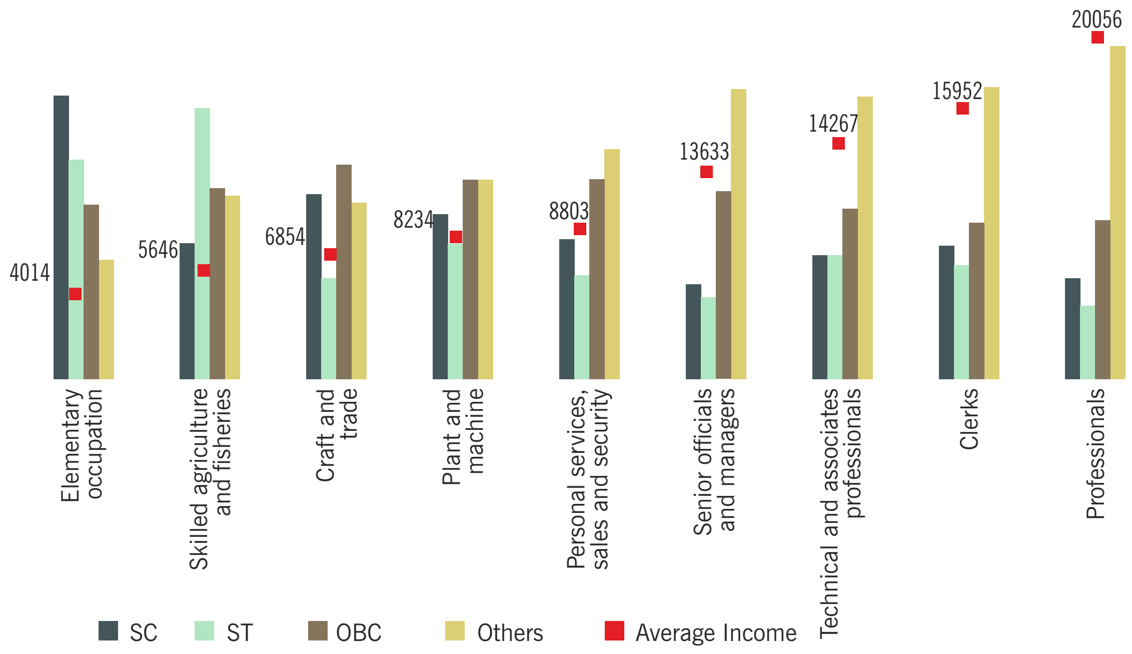
[5] India does not have a publicly available data source on household incomes. However, some official data on labour earnings at the national level are available in the Periodic Labour Force Survey (PLFS). In addition, regular income data is available from CMIE-CPHS, a private dataset, since 2014.

[6] This is referred to as regular wage informal workers in official statistics (PLFS).

B) Social identity-based employment and wage gaps

Data shows that there is a strong correlation between low-quality jobs, low earnings and people from historically marginalised communities such as *Dalits* and *Adivasis* (Thorat, Madheswaran and Vani, 2021). The Indian labour market is split into formal and informal sectors based on closely mirrored hierarchies and discriminations of caste, religion and gender (Naskar, 2020). A majority of informal sector workers are casual, self-employed, and migrant workers, and belong to the *Dalit, Adivasi, Pasmanda* and *Bahujan* communities (NCDHR, 2020). The high rates of economic growth in the last two decades and structural change in the economy notwithstanding, the Indian labour market continues to suffer from large and persistent gender, caste and religion-based disparities. As per available data, in 2015, Scheduled Castes and Scheduled Tribes were over-represented in low-paying occupations and severely under-represented in high-paying occupations, especially among professionals and managers. Conversely, as Figure 1 makes clear, representation of upper-caste groups steadily increases with earnings, and they are generally over-represented among professionals, managers and clerks, that is, in occupations requiring higher levels of formal education. This situation has not changed substantially since 2011 (State of Working India, 2018).

Figure 1: SC and ST groups over-represented in poorly paid occupations, 2015



Notes:

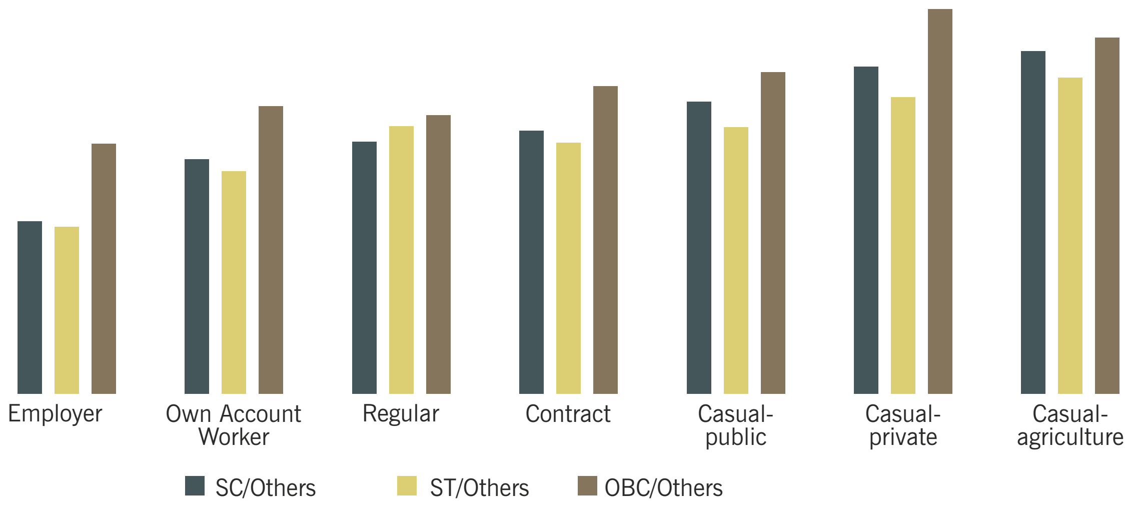
I) A representation index can be calculated as the ratio of the share of that caste group in an occupation divided by the share of that caste in the entire workforce. Thus, a value of 1 indicates proportional representation, a value less than 1 indicates under-representation, and a value greater than 1 indicates over-representation. For example, if SC groups comprise 20 per cent of the workforce but only 10 per cent of professionals, the under-representation index will be 0.5. A value of 0.5 indicates that the percentage of SC individuals is half their representation in the general population. The situation is worse among ST groups (0.4).

ii) Numbers indicate average monthly earnings for a given occupation.

Source: State of Working India, 2018, Azim Premji University

Caste-based employment segregation tends to have a strong effect on the caste earnings gap as well. While there is a large variation in the raw gap averages across different types of employment (Figure 2), the aggregate raw earnings gap (i.e., across all types of employment taken together) between SCs and upper castes in 2015 was 0.56. That is, average SC earnings were 56 per cent of upper caste earnings. The figure is 55 per cent for ST groups and 72 per cent for Other Backward Classes (OBCs). Surprisingly, a relatively larger gap is observed among casual workers in public work programmes such as MGNREGS, compared to private casual labour, perhaps implying that caste discrimination somehow plays a role in payments made to casual workers in public works (State of Working India, 2018).

Figure 2: Caste earnings gap across employment status, 2015



Note: Earnings gap = Ratio of SC, ST or OBC earnings to Others' earnings. A larger ratio indicates a smaller gap. Bars are ordered by increasing SC to others ratio.

Source: State of Working India, 2018, Azim Premji University

Expectedly, in such a scenario, stringent nationwide lockdown(s) with a total cessation of economic activities during some months (as happened in India) are likely to leave a large segment of the informally employed, including those in small and medium enterprises, vulnerable to job and livelihood losses. Marginalised caste and ethnic groups are likely to face a deeper economic crisis given the social identity-based employment and wage gaps that persist till date. It is in this background that we look at the impact the stringent lockdown and continued contraction of the economy had on employment and livelihoods, even after the unlocking process began.

Section II:
Impact of the pandemic-induced lockdown and phased unlock process on employment and earnings

A) An overview of unemployment and informality in the labour market

A number of independent surveys conducted during the stringent lockdown and beyond (in some cases), with sample sizes ranging between a few hundred to several thousand, point towards a spike in job losses and a high rate of unemployment during the lockdown months. Most such surveys are purposively designed to cover weaker and vulnerable sections of the population, such as informal sector workers, migrant workers, low-income households, etc. Some of the surveys with around 4,000 respondents or more[7] show that the extent of job losses and decline in incomes from work was indeed dramatic. For instance, a report based on a survey of around 47,000 low-income households in 15 states[8], conducted between April 5 and June 3, 2020, shows that in 52 per cent of the households surveyed, the primary income earners had lost work during the lockdown (Dalberg, 2020).

Similarly, another survey of 11,530 informal workers, including migrant workers, conducted between May 4 and May 17, 2020 across 21 states, found that 75 per cent of the respondents faced a loss of livelihood, with the rate being as high as 78 per cent in urban areas and 58 per cent in rural areas (ActionAid, 2020 a).

A survey conducted by Azim Premji University between April 15 and May 15, 2020 across 12 states, with a sample size of a little less than 5,000 respondents, comprising vulnerable households from marginalised communities working in the informal sector, shows that around 66 per cent of the respondents had lost employment during the lockdown. The impact was greater in urban areas with 80 per cent losing employment in urban areas as opposed to 56 per cent in rural areas (Centre for Social Employment, Azim Premji University, 2020a; Kesar et al., 2020).

Some surveys use random rather than purposive sampling. One such survey by Bhalotia et al. (2020) consisting of 8,530 urban workers between the ages of 18 to 40 years, conducted between May 14 and July 8, 2020 across three states[9], shows that 21.7 per cent were unemployed or reported zero hours of work during the May-July 2020 period. Further, after counting those who had not been working since the start of the lockdown and had received zero pay in April (the first full month of the lockdown), it was found that 52 per cent of urban workers went without work or pay during the lockdown, i.e., from April to July 2020.

A few surveys, e.g. Azim Premji University's Covid Livelihoods Phone Survey (CLIPS) and surveys by ActionAid were also conducted in multiple rounds and provide a sense of the recovery after the lockdowns were lifted. ActionAid Round Two (August), which surveyed around 17,000 individuals[10], found that the proportion of jobless workers dropped to 48 per cent in August from 78 per cent during the lockdown. However, around 42 per cent of the workers who resumed employment post-lockdown

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[7] Many independent surveys with sample size less than 4,000 are available. See Azim Premji University,2021, for details of these surveys.

[8] The states are Assam, Bihar, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Telangana, Uttar Pradesh and West Bengal

[9] The states are Bihar, Jharkhand, and Uttar Pradesh

[10] Of which 4,800 respondents were from Round 1

reported being only partially employed (ActionAid 2020 b). Similarly, Azim Premji University's Covid Livelihoods Phone Survey (CLIPS) re-interviewed 2,778 respondents from the first round during the months of October, November and December 2020. It found that although 79 per cent of those who had lost their jobs during the lockdown had regained employment, nearly 20 per cent were still unemployed, having not found work even for a day six months later.

