

# The efficacy of government entitlements in helping BPL families navigate the financial impacts of Covid-19

Early results from an ongoing survey of 18,000 BPL households

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**Dalberg**

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# Context

Dalberg is leading a rapid, multi-round study across 10 states to capture the cumulative efficacy of government entitlements in helping BPL families navigate the financial impacts of Covid-19

- The goal of this study is to inspire timely, informed policy decisions about entitlements during this crisis: both to make iterative modifications to entitlements that BPL households are receiving and to imagine, where relevant, other means of meeting their needs
- The study currently covers **over 18,000 BPL households** across the 10 states, and we plan to add additional states in the next few days
- In order to track changes over time, we are conducting multiple rounds of research and plan to release results regularly. This document captures early results of our first survey round

# Key questions for the study

**We answer five key questions through this work:**

- What is the extent of the financial impact of the crisis?
- Who is covered and who has been left out under entitlement schemes offering top ups or advance payments?
- How many households have received entitlements under these schemes so far?
- Are people able to access and use their entitlements?
- Overall, are government entitlements enough?

# Our methodology

- The study covers BPL households only. APL households may also need relief, but this is out of scope
- We study select entitlements that are offering top-ups or advance payments during the Covid-19 crisis. They span three types of entitlements: free food rations, free LPG cylinders, and cash transfers
- The complete study will present results from a survey of 18,000 households and qualitative interviews with 80 households
- The preliminary results presented here are based on unweighted data of a partial survey sample of 6,915 households and 20 qualitative interviews. Survey data included in this report was collected from 7 to 9 April 2020
- The states currently included are: Assam, Bihar, Kerala, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Telangana, Uttar Pradesh, and West Bengal. We will add more states in the future

# KEY FINDINGS

Data included is from 7 April to 9 April, 2020

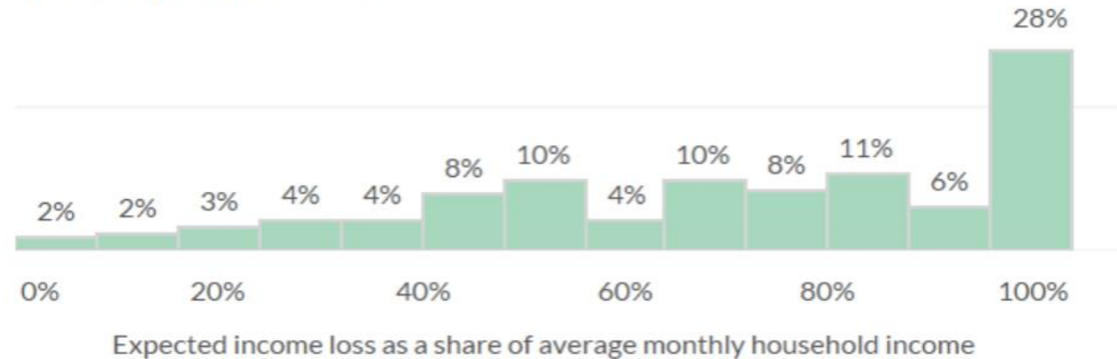
# What is the extent of financial impact?

## The need is significant and urgent

- The average BPL household will lose 61% of their regular income in April
- 45% of BPL households were expecting to lose 75% or more of their income
- 18% have already run out of money and supplies
- Only 6% have received private external support (e.g., remittances, non-profits, religious institutions, etc.)

### Expected loss in income as the share of average monthly household income

N = 6,915 | % of households



Note: All data is partial unweighted data from 6,915 households surveyed between April 7-9th for a Dalberg study on efficacy of government entitlements in helping BPL families navigate the financial impacts of COVID-19.

*“I haven’t been able to go to work since the lockdown. We are in a bad state, we have no money and no income. There is no way to get it either. I borrowed Rs. 4,000 Rs from the money lender. For every Rs. 100, I have to pay 1.50 more when I return it.”*

Baby KV, Female, 48, Domestic help | Kochi, Kerala

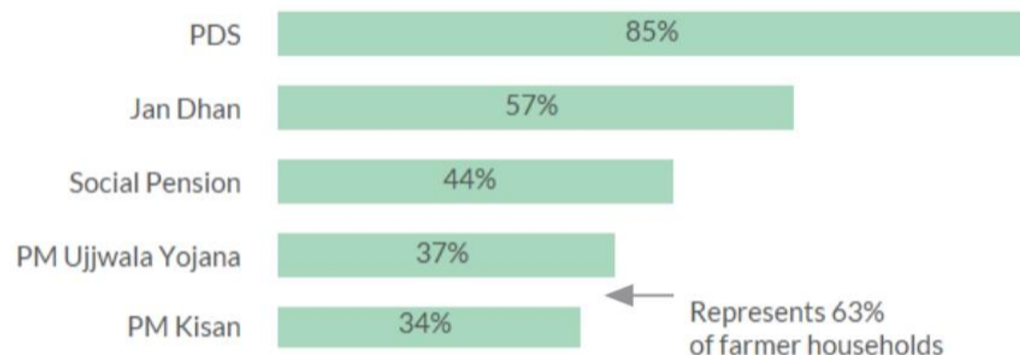
## Who has been covered and who is left out?