Table 2: Job losses reflected in different surveys

Source	Period of survey	Loss of jobs (in %)
	Purposive sample surveys	
Dalberg	April to May 2020	52
CSE-APU (Round 1)	April to May 2020	66
ActionAid (Round 1)	May 2020	75
CSE-APU (Round 2)	October to December 2020	20
ActionAid (Round 2)	June 2020	48
	Others including random sample surveys	
Bhalotia et al.	May to July 2020	52
Bertrand et al.	-	42
World Bank	-	43

Source: Compiled from various surveys

Using the CMIE-CPHS panel, Bertrand et al. (2020) found that although unemployment rates[11] returned to pre-lockdown levels by October 2020, workforce participation rates were still about two to three percentage points below pre-lockdown levels. Similarly, the World Bank (2020), which also uses the CMIE panel data, found that 43 per cent of those employed in December 2019 had lost employment by April 2020. And while 95 per cent of the December 2019 workforce was back in employment by August 2020, the recovery was accompanied by transitions of the workforce into informal employment, particularly self-employment[12].

These surveys provide valuable insights into the impact that the pandemic-induced lockdown and the graded un-lockdown thereafter had on employment and livelihoods. However, most of these surveys were carried out at certain specific times and are purposive in nature. Hence, they cannot be generalised for the whole population. Nor do they provide a view of the transition from the pre-Covid period to the lockdown period and the un-lock phases thereafter.

[11] Unemployment rate (UR) is defined as the percentage of unemployed persons in the labour force.

[12] Nearly 30 per cent of those who had formal jobs in April were engaged as self-employed in August; See World Bank, 2020

Tracking the economic impact of the pandemic requires data that is comprehensive and representative. Thus, studies based on CMIE's Consumer Household Pyramids Survey (CPHS) data, which is claimed[13] to be a nationally representative survey of 1,74,405 households, reveal how employment and livelihoods have fared over a longer term and for different categories of workers. This is possible as CPHS data provides a high-frequency panel[14] survey of households (sample households normally remain the same over time, with each household being interviewed thrice a year). The latest income data available from this survey is for December 2020, released in March 2021.

According to CMIE, the country witnessed its highest unemployment rates of 23.5 per cent and 21.7 per cent during the months of the stringent lockdown, i.e. in April 2020 and May 2020, respectively. In absolute terms, about 10 crore jobs were lost during the nationwide lockdown in April and May 2020. With the easing of lockdown restrictions since June 2020 and revival of economic activity, "by July 2020 most of the loss in employment had been recovered. However, subsequently, there has been a stagnation with the total workforce staying on average around 15 million below its February 2020 level" (Azim Premji University, 2021; p. 56). In other words, even when the rate of unemployment declined after the easing of the lockdown, at least 1.5 crore people either remain unemployed or were no longer in the workforce and hence not counted among the unemployed.

Further, the recovery in employment after the phased lifting of the lockdown was driven by large increases in informal, non-salaried employment, which are more precarious than formal, salaried permanent jobs. As the report State of Working India (2021) notes, post-lockdown the labour market has been characterised by significant flux, such that even salaried workers moved into self-employment and daily wage work (Azim Premji University, 2021).

More specifically, nearly half of India's formal salaried workers moved into informal work, either as self-employed (30%), casual wage (10%) or informal salaried (9%) workers, between late 2019 and late 2020 (Azim Premji University, 2021; p. 56). Similarly, even among temporary salaried workers, about 30 per cent moved into self-employment arrangements by December 2020.

This flux in the labour market, characterised by both the loss of jobs and increased informalisation in the recovery phase, has led to a severe decline in earnings across different categories of workers and households.

While the purposive survey-based reports show that the pandemic has led to severe loss of employment and earnings for informal workers (the poorer and marginalised sections of the population), the nationally representative data points to the fact that all categories of workers, including the relatively more protected salaried workers, have had to transit to more precarious forms of employment and faced a loss in earnings (World Bank, 2020; Azim Premji University, 2021).

However, the cost has not been borne evenly, as a disproportionate burden has fallen on the economically and socially disadvantaged sections of the population, such as women, *Dalits* and *Adivasis.*

[13] See Drèze, J. and Somanchi, A., 2021a and Drèze, J. and Somanchi, A., 2021b for details

[14] I.e., the sample households normally remain the same over time

B) Differential impact on employment of vulnerable sections of the population

i) Impact by gender

As mentioned above, at the aggregate level, much of the loss in employment had recovered by July 2020, but the trend and trajectory of the recovery have been very different for men and women. Data shows that 90 per cent of men who were employed prior to the pandemic (in late 2019) were back in employment by late 2020. For women, however, the situation is very different, with only 50 per cent of those who were employed in the pre-pandemic period back in employment a year later (Azim Premji University, 2021). These trends are also reflected in various purposive surveys conducted during the nationwide lockdown in April and May 2020 as well as in studies using nationally representative CHPS survey data. Deshpande (2020), using CMIE-CPHS data, reports larger absolute losses in employment for men compared to women in April. The analysis also points to a greater likelihood of women losing work and a slower recovery post-lockdown.

In terms of employment trajectories, the contrast in employment experiences between men and women is stark, with losses being much higher (in proportionate terms) and the recovery much slower for women compared to men. While 61 per cent of men followed the no-effect trajectory over this period — meaning, they did not lose their jobs — the corresponding figure for women was only 19 per cent. Further, while only 7 per cent of men followed a no-recovery trajectory (i.e., they continue to remain unemployed), the figure for women is 47 per cent. Women were also much more likely to also experience a delayed job loss, even after unlocking began, relative to men.

ii) Impact by caste and ethnicity

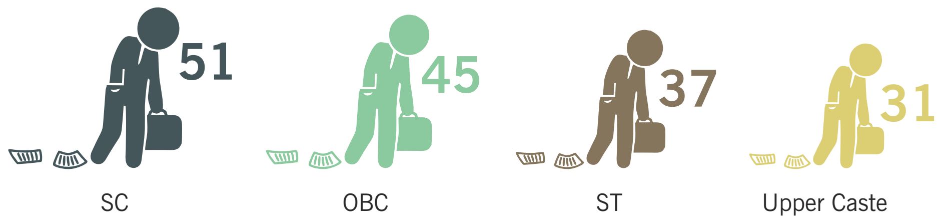
- ***Dalit* workers more vulnerable to job losses during the lockdown**

Evidence from the nationally representative CMIE-CPHS survey as well as from some of the purposive sample surveys shows that *Dalits*, and to some extent *Adivasis,* were relatively more affected[15] among workers broadly categorised into four caste groups - Scheduled Caste (SC), Scheduled Tribe (ST), Other Backward Castes (OBC)[16] and general category (GC) or upper caste. As figure 3 below shows, 51 per cent of *Dalit* workers lost their jobs during the months of the strict lockdown, while at the other end, relatively far fewer upper-caste workers lost their jobs. “The relatively less drastic impact for *Adivasis* (out of all the non-upper caste categories) could be partly explained by higher dependence on agriculture, which was least impacted in terms of employment loss” (Azim Premji University, 2021; p. 67).

[15] I.e., conditional on the fact that they were employed prior to the Covid pandemic

[16] Terminology used in Azim Premji University, 2021

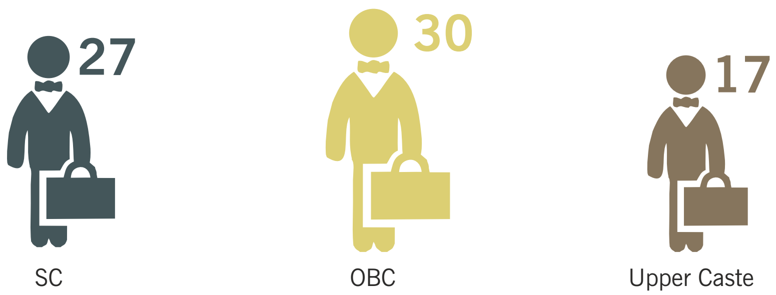
Figure 3: Relatively higher job losses among Dalit workers during the lockdown months (%)



Source: Based on Azim Premji University, 2021

While the disproportionate burden of job loss has fallen on *Dalit* workers, the recovery, too, has been relatively stronger for underprivileged caste workers compared to general category workers. As figure 4 below makes clear, while 27 per cent of SC workers and 30 per cent of OBC workers recovered jobs, the corresponding figure was 17 per cent for upper caste or general category caste workers. Analysts note that both the higher likelihood of job loss as well as recovery for these caste groups can potentially be explained by their involvement in relatively more informal and flexible work, characterised by ease of entry and exit. In other words, the relatively greater likelihood of *Dalit* workers (and other marginalised caste workers) losing work during the lockdown vis-a-vis upper caste workers, as well as their recovery from the job loss thereafter, can be explained by the differences between social identities "in terms of the type of work they do (permanent salaried versus daily wage, for example) or the industry they work in (which may have been more or less affected by the lockdown)" (Abraham et al., 2021).

Figure 4: Recovery of jobs by caste (%)



Notes: i) The source does not provide data for STs for this period;
ii) Data is for December 2019 to December 2020
Source: Azim Premji University, 2021

The relatively stronger recovery of jobs among *Dalit* and *Adivasi* workers, however, is only one part of the impact. What is equally important is the type of work (i.e., more precarious and associated with lower earnings) that such workers have transitioned into when recovering from lockdown-induced job losses. This is what we examine in the next subsection.

- **A relatively larger proportion of *Dalit* and *Adivasi* workers moved into more precarious and low-paid employment**

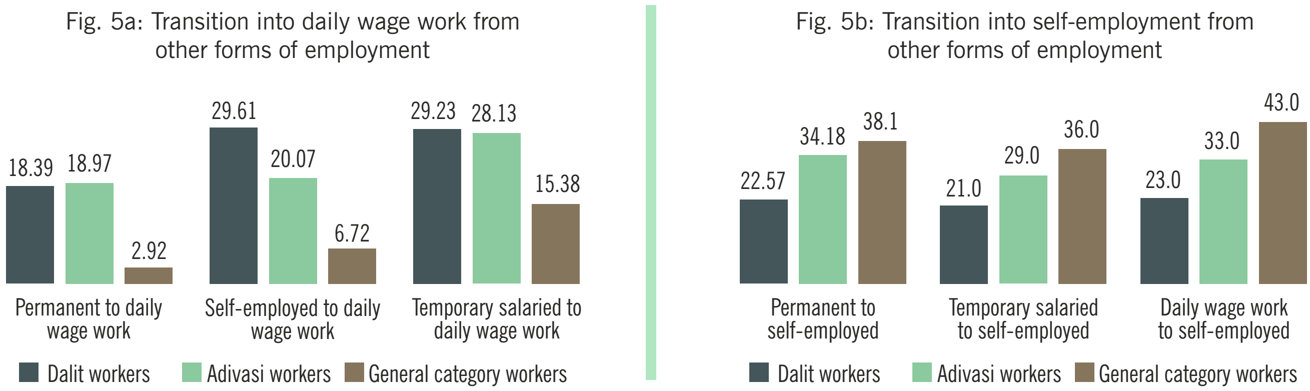
As mentioned earlier, there are clear hierarchies among different types of employment arrangements with permanent salaried jobs being the most stable and daily-wage work being the most precarious. In terms of earnings, permanent salaried employment is followed by self-employment, temporary salaried and finally casual/daily wage workers. Thus, casual/daily wage employment is the most precarious as well as the least remunerative.

The lockdown and the weak recovery of the economy thereafter have brought about a significant churn in the labour market, with employment recovery being led by increased informal employment. A comparison along the lines of caste of the nature of transitions between September and December 2019 and the same period in 2020 (i.e., before and after the lockdown) shows that the pandemic widened the gulf in quality of work between caste groups.

This is evident from the fact that there is a significant difference in the kind of employment arrangement accessible to different caste groups. Thus, compared to upper castes, *Dalit* and *Adivasi* workers are much more likely to transition to casual/daily wage work from various other categories. On the other hand, for general category workers, "self-employment, which is relatively better than daily wage work in terms of the associated earnings, is more likely to act as fallback" (Azim Premji University, 2021: p. 90).

As figures 5a and 5b show, while in the case of *Dalit* (SCs) or *Adivasi* (STs) workers, anywhere between 18 to 30 per cent moved into daily wage work from other forms of employment, among general category groups, only between 3 to 15 per cent transitioned to daily wage employment from various other categories of employment. Looking specifically at the proportion that transitioned from the best form of employment (i.e. permanent salaried jobs) to the worst form of employment (daily wage work), shows that about 18 per cent of *Dalit* or *Adivasi* workers moved from permanent salaried work to daily wage work, whereas a much smaller proportion (3 per cent) of general category workers moved from permanent salaried work to daily wage work.

Figures 5a and 5b: Transition into more precarious work for *Dalits* and *Adivasis* vis-à-vis general category workers (%)



Note: i) Data is for the period from December 2019 to December 2020

Source: Based on Azim Premji University, 2021

On the other hand, a much higher proportion of the privileged castes moved to self-employment (43 per cent from daily-wage, 38 per cent from permanent salaried and 36 per cent from temporary salaried work arrangements). In contrast, among *Dalits*, a much lower percentage of daily-wage workers (23 per cent), permanent salaried workers (23 per cent) and temporary salaried work workers (21 per cent) moved to self-employment. Further, "while 82 per cent of general category self-employed workers before the pandemic continued to be in this arrangement post the pandemic, the arrangement was much less stable for *Dalits* and *Adivasis*, with only 60 and 75 per cent continuing to be in this arrangement" (Azim Premji University, 2021: p. 91).

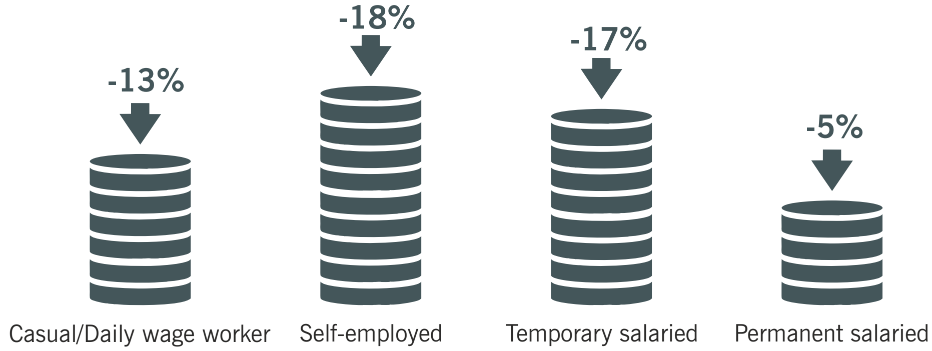
It is very clear that compared to the pre-pandemic period, the difference among castes has become more pronounced during the pandemic. In other words, the pandemic widened the gulf in quality of work between caste groups and the economic distress has exacerbated the pre-existing disadvantageous structures based on social identities.

To sum up, when it comes to social identities and job loss, the findings show the dominant impact was felt by women, who are far more likely to have lost employment in April 2020 compared to men, even after controlling for the nature and industry of employment. The effect in terms of caste seems to be explained by the differences between social identities in terms of the type of work they do (permanent salaried versus daily wage, for example) or the industry they work in (which may have been more or less affected by the lockdown) (Azim Premji University, 2021).

C) Earnings in informal jobs impacted to a larger extent

The sharp rise in job losses during the lockdown months, followed by the recovery in jobs that are mainly informal in nature, has meant that earnings have fallen for all categories of workers. Earnings data available from the CMIE-CPHS survey shows that compared to September-October 2019, median earnings across all categories of workers declined in the September-October 2020 period. However, it is those employed in informal jobs who have witnessed the larger decline in earnings, while those in permanent salaried work have registered the smallest decline (Figure 6).

Figure 6: Fall in monthly earnings for different employment categories



Note: Data is for the period September–October 2019 to September–October 2020.
Source: Based on Azim Premji University, 2021

What needs to be pointed out here is that the aggregate earnings decline figures mask the extent of loss in earnings for workers transitioning from one category of work (usually higher) to another, lower category of work. Thus, for instance, the highest fall in earnings (around 40 per cent) was experienced by individuals who transitioned from permanent salaried work into self-employment, daily wage-work or temporary work. Self-employed and temporary workers moving into daily-wage work faced an income loss of nearly 10 per cent.

Earnings of workers who remained in the same kind of employment, too, were adversely affected. "Thirty-five per cent of the workforce were self-employed in both time periods and experienced a fall in median earnings by 15 per cent. Similarly, for daily wage workers who remain as daily wage workers and account for 18 per cent of the workforce, there was a similar fall in median earnings by 11 per cent" (Azim Premji University, 2021).

Smaller surveys, too, allude to a large drop in earnings among different categories of workers. For instance, Bhalotia et al. (2020) report that on average, incomes fell by 48 per cent after the lockdown in April-May, compared to the pre-Covid labour income in January-February. Further, the loss in earnings for informal workers was relatively higher, to the extent of 63 per cent compared to 17 per cent for formal workers, with informal workers in the bottom quintile experiencing nearly 77 per cent drop in earnings.

Clearly, a large proportion of the working population suffered a significant loss in earnings even after the lockdown was lifted and the situation continued well into late 2020. The next section looks at what the loss in livelihood and earnings has meant for household level income, hunger and indebtedness.

D) Incomes of poorer households worst affected

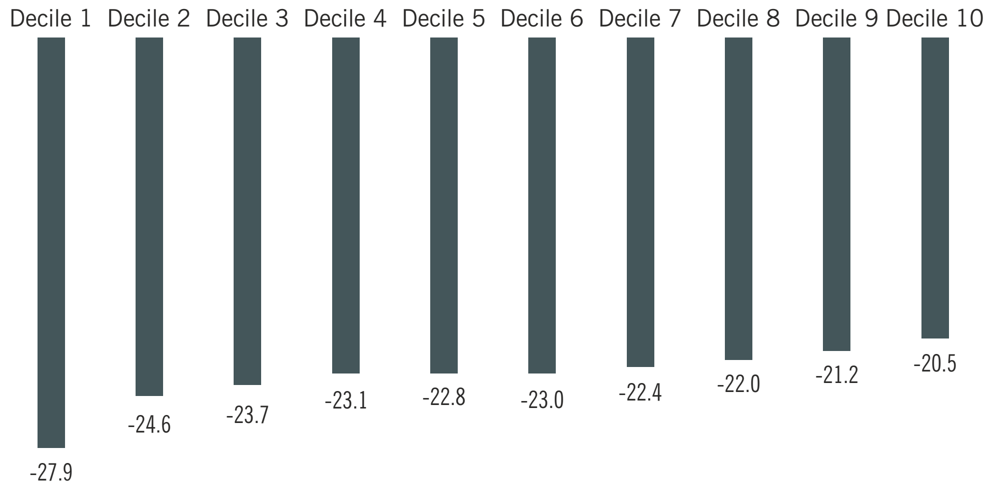
Indeed, as CMIE-CPHS data shows, compared to the immediate pre-pandemic levels, average monthly incomes for households declined by as much as 30 per cent in real terms in April 2020. At the same time, the sharp drop in household income during the lockdown months was reversed to a large extent and household earnings were more or less back at pre-pandemic levels by October 2020.

The recovery of incomes post-June 2020 can give the impression that the decline in incomes witnessed during the April-May lockdown period, though sharp, was temporary. This, however, is misleading as incomes lost often leave a long-term impact in terms of higher debt (or depleted savings), "which must be paid back by curtailing future consumption and investment" (Azim Premji University, 2021; p. 110). Thus, even though income levels (say October) are almost back to pre-pandemic levels, the future negative effects on the households' precarious situation is likely to continue. Hence, the cumulative loss of income over the pandemic provides a better sense of the likely longer term impact on households.

In fact, when seen in terms of cumulative loss of income, the available evidence shows that the impact on household incomes has been regressive and caused a surge in poverty. Arranging households from the lowest to the highest incomes into ten equal-sized groups (deciles), shows that the cumulative income loss during the Covid months as compared to pre-Covid months is higher for the lower deciles and decreases for the higher deciles (Figure 7).

On average, the bottom decile experienced a 28 per cent drop in income, which drops to 20.5 per cent for the top decile. "While the difference of a few percentage points between the poor and the relatively well-off may not appear too significant, it is it is worth remembering that for an average household of four members in the bottom decile, the proportionate loss of 27 per cent translates in absolute terms to a decline of Rs 15,700, or just over two months' income. And this loss is on a very low base to begin with, thus implying a severe reduction in welfare during the Covid period" (Azim Premji University, 2021; p. 114).

Figure 7: Regressive trend of fall in household income (%)



Note: Data shows the situation in the March to October 2020 period compared to the July 2019 to February 2020 period
Source: Author's calculation based on Azim Premji University, 2021

Smaller Covid-19 impact surveys, too, confirm this regressive trend. The Dalberg survey, for instance, found that households in the lower quintiles were harder hit, with the bottom 20 per cent reporting a 71 per cent loss compared to 51 per cent for the top quintile (Dalberg, 2020). In short, losses were disproportionately borne by the poorest — the bottom 10 per cent of India's households lost 30 percentage points more of their income than the top 10 per cent.