### Coverage is strong, but not universal

- 97% of households are registered under at least one of the five major schemes
- But 14% of households are not eligible for any cash transfers
- 52% of people didn't know or were uncertain about what they are eligible for

### Eligibility for relevant schemes

N = 6,915 | % of households



Note: 1. Based on self-reported BPL households

2. All data is partial unweighted data from 6,915 households surveyed between April 7-9th for a Dalberg study on effectiveness of government entitlements in helping BPL families navigate t..

*“We’ve been waiting for the Jan Dhan account transfer of Rs. 500, I heard about it on TV from the Prime Minister’s speech. I’ve heard that some people in my neighbourhood have received the money. We are waiting for our transfer. It will come.”*

Rajesh, Male, 40, Part-time industrial worker | Belgaum, Karnataka

# How many households have received entitlements so far?

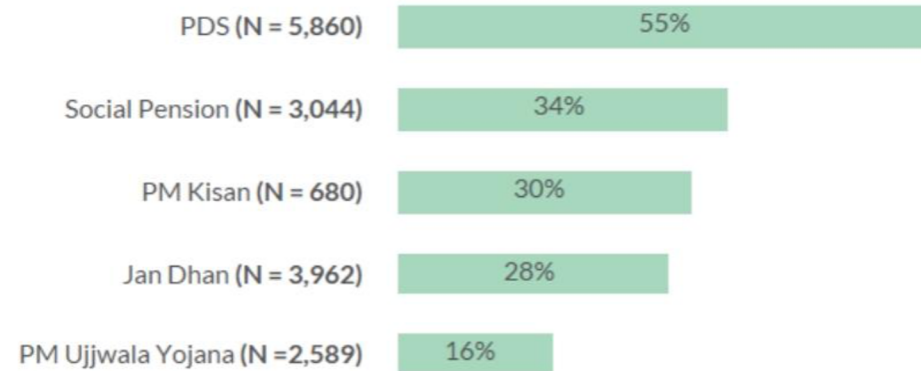
## Relief has started to flow

Based on what has already been rolled out:

- 64% of eligible households received some relief
- 55% of households with BPL/AAY cards received free rations; one-fifth of households visited a ration shop after 25 March, but did not get free rations
- 41% of households have received some cash relief

### Entitlement already received by scheme

% of households that are eligible for schemes



Note: 1. N is the number of households that are eligible for the respective schemes.

2. All data is partial unweighted data from 6,915 households surveyed between April 7-9th for a Dalberg study on efficacy of government entitlements in helping BPL families navigate the financial impacts of COVID-19.

*“From the state government I get pension and ration. We have gotten ration for the last three months, yesterday we got ration for the next three months but we had to pay. Per head they were giving 5 kg rice so we got 30 kg in total, we had to pay Rs. 30. We have been getting pensions for the last three months of Rs 500. On 26th March, we got pension for the next three months, total of Rs. 2000. Usually we get it monthly but given the situation we have gotten it all at once.”*

Somara, Elderly farmer, Koraput, Odisha

# Are people able to access and use their entitlements?

## Yes, but with difficulties, especially for buying supplies

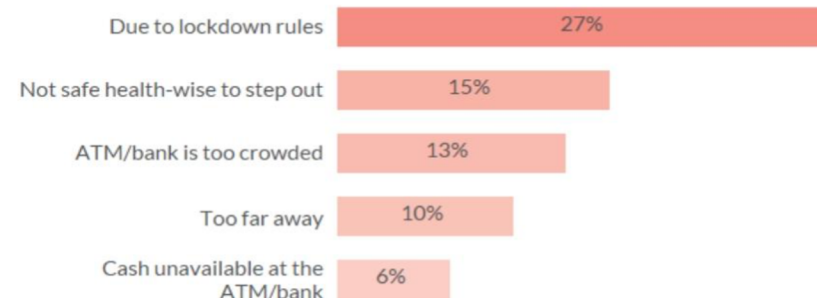
- BPL Households that report they could access and use their respective benefits easily: Ration: 46%: Cash: 25%, Buying supplies: 41%
- BPL Households that report difficulties: Ration: 17%: Cash: 36%, Buying supplies: 58%
- Top challenges for access: Rations: stockouts, Cash: lockdown rules, Buying supplies: lockdown rules, but price hikes and closed shops are also common
- Stockouts are more common in rural (31%) than urban (25%) areas

*“There is difficulty in going to the bank, if we step out the police yell at us. The bank is 3 km away in Girdhaur. We go by tempo but the tempos are closed. There is a lockdown so how will we go to the bank? I have a Kisan Yojana account. I had filled the form to receive benefits 2 months ago. We haven’t got the money for it yet. We haven’t received it in our account, but some people in the village are saying they have received it. We will have to go to the bank to check. It might even be that we have got the money but I don’t know about it.”*