In this background, the stringent national lockdown that resulted in a crisis of livelihoods is also likely to have resulted in a crisis of food security and indebtedness.

E) Problems of growing hunger and increasing indebtedness

The large-scale loss of livelihoods and massive decline in earnings, particularly among the less-privileged segments of the population, can be expected to have significant adverse impacts on the food security and indebtedness of such households.

While there is no nationally representative survey data available to indicate the extent of food insecurity experienced by different kinds of households and the comparison between them, some of the purposive surveys do give an idea of the degree to which food insecurity worsened by October 2020. Besides, given that the worse-off sections of the population spend a larger proportion of their income on necessities compared to the better-off sections, a drop in household income from already-low levels is likely to affect these households' access to food relatively more.

The first round of surveys by Azim Premji University carried out in the period between April 15 and May 15, 2020 found that 77 per cent of the sample households (83 per cent urban and 73 per cent rural households) were consuming less food than before. The situation remained dire even in the period between October–December 2020, with 60 per cent of the households sampled continuing to consume less food compared to the pre-lockdown period. Similar trends are visible across a number of such surveys.

The situation was worse among disadvantaged groups such as informal workers, including migrant workers. For instance, ActionAid, 2020a reported that more than one-third of nearly 10,000 informal workers were eating less than two meals a day in May. The Hunger Watch Report 2021 by the Right to Food Campaign found that 66 per cent of around 4,000 samples of vulnerable sections of the population (across 10 states and one union territory) had less to eat compared to the pre-pandemic period, even five months after the lockdown was lifted (Table 3).

Table 3: Heightened food insecurity

Source	Survey Period	Proportion of HHs affected (%)
	Eating less food than before (%)	
CSE-APU (Round 1)	April-May 2020	77
ActionAid (Round 1)	May 2020	67
Hunger Watch	October 2020	53
CSE-APU (Round 2)	October to December 2020	60
	Eating less than two meals a day (%)	
ActionAid (Round 1)	May 2020	34
ActionAid (Round 2)	June 2020	19

Source: Adapted from Drèze and Somanchi, 2021a

In fact, the Hunger Watch Report 2021 also points to greater food insecurity among all the socially vulnerable groups identified in the survey, such as single-women-headed households, survivors of domestic violence, older persons without caregivers, *Dalits, Adivasis*, transgender and sexual minorities, etc. The report also found that even within the vulnerable groups, *Dalits*, Particularly Vulnerable Tribal Groups (PVTGs), Muslims and survivors of domestic violence have witnessed particularly sharp declines in food intake (Table 4).

Table 4: Greater food insecurity among, *Dalits*, Vulnerable Tribal groups

Issues	Single Women Headed HHs (%)	Disabled Persons in the HH (%)	Older Persons without Caregivers (%)	Survivors of Domestic Violence (%)	Transgender and Sexual Minorities (%)	*Dalits* (%)	*Adivasis* (%)	PVTGs (%)	Muslims (%)
Decline in food consumption									
Consumption of rice/wheat "decreased a lot" in October 2020	28	21	32	46	7	30	13	22	3
Consumption of dal "decreased a lot"	35	24	39	44	7	35	18	37	34
Went to bed without a meal at night at least once	56	44	58	60	22	51	37	54	60
Had to skip a meal at least once	52	57	35	60	22	54	39	49	59
Nutritional intake adversely affected									
Had to skip meals "sometimes" or "often"	33	22	42	42	15	40	20	34	37
Nutritional quality of food had become "much worse"	42	37	44	50	37	52	27	34	52
Nutritional quantity of food has "decreased a lot"	36	28	36	42	11	39	14	35	40

Note: HH stands for Households
Source: Adapted from Right to Food Campaign, 2021

Similarly, surveys also find that a large number of households had no option but to borrow to be able to meet their daily needs. For instance, the survey by Azim Premji University found that 43 per cent of respondents reported having to borrow to meet expenses. Further, the survey shows that it is the poorer households that were likely to borrow more. What is striking is that the amount borrowed by these households was a much higher multiple of their pre-pandemic incomes compared to better-off households (Table 5). Another survey of low-income households found that the median debt accumulated as of late May was 67 per cent of the pre-lockdown monthly household income, with that figure reaching 100 per cent for the poorest households (Dalberg, 2020).

Table 5: The poorest households took the largest loans relative to their earnings

	Overall	Bottom 25%	Second 25%	Third 25 %	Top 25%
Median Income in February 2020 (Rs)	8,500	4,000	7,000	10,000	18,000
Loan Amount (Rs)	18,000	12,000	15,000	20,000	30,000
Ratio	2.1	3.8	2.1	2	1.4

Source: Azim Premji University, 2021

Section III:
Broad contours of the Union Government's relief package

Given that the bulk of India's workforce, especially *Dalits* and *Adivasis*, is dependent on the informal economy for their livelihoods (which makes them vulnerable to losing their livelihood in situations such as the lockdown), the government's policy response to protect and support livelihood of the people becomes extremely critical. The extent as well as the nature of the response, in terms of whether they help to compensate for and protect loss of livelihoods in the immediate term or they become effective only in the medium to longer term in creating opportunities for livelihood generation, are equally important. Otherwise, as many have noted, it can reinforce and accentuate pre-existing trends" of income inequality.

The economic relief package announced by the Union Government came in several tranches, beginning end March 2020, when the *Pradhan Mantri Garib Kalyan Yojana* (PMGKY) was announced. This was followed in May 2020 by the *Atmanirbhar Bharat Abhiyan* (ABA) package, which came in five tranches, and by some additional measures in October and November 2020.

Box: Details of the Union Government's Covid-19 Package

Details of *Pradhan Mantri Garib Kalyan Yojana*[17]

The first package, the *Pradhan Mantri Garib Kalyan Yojana,* which was announced in late March 2020, consisted of several welfare measures directed mainly at the poor. It included both cash as well as in-kind transfers, details of which are given below.

- 80 crore poor people to be given 5 kg of wheat or rice and 1 kg of preferred pulses for free every month for three months under the PM *Garib Kalyan Anna Yojana*
- 20 crore women *Jan Dhan* account holders to get Rs 500 per month for three months
- 8 crore poor families to be provided gas cylinders, free of cost, for three months under the PM *Ujjwala Yojana* (PMUY) scheme
- Increase in MNREGS wage to Rs 202 a day from Rs 182 to benefit 13.62 crore individuals
- An ex-gratia payment of Rs 1,000 to 3 crore poor senior citizens, poor widows and poor disabled
- A subsidy support scheme to incentivise the creation of new employment opportunities in the organised sector during the Covid-19 recovery phase. Benefits under the new scheme to be availed by (i) any new employees joining Employees' Provident Fund Organisation (EPFO)-registered establishments on monthly wages of less than Rs 15,000 and (ii) EPF members drawing monthly wages of less than Rs 15,000 who had exited employment during the Covid-19 pandemic between March 1 and September 30 and were employed after October 1, 2020.
- Payment of Rs 2,000 front loaded to farmers in the first week of April under the PM *Kisan Yojana* to benefit 8.7 crore farmers

[17] Press Information Bureau, 2020: https://www.mohfw.gov.in/pdf/MoFPMGaribKalyanYojanaPackage.pdf

- Limit of collateral-free lending increased from Rs 10 lakh to Rs 20 lakh for 63 lakh Self Help Groups (SHGs) organised by women
- State Governments asked to use Building and Other Construction Workers' Welfare Fund to provide relief to Construction Workers
- Insurance cover of Rs 50 lakh per health worker fighting Covid-19 under an Insurance Scheme
- State Governments asked to utilise funds available under the District Mineral Fund (DMF) to supplement and augment facilities for medical testing, screening and other requirements to prevent the spread of Covid-19 as well as treat patients affected by the pandemic.

Details of *Atmanirbhar Bharat Abhiyan* Package[18]

The total *Atmanirbhar Bharat Abhiyan* Package was announced in a graded manner. While the first package was announced from May 13 to 17, 2020, Package 2.0 was announced on October 12, 2020, and finally, *Atmanirbhar Bharat* Package 3.0 on November 12, 2020.

***Atmanirbhar Bharat Abhiyan* Package 1.0**

- Rs 30,000 crore Additional Emergency Working Capital Funding for farmers through NABARD
- Rs 45,000 crore Partial Credit Guarantee Scheme 2.0 for NBFCs, HFCs and MFIs for fresh lending to MSMEs and individuals
- Rs 30,000 crore Special Liquidity Scheme for NBFCs/HFCs/MFIs
- Rs 3 lakh crore Collateral-Free Automatic Loans for Businesses, including MSMEs
- Rs 90,000 crore liquidity injection for DISCOMs
- Rs 5,000 crore credit facility for Street Vendors.
- Rs 70,000 crore boost to housing sector through extension of Credit Linked Subsidy Scheme under PMAY (Urban)
- Rs 2 lakh crore concessional credit to 2.5 crore farmers under Kisan Credit Card scheme
- Rs 40,000 crore for MGNREGS to provide employment.
- Rs 20,000 crore for PM *Matsya Sampada Yojana* for fisherfolk
- Rs 1 lakh crore for an Agri Infrastructure Fund for farmers

***Atmanirbhar Bharat Abhiyan* Package 2.0**

- Leave Travel Concession (LTC) Cash Voucher Scheme for government employees
- Special Festival Advance Scheme for government employees
- Special Assistance to States: Interest-free 50-year loan of Rs 12,000 crore from the Central Government
- Additional capital expenditure of Rs 25,000 crore by the Central Government

[18] Press Information Bureau, 2020: https://pib.gov.in/PressReleasePage.aspx?PRID=1680343

Atmanirbhar Bharat Abhiyan Package 3.0

- *Atmanirbhar Bharat Rozgar Yojana*: A new scheme to incentivise job creation during the Covid-19 recovery.
- Emergency Credit Line Guarantee Scheme for MSMEs, businesses, MUDRA borrowers and individuals (loans for business purposes) extended till March 31, 2021.
- Production Linked Incentive worth Rs 1.46 Lakh crore to 10 champion sectors
- Rs 18,000 crore Additional outlay for PM *Awaas Yojana* – Urban (PMAY-U): It will help ground 12 lakh houses and complete 18 lakh houses, while creating an additional 78 lakh jobs.
- Platform for Infra Debt Financing: Rs 6,000 crore equity investment on the debt platform of the National Investment and Infrastructure Fund (NIIF), to help NIIF provide debt of Rs 1.1 Lakh crore for infrastructure projects by 2025.
- Support for Agriculture: Rs 65,000 crore for subsidised fertilisers: to ensure increased supply of fertilisers to farmers and enable timely availability of fertilisers.
- Boost for Rural Employment: Additional outlay of Rs 10,000 crore provided to the PM *Garib Kalyan Rozgar Yojana* to generate rural employment.
- Boost for Project Exports: Rs 3,000 crore boost provided to EXIM Bank to promote project exports
- Capital and Industrial Stimulus: Rs 10,200 crore additional budget for capital and industrial expenditure on domestic defence equipment, industrial, infrastructure and green energy projects.
- R&D grant for Covid Vaccine: Rs 900 crore to be provided to the Department of Biotechnology to fund Research and Development of an Indian Covid Vaccine.