Shambhu, Male 56, Farmer | Muzaffarpur, Bihar

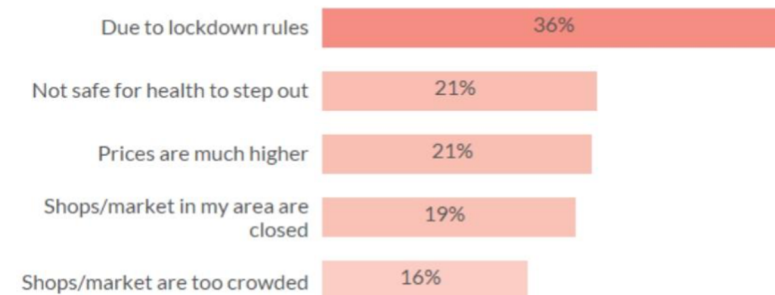
### Top 5 difficulties withdrawing cash

N = 2,432 | % of households that received a cash transfer



### Top 5 difficulties buying essential goods

N = 2,432 | % of households that received a cash transfer



Note: All data is partial unweighted data from 6,915 households surveyed between April 7-9<sup>th</sup> for a Dalberg study on efficacy of government entitlements

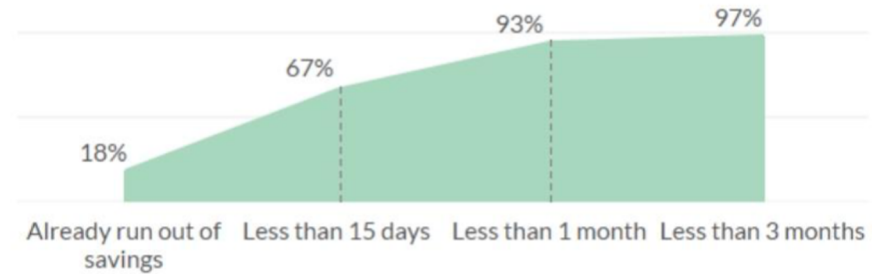
## Are government entitlements enough?

**Relief is making a difference. More relief is needed urgently.**

- Average cash transfer received: INR 1,082 per BPL household (among those who received a transfer)
- Reported to cover 40% of monthly expenses on essentials
- 2/3 of households will run out of money and supplies within 2 weeks, including those who have received relief

### Duration by which households will run out of money and supplies

N = 6,915 | % of households



Note: 1. Some respondents (N=94) were uncertain or did not know.  
 2. All data is partial unweighted data from 6,915 households surveyed between April 7-9th for a Dalberg study on efficacy of government entitlements in helping BPL families navigate the financial impacts of COVID-19.

*“If they start the trains then I can at least feed my family. If we sit at home the government will give us Rs. 500 or Rs. 1000, what will we manage with that? They should give us ration at least, my card is outdated so they deny it, but me and my family really need it. Can’t they make an exception?”*

Mallamma, Female 38, Domestic Help | Mumbai, Maharashtra

# Areas for increased attention and focus: Emerging ideas

## 1. Bridge the awareness gap through timely and reliable information

- Use trusted government and community influencers, and media channels to share on-going relief announcements (e.g. pre-recorded videos and phone calls, community radio etc.) (in use in Kerala)
- Create and advertise Covid-19 district helplines for hyperlocal information (implemented in parts of Bihar)
- Send automatic SMS alerts when DBT transfers have been made to avoid rushing to banks (SMS alerts implemented in parts of Koraput district, Odisha).

## 2. Expand coverage to needy, but non-registered segments

- Use temporary forms of authentication as alternatives (e.g., Aadhaar cards, ration e-coupons, etc.) for people who are not registered but need benefits. (tried in Delhi)
- Empower local panchayats and banking correspondents to manage benefits transfer in rural areas especially for elderly and disabled (in progress in Assam)
- Partner with NGOs and other grassroots organisations by inviting them to join the taskforce for problem-solving, as well as using their extensive community networks and teams to provide last-mile relief measures (NITI Aayog has requested the same)

## 3. Improve delivery mechanisms to overcome lockdown constraints [stockouts and mobility]

- Specify time and place for PDS distribution to avoid crowding and stockouts (Implemented in parts of Kullu district, Himachal).
- Deliver ration at home (in use in Srinagar in J&K), or offer dry mid-day meal rations (in use in Odisha), or ready provision kits with essential supplies at kirana stores (in progress in Kerala)
- Offer free or subsidised cooked meals through community kitchens with the help of volunteers to ensure social distancing in distribution places (in progress in Kerala), as well as through existing public infrastructure such as railway stations with the help of staff
- Deliver cash-on-demand to bank account holders with the help of mobile ATMs such as mini trucks with an external facing ATM (piloted in Mumbai, Noida), or doorstep banking through India Post Payments Bank.

# What additional data-backed insights would be useful to you?

Data and insights we plan to capture in the coming days:

- Whether there are important state-level differences in the data that require zooming in on specific issues or segments to help solve for more local needs
- Whether specific segments need additional help, using demographic cuts of the data including income, occupation and family characteristics
- The extent to which there are gendered differences in receipt, accessibility and use of entitlements, and the most critical barriers to overcome to better support women specifically navigate the crisis.

# THANK YOU

*For more information about the study please reach out to:*

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