Together, these measures amount to Rs 29.87 lakh crore or around 15 per cent of GDP. However, a significant proportion of the economic package comprises credit guarantees and liquidity enhancing measures in the form of loan offers to peasants, to MSMEs and other affected sectors (CBGA, 2020). Indeed, of the total package, Rs 12.71 lakh crore is simply the credit disbursed by the RBI to banks and involves no additional spending by the government.

Other than this, there are several other measures that are in the nature of loans and credits (i.e., monetary policy measures), with no or very little additional spending by the government. For instance, in the measure to provide additional credit of Rs 2 lakh crore to farmers through Kisan Credit Cards (KCC), only about 1 per cent is actually additional direct spending by the government[19].

[19] SBI EcoWrap, 2020 b for details

A) Only a fraction of the package constitutes additional government spending

As a result, as explained below, a large part of the financial assistance promised by the government is not additional spending by the government and hence is not geared towards compensating and protecting people from loss of employment and livelihoods due to the pandemic-induced lockdown.

Even the fiscal response in terms of additional spending undertaken by the government, as mentioned in various packages, is inflated in many cases. This is due to the fact that while some measures simply involve frontloading of already-committed expenditure, others dovetail existing schemes into a new scheme and provide very little in terms of additional spending required protect as well as promote livelihoods.

- **Frontloading and arrear payment in some cases, not new spending:** Some measures, such as the PM *Kisan Samman Nidhi* (PM Kisan) scheme payments, simply front-load the benefits that poor farmers would have received in any case as per already budgeted allocations. As this does not amount to any additional fiscal spending, it does not help in addressing the livelihood crisis arising specifically due to the pandemic and the lockdown.

Likewise, the announcement to **increase in the MGNREGS daily wage rate by Rs 20** (to Rs 202) did not involve any additional resources as the wage increment was done as part of a routine yearly process of wage notification. **In fact, the "revised wages were notified three days before the relief package was announced and bore no connection with the additional emergency measures"** (Nandy, 2020).

- **Funds already allocated in the 2020-2021 budget announced as part of the relief package:** Similarly, the newly constituted PM *Garib Kalyan Rojgar Abhiyan* (PMGKRA), meant for creating livelihood opportunities of 125 days for the returned migrant workers, for the most part does not constitute any additional spending by the government. The new scheme, launched in June 2020 with a purported allocation of Rs 50,000 crore (Sarma and Sunder, 2020), merely brings under one umbrella 25 schemes already functional in rural India under different ministries and departments (Singh, 2020). In other words, it mostly aggregates funds already allocated under 25 schemes across 12 ministries in the 2020-2021 budget[20]. It was only in the third ABA package, announced in November 2020, that additional spending of Rs 10,000 crore was allotted to this scheme.

As table 6 makes clear, measures that constitute additional spending by the government (i.e., those that have a direct fiscal impact) form only a small proportion of the total financial package announced by the Union Government.

[20] Some employment opportunities offered under the original schemes include building gram panchayat bhawans, anganwadi centres, national highway works, railway works and water conservation projects. See, Sarma, Atul and Shyam Sunder, 2020 for details

Table 6: Only a fraction of stimulus measures have a direct fiscal impact

S. No.	Measures	Amount of the Package (Rs crore)	Direct Fiscal Impact (Rs crore)
1.	*Pradhan Mantri Garib Kalyan Yojana* (PMGKY) Package +	1,92,800	97,300
2.	*Atmanirbhar Bharat Abhiyaan* 1.0 (May 2020)	11,02,650	1,06,860
3.	PMGKP *Anna Yojana* - extension of 5 months from July-November 2020	82,911	60,000
4.	*Atmanirbhar Bharat Abhiyaan* 2.0 (October 2020)	73,000	40,000
5.	*Atmanirbhar Bharat Abhiyaan* 3.0 (November 2020)	2,65,080	1,47,900
6.	RBI measures announced till October 31, 2020	12,71,200	0
	Total (as % of GDP)	29,87,641 (15%)	4,74,971 (2.25%)

Note: *Pradhan Mantri Garib Kalyan Yojana* (PMGKY) Package + includes Rs 7,800 crore spent on tax concessions since March 22, 2020 and Rs 15,000 crore allocated to health in addition to Rs 1.7 lakh crore meant for the PMGKY Package

Source: Authors' calculation based on Ministry of Finance, 2020; Damodaran, 2020; SBI EcoWrap, 2020 a; SBI EcoWrap, 2020 b; SBI EcoWrap, 2020c and SBI EcoWrap, 2020d

B) Limited fiscal measures for the poor

However, a closer look at even the additional government spending announced in the package reveals that not all such measures necessarily help in either compensating or supporting livelihoods and earnings or in generating livelihood opportunities for the poor. For instance, some of the additional government spending announced in the package also includes measures such as expenditure on domestic defence equipment, an R&D Grant for the development of Indian vaccines, etc.[21], which, though important, do not necessarily help in either supporting livelihoods and earnings or generating livelihood opportunities for the poor, at least not in the short run.

Therefore, to understand what the package contains for the poor and the marginalised, it is important to delineate the additional fiscal measures further into three categories, in terms of what they are meant to achieve, such as whether they:

i) provide immediate relief to the poor be it in the form of cash or in-kind transfers

ii) compensate for and protect against job losses

ii) generate livelihood opportunities in the medium to longer term

[21] See SBI EcoWrap, 2020 d for details

While all these are important, what needs to be noted is that measures meant to generate livelihood opportunities for the poor in the medium to longer term do not provide immediate relief. As a result, while laudable, such measures do not help in ameliorating the livelihood crisis created by the pandemic and the lockdown.

Thus, public spending measures such as provisioning of free foodgrain to migrant workers for two months, dry rations to 80 crore poor people for eight months, Rs 500 to eight core women *Jan Dhan* account holders for three months, additional allocation to the MGNREGS, EPF based subsidies, a part of the interest subvention for Micro Units Development and Refinance Agency (MUDRA) *Shishu* Loans, etc., constitute the main additional fiscal support for livelihood compensation to the poor.

However, such measures form a relatively small part of the total package announced by the government. As table 7 makes clear, the overall fiscal cost of the stimulus package for immediate relief to the poor and to compensate and protect from job losses is about Rs 2.1 lakh crore that amounts to around 1.06 per cent of GDP, in which around 0.74 per cent of GDP is cash and in-kind transfers (Table 7). Even counting in the measures that fructify only in the medium to longer term, the fiscal cost of the measures for the poor amounts to 1.8 per cent of GDP. Given the scale of India's poverty, the severity of the impact of the lockdown, and the bullish growth prospects in the long term, much more should have been allocated for the poor.

Table 7: Fiscal measures offering benefits to the poor

S. No.	Package	Beneficiary	Beneficiary size	Stated measure	Amount As (Rs crore)	% of GDP
		Immediate relief measures: cash and in-kind transfers				
1	PMGKY	Individuals: Poor families (PDS)	80 crore individuals	Additional 5 kg wheat and/or rice/ person, 1 kg pulses/ household for 3 months	40,500	0.2
2.	PMGKY	Individuals: Poor families (PM *Ujjwala Yojana*)	8 crore households	Gas cylinder provided to each family for 3 months	13,000	0.07
3.	PMGKY	Individuals: Poor women (*Jan Dhan*)	20.4 crore women	Rs 500 per month through *Jan Dhan* for 3 months	30,600	0.154
4.	PMGKY	Individuals: Poor Widows, senior citizens, *divyang*	3 crore individuals	Rs 1,000 one-time payment	3,000	0.015
5.	*Atmanirbhar* Package 3.0	PMGKY *Anna Yojana* - extension of 5 months from July - November 2020	80 crore individuals	Additional 5 kg wheat and/or rice/ person, 1 kg pulses/ household for 5 months	60,000	0.3
	Sub-total				**1,47,100**	**0.74**

S. No.	Package	Beneficiary	Beneficiary size	Stated measure	Amount As (Rs crore)	% of GDP
		Measures that compensate for and protect from job losses				
6.	*Atmanirbhar* Package 1.0	Additional MGNREGS allocation			40,000	0.2
7.	*Atmanirbhar* Package 1.0	Businesses and Individuals: Small organised firms and employees	7.2 crore employees	24% of wage contribution in EPF account for workers with income <Rs 15,000 in businesses with < 100 workers	2,800	0.014
8.	*Atmanirbhar* Package 3.0	*Atmanirbhar Bharat Rojgar Yojana* (EPF subsidy support)			6,000	0.030
9.	*Atmanirbhar* Package 1.0	Subordinate Debt for Stressed MSMEs			4,000	0.020
10.	*Atmanirbhar* Package 3.0	Boost for Rural Employment			10,000	0.050
11.	*Atmanirbhar* Package 1.0	Interest Subvention for MUDRA *Shishu* Loans			1,500	0.008
	Sub-total				**64,300**	**0.322**
		Measures meant to generate opportunities for livelihood creation in the medium to longer term				
12.	*Atmanirbhar* Package 1.0	Fund of Funds for MSMEs			10,000	0.050
13.	*Atmanirbhar* Package 1.0	Housing CLSS-MIG*			3,000	0.015
14.	*Atmanirbhar* Package 1.0	Food Micro enterprises*			6,000	0.030
15.	*Atmanirbhar* Package 1.0	*Pradhan Mantri Matsya Sampada Yojana**			12,000	0.060
16.	*Atmanirbhar* Package 1.0	Operation Greens			500	0.003
17.	*Atmanirbhar* Package 1.0	Promotion of Herbal Cultivation*			1,200	0.006
18.	*Atmanirbhar* Package 1.0	Beekeeping Initiative			500	0.003

S. No.	Package	Beneficiary	Beneficiary size	Stated measure	Amount As (Rs crore)	% of GDP
19.	*Atmanirbhar* Package 1.0	Viability Gap Funding*			4,860	0.024
20.	*Atmanirbhar* Package 3.0	Housing for All - PMAY-U*			18,000	0.090
21.	*Atmanirbhar* Package 3.0	Boost for *Atmanirbhar* Manufacturing - Production Linked Incentives			29,000	0.146
22.	*Atmanirbhar* Package 3.0	Support for Agriculture - Fertiliser Subsidy			65,000	0.326
	Sub-total				**1,50,060**	**0.74**

Note: Fiscal impact for those marked with asterisk is taken as 60% as some of the expenditure will be shifted to next year

Source: Authors' calculation based on Ministry of Finance, 2020; Damodaran, 2020; SBI EcoWrap, 2020 a; SBI EcoWrap, 2020 b; SBI EcoWrap, 2020c and SBI EcoWrap, 2020d

C) Fiscal stimulus not commensurate with harsh impact

- Given that the fiscal package meant for the poor is fairly small, it falls far short of what was required to deal with the fallout of the pandemic on the livelihoods of people. For instance, as CMIE-CPHS data reveal, the poorest 10 per cent of households experienced a loss of Rs 15,700 over these months. **Thus, the size of cash support provided in the Union government's package over three months, amounting to Rs 1,500 for women *Jan Dhan* account holders, or Rs 3,000 pension for widows, elderly people (old age pension) and people with disabilities, covers less than or about 20 per cent of the income shock borne by vulnerable households.**
- Similarly, some Covid impact surveys show that even after receiving at least some free rations, with some households receiving the full 10 kg quota, more than 40 per cent of households continued to suffer from lower-than-pre-pandemic levels of consumption as late as in November 2020 (State of Working India, 2021). **The fact that the extra grains did not help in completely eliminating the consumption shortfall also points toward the inadequacy of the entitlements provided under the relief package.**

D) Problems with the one-size-fits-all approach

- Other than this, the package is also marred by other lacunae and does not take into account the pre-existing deprivation levels of the socially disadvantaged sections of the population and the differential impact the pandemic is likely to have on them. Thus, for instance, the package is mostly blind to the dynamics of the labour market, in particular the dominance of informal employment in the labour market, and provides minimal support in terms of providing rations for two months to migrant workers. Similarly, the cash support provided to poor families is not just small but also provided for a short period, completely missing the fact that the loss of livelihood has long-term ramifications for poor households, as mentioned in the previous section.

- The policy measures are also blind to women and other vulnerable sections of the population. The financial distress caused by the pandemic has increased the dependency of the poor on the Public Distribution System (PDS). But the PDS has failed to ensure inclusion of all vulnerable sections, such as Particularly Vulnerable Tribal Groups (PVTGs), elderly people and single women, even during the pandemic. The PDS was already facing multiple exclusion challenges due to computerisation and Aadhaar-enabled services, which has led to manipulation by ration dealers, technology glitches and other issues (Economic and Political Weekly, 2020). It also failed to include at least 100 million families that have been excluded from the programme since 2013 due the Union Government's reliance on outdated population data to determine grain allocations.

As a result of inadequate government spending, the package also falls short of various benchmarks set by experts to meet the needs of the poor and the vulnerable, such as that of:

- Expanding entitlement to work under MGNREGS by increasing the guarantee of work to 200 days per person for the entire year, increase in the wage rate to Rs 600/day and at least Rs 300/day as unemployment wages.
- Putting in place a sustainable urban employment guarantee programme for urban areas
- Universalising the public distribution system (PDS) to ensure inclusion of all vulnerable sections of the population and providing 10 kg of grain, 1.5 kg pulses/dal and 800 grams of cooking oil per person per month, through the PDS, at subsidised prices.
- Providing Rs 7,000 per month for three months of the lockdown as compensation for lost incomes and for three months after the economy recovers[22].
- Expansion of unemployment benefits to informal sector employees through means-testing. This livelihood support must include all segments of the population, including those both in stigmatised professions such as sex work and begging, and in unseen unpaid work such as domestic work.
- Unconditional transfer of Rs 10,000 in the name of women for all poor rural households, with emphasis on single women and female-headed households, for at least six months (*Jan Sarokar*, 2020).

This is not to say that the fiscal stimulus has not helped, but to emphasise that much more needed to be done as the economic package was far short of what was required to deal with the fallout of the pandemic and the lockdown, which had pushed people into unemployment.

[22] See Mander, Ghosh, & Patnaik, 2020, for details

Moreover, even the limited government spending on important social protection schemes has been beset by problems of exclusion in terms of coverage and access. Here, too, as several surveys show, it has failed the socially disadvantaged sections the most.

E) Issues with coverage and accessibility of welfare schemes

- **PDS[23]:** In terms of the coverage of various social protection measures announced as part of the relief package, several Covid-19 impact surveys show that among all the schemes, PDS had the widest coverage compared to other schemes such as women-held *Jan Dhan* accounts, MGNREGS, etc.

  Various independent, small surveys show that anywhere between 77 per cent to 90 per cent of the respondents had a ration card. In terms of accessibility, too, PDS performed well, with 91 per cent of priority households reporting that they had availed of free rations announced under the PMGKY in May (Dalberg, 2020) and close to 70 per cent of households with cards receiving at least some food via PDS in September 2020 (Azim Premji CLIPS, 2020b; Right to Food Campaign, 2021).

  The high coverage of PDS also holds for *Dalit* and *Adivasi* households, as reflected in surveys focusing exclusively on such households (NCDHR, 2020). For instance, a Covid-19 relief inclusion assessment survey of around 20,000 *Dalit* and *Adivasi* households, conducted over April to May 25, 2020 across eight states[24], shows that 79 per cent of *Dalit* (SC) households and 84 per cent of *Adivasi* (ST) households among the respondents had a ration card (either BPL or *Antodya Anna Yojana* card), which made them eligible to receive free rations under the PMGKY. However, despite this high coverage, only a fraction of the population received their full quota, with about one-third of SC households and 50 per cent of ST households receiving only a part of the quota (NCDHR, 2020).

- ***Jan Dhan Yojana* scheme:** These surveys also show that compared to the PDS, *Jan Dhan* accounts have a relatively lower level of penetration. Thus anywhere between 44 per cent of low-income households (Dalberg, 2020) to 63 per cent of respondent households (Azim Premji University CLIPS, 2020b) did not have a *Jan Dhan* account. Among households that did have an account, 70 per cent received some cash payments, but only 32 per cent had received all the three transfers they were entitled to as of October-November 2020[25].

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[23] In 2013, the PDS was made part of the National Food Security Act (NFSA), a part of a series of rights-based legislations undertaken between 2004 and 2013. It has two levels of entitlements — priority (BPL) households entitled to 5 kg per person, per month of grain (rice or wheat) at subsidised prices and the poorest of the poor (*Antyodaya*) households, entitled to 35 kg of free grains per household per month. Seventy-five per cent of the rural population and 50 per cent of the urban population is supposed to be covered under the NFSA. The PDS has records of 237 million ration cards and 80.8 crore beneficiaries.

[24] The survey was carried out across 14 states, of which 8 states have been analysed in the national factsheet presented by NCDHR

[25] The transfers were scheduled for April, May and June 2020

Thus, taken together, these surveys show that the penetration levels of *Jan Dhan* accounts is only around 50 per cent among poor households. This also implies that the remaining households are likely to be excluded from cash transfers, if delivered via *Jan Dhan* accounts (Azim Premji University, 2021).

The level of exclusion is even higher for socially disadvantaged sections in the *Jan Dhan* scheme. The survey by NCDHR shows that only about 37 per cent and 41 per cent of women from SC and ST households respectively, were enrolled under the *Jan Dhan Yojana* scheme (Figure 8a). And even among those with active bank accounts, 36 per cent of the SC and 55 per cent of the ST women account holders had not received the cash assistance promised under PMGKY. The high level of exclusion of women from marginalised castes and ethnicity due to the poor scheme coverage and delay in and denial of cash transfers under the scheme is likely to have further reinforced the inter- section of caste and gender-induced vulnerability (NCHDR, 2020).

- **PM *Ujjwala* and pension schemes:** In a similar trend, the high level of exclusion experienced by SC and ST households or individuals is reflected across other central cash-transfer schemes, such as pension and PM *Ujjwala*, as well. At the same time, there is some divergence in such findings across various surveys. The Dalberg survey, for example, shows that *Dalit* and *Adivasi* households have similar or better coverage than the general population across both these schemes. The NCDHR survey, on the other hand, finds coverage of these schemes to be very low among *Dalit* and *Adivasi* households (Figure 8a).

  With respect to pension schemes, only about 12 per cent of *dalit* households and 10 per cent of *adivasi* households had at least one member enrolled in the elderly pension scheme, with the coverage under the elderly widow pension being equally low[26]. The coverage was found to be lowest for the disability pension scheme, with barely 2 per cent of *Dalit* and 2 per cent of *Adivasi* households enrolled under the scheme (Figure 8b). Moreover, even among those who were enrolled in these schemes, 68 per cent of *Dalit* and 59 per cent of *Adivasi* pension-holders had not received ex-gratia assistance (NCHDR, 2020).

Figure 8: Exclusion of *Dalits* and *Adivasis* in terms of coverage of and access to welfare schemes

Fig. 8a: Exclusion of *Dalits* and *Adivasis* in JDY and PM *Ujjwala* schemes (%)

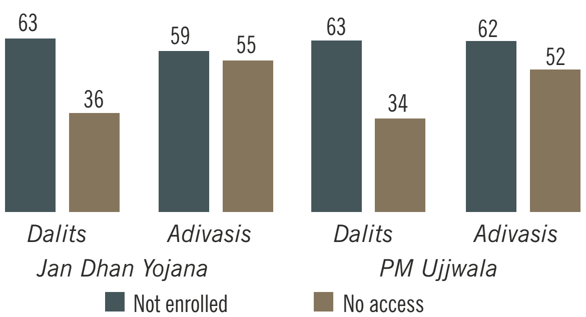
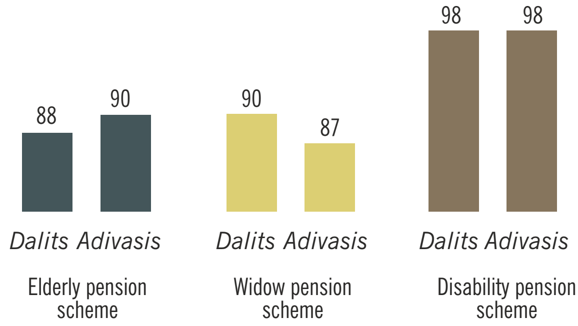


Fig. 8b: Exclusion of *Dalits* and *Adivasis* in elderly, widow and disability pension schemes (%)



Source: NCHDR, 2020

[26] 10 per cent of *Dalit* households and 13 per cent of *Adivasi* households have a member enrolled in the widow pension scheme. See NCDHR, 2020 for details

- **MGNREGS:** Several Covid impact field surveys show that while the programme has been extremely important as it provided a lifeline to those looking for work, it was also marred by a large unmet demand for work. The Azim Premji University CLIPS survey, for instance, shows a large unmet demand for MGNREGS work even as late as October-November 2020, with only 55 per cent of rural respondents who demanded work being able to get it since April 2020. Another study by the PAEG tracker also shows that as of November 2020, the average days worked per household was only 41 days as compared to 48 days in the previous year. And only 17 lakh households had completed 100 days of employment, compared to 40.6 lakh the previous year. A much larger survey of 25,300 respondents across 20 states and three union territories[27] found the rationing rate (i.e., those who did not get work despite wanting to work) to be as high as 80 per cent, with barely 20 per cent of households who wanted work actually getting it during the months of June and July (Azim Premji University, 2021).

In sum, while the PDS had been suffering from problems of exclusion even before the pandemic (Drèze, 2020), during the pandemic it served as a lifeline for a large proportion of poor households. Even among *Dalit* and *Adivasi* households, it is the only flagship scheme that shows greater coverage and access to food grains. Other schemes, such as *Jan Dhan Yojana*, PM *Ujjwala* and pension schemes under the National Social Assistance Programme (NSAP), show a high level of exclusion of poor households in terms of both coverage and reach, and even higher exclusion of *Dalit* and *Adivasi* households. MGNREGS, again a major source of relief for poor labouring households, also shows a high rate of rationing.

[27] The surveys is by Gaon Connection-Lokniti, cited in Azim Premji University, 2021

Section IV: Longer-term issues in select welfare schemes from the perspective of *Dalits* and *Adivasis*

This section focuses on two specific programmes, MGNREGS and PMAY-G, which aim to increase a) participation of historically excluded groups such as *Dalits* and *Adivasis* in employment generation programmes (MGNREGS); and b) provisioning of housing to these groups, to understand how they have been performing in terms of meeting their objectives

This section also examines how these programmes have been affected by the pandemic and what the attendant implications are for SCs and STs.

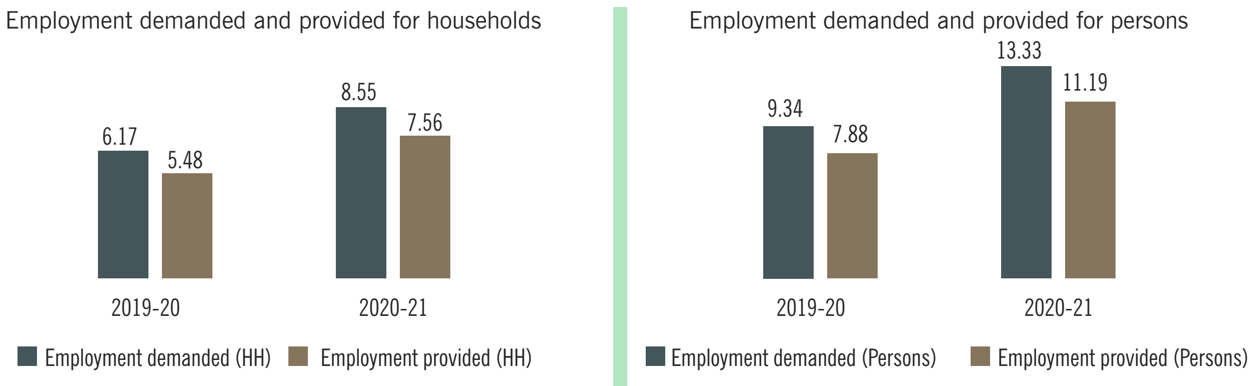
A) MGNREGS

One of the major guidelines recommended under MGNREGS is to increase participation of historically excluded groups such as *Dalits* and *Adivasis* by conducting special registration drives and providing these households with information about their right to employment (Desai et al., 2015). This sub-section examines the extent to which MGNREGS has been pro-*Dalit* and pro-*Adivasi* in terms of providing employment in comparison to other castes and whether it manages to serve the objectives spelled out in the MGNREGS Act and subsequent guidelines. How the employment of *Dalits* and *Adivasis* under MGNREGS has been affected by the Covid pandemic is also discussed in this sub-section.

i) Overall scenario of work demanded and provided prior to and during the Covid-19 pandemic

As expected, there has been a significant increase in demand for work under MGNREGS since the pandemic began, except in April 2020, when the country went into lockdown. While demand for work by households in Financial Year (FY) 2020-21 was significantly higher than that in FY 2019-20, the employment provided against demand for work remained the same as the previous year at 88 per cent. The same pattern can be seen in the demand for work by persons, which rose in FY 2020-21 to 13.32 crore from 9.34 crore the previous year. While the proportion of persons provided employment as a share of those demanding work remained more or less unchanged during FY 2019-20 (84.42 per cent) and FY 2020-21 (83.99 per cent), what needs to be kept in mind is that the pandemic year was a year of emergency and hence it was imperative to increase the share of persons provided employment. This perhaps indicates that despite the livelihood crisis created by the pandemic and the lockdown, the scheme has not been able to fulfil demand (Figure 9). In all likelihood, less than adequate budgetary spending is one of the reasons behind this.

Figure 9: Employment demanded and provided for households and persons (in crores)



Source: Compiled by CBGA from the MGNREGS portal

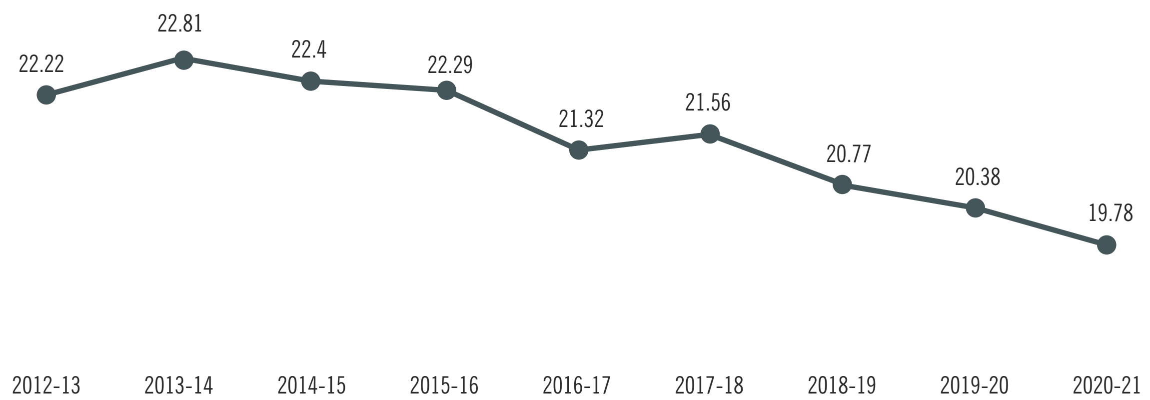
ii) Continuing shortfall in budget for MGNREGS

As part of the Union Government's Covid-19 financial package, the initial budget of Rs 61,500 crore for MGNREGS in FY 2020-21 was supplemented by an additional Rs 40,000 crore to generate a total of 300 crore person-days[28] in order to offset the impact of the lockdown. However, employment provided slowed down in December 2020 as 90 per cent of the fund was already utilised, leaving just 10 per cent of the budget to last till the end of FY 2020-21 (Purkayastha, 2021). It is also to be noted that even the additional amount allocated under the Covid-19 response package in itself was insufficient after adjusting for pending liabilities (for unskilled labour, material and administration costs) of Rs 14,429.61 crore during FY 2020-21. As the allocation for MGNREGS has been falling consistently short of expenditure, a pending liability has been created and grown over the years. As per a PAEG report, since 2012-13, an average of 17 per cent of the annual budgetary allocation has been spent on clearing these pending liabilities, and 10 per cent of the revised allocation during the pandemic was used to clear pending liabilities, leaving a budget of Rs 1,00,350 crore for FY 2020-21, as against the announced Rs 1,15,000 crore.

iii) Declining or stagnating share of SCs and STs in employment provided

A social category-wise analysis shows that the share of SC employment under MGNREGS has been on a more or less consistent decline after peaking at 31 per cent in 2010-11. Since then it has declined to 22 per cent in 2011-12, 21 per cent in 2016-17 and 20 per cent in 2019-20. Strikingly, it declined further to 19.78 per cent during the pandemic in FY 2020-21 (Figure 10). Similarly, the share of SC households that were provided employment has declined from 21.07 per cent in 2019-20 to 18.52 per cent in 2020. In short, MGNREGS, which consistently underperformed for *Dalits* in the pre-pandemic era, has continued to do so during the pandemic as well.

Figure 10: Scheduled Caste person-days as a percentage of total person-days (%)



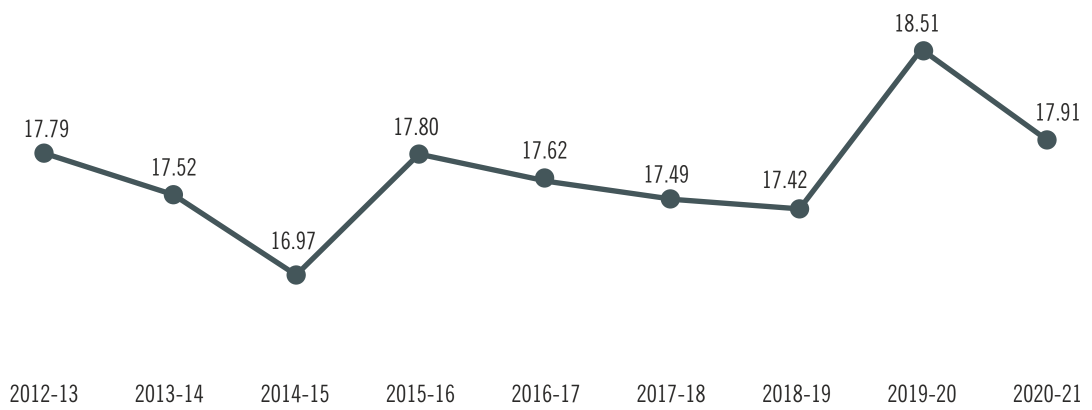
Source: Compiled by CBGA from the MGNREGS portal

[28] i.e. the number of people working per day multiplied by the number of days worked

The Ministry of Rural Development attributes this decline to reduced demand for work from the SC community, stating that the community has created sustainable assets through 4-5 years of MGNREGS work and is using these assets for higher income generation[29]. As social category-wise data of demand for work under MGNREGS is not available, it is difficult to verify if the demand for work by SCs has declined and if that decline is proportional to the decline in employment provided to the community. Sector experts, however, opine otherwise and attribute this to rationing of demand due to the mismatch between the MGNREGS budget and demand for work[30]. A report by the Indira Gandhi Institute of Development Research (2016), for instance, attributes the declining participation of the SC community to 'discouraged worker effect' and states that the administrative rationing of the job discouraged subsequent demand for work by SC workers (Narayana et al., 2016). Likewise, a study based on the situation in Karnataka also suggests there is discrimination against SCs in provisioning of work under MGNREGS, citing 'discouraged worker effects' as one of the factors for lower participation of SCs (Manjula and Rajasekhar, 2015).

While the share of SCs has declined both in the case of employment provided household-wise and person-days-wise, the share of STs has remained more or less stagnant. The share of ST households, which stood at 16.83 per cent in FY 2019-20 dipped in FY 2020-21. Exhibiting a similar trend to household employment, ST person-days, too, declined in FY 2020-21, after peaking in FY 2019-20 (Figure 11).

Figure 11: Scheduled Tribe person-days as a percentage of total person-days (%)



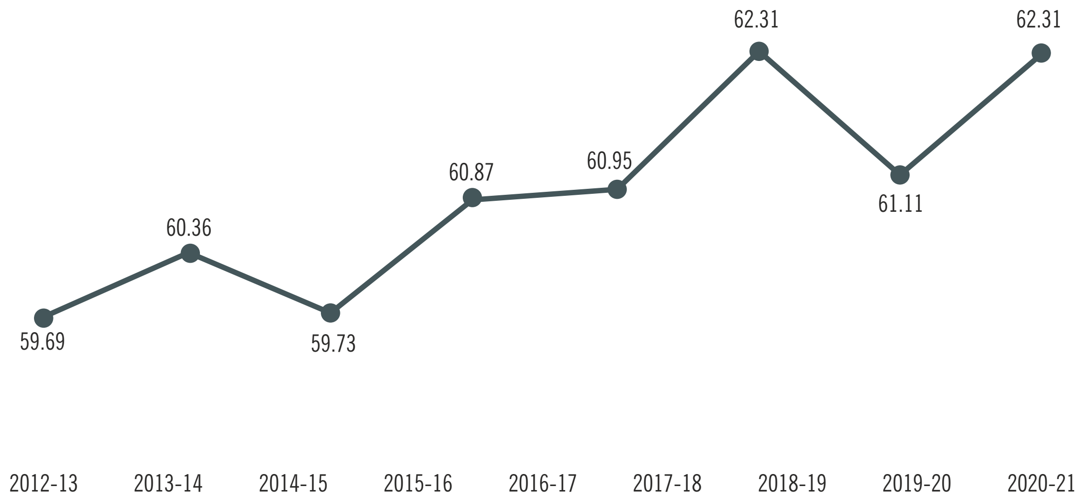
Source: Compiled by CBGA from MGNREGS portal

In contrast, employment provided to other households shows an increasing trend, with the person-days generated for other higher castes (Others) having increased in FY 2020-21 over the previous year (Figure 12).

[29] Tewari, 2019

[30] Ibid.

Figure 12: Percentage of person-days for other castes out of total person-days (%)



Source: Compiled by CBGA from MGNREGS portal

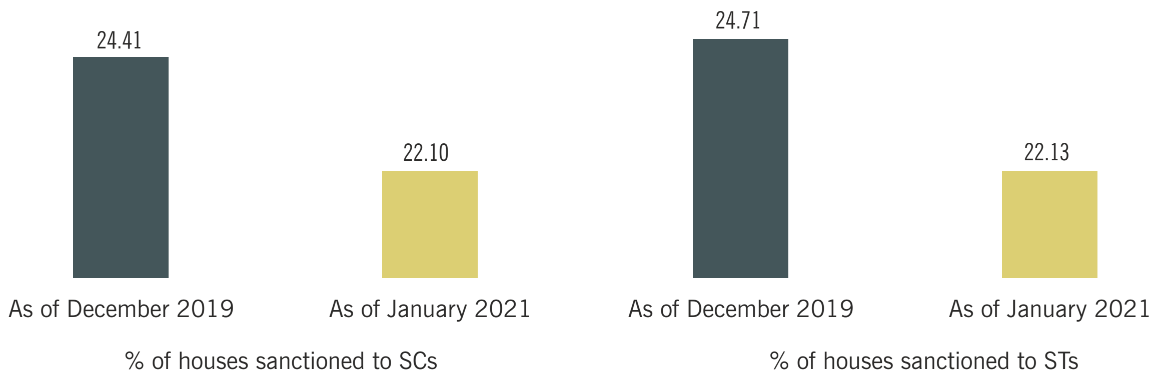
B) PMAY-G

The objective of PMAY-G is to provide a pucca house with basic amenities by 2022 to households living in kutcha/dilapidated houses in rural areas. In addition to housing, PMAY-G also has an employment and livelihood dimension as beneficiaries are to get wages for 90 person-days in plain areas and 95 person-days in hilly states for construction of their house under MGNREGS and Rs 12,000 as assistance for construction of a toilet under the *Swachh Bharat Mission* (G), or any other dedicated financing support through convergence.

i) Houses sanctioned and completed for *Dalits* and *Adivasis* have fallen short of their target

The other aspect of PMAY-G is that around 60 per cent of the target of total houses to be constructed is supposed to be earmarked for SC and ST households at the national level. At the state and district level, this target can vary in accordance with the community's share in the population. From 2011-12, funds have been earmarked for SCs and STs under the Special Components Plan (SCP) and Tribal Sub Plan (TSP) strategy. Since 2016-17, of the total of 1.88 crore houses sanctioned (as of January 21, 2021), 0.415 crore houses (22.10 per cent) were sanctioned for SCs and 0.416 crore (22.13 per cent) were sanctioned for STs. Further, of the total number of houses completed (1.26 crore), 0.305 crore houses were completed for SCs and 0.307 crore for STs (Ministry of Rural Development, Government of India, 2021). The data shows that despite the commitment made by the government to achieve 60 per cent of the total target of the scheme for SCs and STs, the performance in terms of houses sanctioned and completed has not matched the target (Figure 13).

Figure 13: Share of houses sanctioned for SCs and STs out of total houses (%)



Source: Compiled by CBGA from annual reports (2019-20, 2020-21) of the Ministry of Rural Development

The previous year's annual report of the Ministry of Rural development shows that as of December 5, 2019, out of the total of 1.37 crore houses, 0.334 crore houses were sanctioned for SCs and 0.338 crore houses for STs. Based on this data, it can be inferred that the share of houses sanctioned to SCs and STs out of total houses reduced after 2019.

Going by the commitment made by the Union Government in 2016-17 to achieve the objective of "Housing for All", the target number of houses to be constructed by 2021-22 is 2.95 crore. The target allocated to states since 2016-17 is 2.28 crore houses. As of January 28, 2021, only 1.27 crore houses, or 55.58 per cent of the target, have been completed. As a result, there are 1.01 crore houses pending completion (Table 8).

Table 8: Houses targeted and completed under PMAY-G

Year	PMAY-G Target	PMAY-G houses constructed	% of houses completed	Reasons for delay
2016-17	42,64,470	2,115	0	Starting year of project
2017-18	31,70,117	38,16,081	120	--
2018-19	25,14,493	44,72,476	178	--
2019-20	59,76,635	21,28,873	36	General election
2020-21 (27.01.2021)	63,76,580	22,78,087	36	Covid year

Source: Thirteenth Report on Demands for Grants of the Standing Committee on Rural Development, 2020-21

ii) Impact of Covid-19 on job creation and access to basic amenities under PMAY-G

As per the Thirteenth Report on the Demands for Grants of the Standing Committee on Rural Development, 2020-21, the implementation of PMAY-G has been affected through the Covid pandemic due to unavailability of construction material and labour as well as delays in inspection during various stages of construction. Since, PMAY-G converges with the *Swachh Bharat Mission* (G), the delay in the construction of houses has delayed the construction of toilets, which are an integral part of PMAY-G houses. Likewise, due to the delay in construction of houses, the PMAY-G beneficiaries could not get wages from MGNREGS. Given its convergence with MGNREGS, it is mandatory that PMAY-G beneficiaries get a wage component for 90 person-days (95 person-days in hilly states, difficult areas and IAP[31] districts) at the current rates for the unskilled labour component in the construction of their houses. In addition, the delay in construction has also meant that the PMAY-G beneficiaries could not avail of basic amenities such as electricity, LPG, drinking water, solid and liquid waste management through convergence with different schemes. In sum, the pandemic has had an impact on the convergence of MGNREGS with PMAY-G, and as a result this has also affected the employment and livelihood of SCs and STs.

[31] IAP stands for Integrated Action Plan

Section V

Conclusion

The Covid-19 pandemic hit India when it was already grappling with the challenges posed by a slowing economy, rising unemployment and underemployment, falling real wages and increasing inequality. The spread of Covid-19 and the economic distress caused by the lockdown in India has much to do with the lacklustre implementation of containment and relief measures, as well as long-term policy neglect that has left millions vulnerable to a shock.

The labour market, which was already reeling under the slowdown, collapsed completely during the lockdown. The unemployment rate climbed to 24 per cent in April and May 2020, and about 21 million regular workers lost their jobs between April and August (Vyas, 2020). After the lockdown was lifted, the unemployment rate fell, but the recovery in employment was driven entirely by informal and non-salaried work. Socially deprived groups such as *Dalits, Adivasis* and women disproportionately lost their jobs during the lockdown, and even when they have found employment following un-lockdown, they have moved into more precarious forms of work.

Policy interventions to safeguard the lives and livelihoods of the vulnerable have been far from adequate. Further, they fail to account for pre-existing differences in the levels of deprivation of vulnerable sections of the population and the consequential differential impact the pandemic could have on them. Measures to ameliorate the livelihood crisis, including cash and in-kind transfers as well as increased spending on MGNREGS have no doubt helped to an extent. But these efforts have been inadequate and fall short of various measures suggested by experts, ranging from providing adequate cash transfers, universalisation of the PDS, strengthening MGNREGS and introduction of an urban employment guarantee programme. As a result, the impact of the pandemic-induced crisis on the livelihood and earnings of the poor in general, and *Dalits* and *Adivasis* in particular, has been severe.

Consequently, as a study conducted by the Pew Research Center indicates, the first wave of the coronavirus pandemic may have doubled poverty in India. It is estimated that the number of poor people in the country — those with an income of Rs 150 or less in a day — increased from 6 crore to 13.4 crore. Thus, the number of poor people in India increased by almost 7.5 crore in 2020. Several studies indicate that inequality, too, has likely increased during the pandemic. One clear indication of that at the aggregate level is that the share of labour in national income has declined while that of profit has increased during the pandemic. Other evidence, discussed above, also shows that while the average Indian household lost income equivalent to slightly more than a month's earnings in the first six months of the pandemic, as compared to the previous year, the losses were disproportionately borne by the poorest. Given that the socially disadvantaged communities of *Dalits* and *Adivasis* are over-represented in the poorest of the poor, this indicates that pre-existing inequalities have got exacerbated as a result of the pandemic and the lockdown.

With the second wave of the pandemic hitting India, there was an urgent need to increase fiscal spending in a manner that reaches the poor. The pandemic has led to a crisis of extreme inequality and the path to recovery lies in a strategy of development that puts redistribution at the heart of its agenda.

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