



The **Bright Spots** Report **2020**

Inclusion Through
a Lens of Social
Protection



A post-pandemic world will look radically different from the pre-COVID status quo. According to the World Bank June 2020 Global Economic Prospects Report, ‘COVID-19 could push 71 million people into extreme poverty in 2020 under the baseline scenario and 100 million under the downside scenario’. At the same time, the number of people living under international poverty lines for lower and upper-middle-income countries – Purchasing Power Parity (PPP) of \$3.20/day and \$5.50/day respectively (237.54 and 408.26 INR), as per 2011 – will also rise. The World Bank Report estimates that COVID-19 could generate ‘an increase in the poverty rate of 2.3 percentage points compared to a no-COVID-19 scenario.

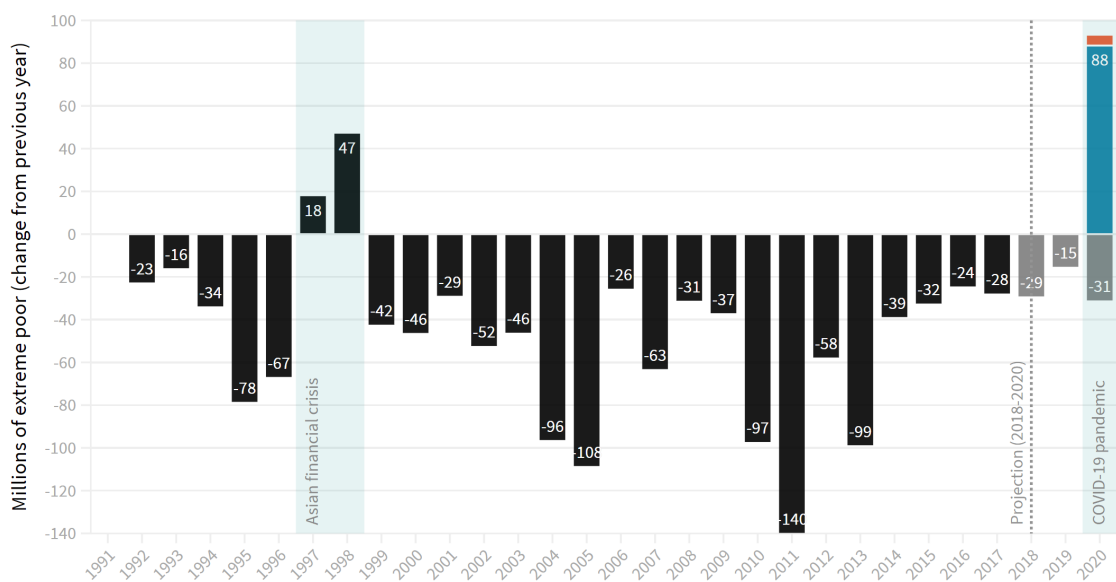


Figure 1: Annual change in the number of extreme poor (in million), 1992-2020, World Bank Blogs, 2021

Source: Lakner et al. (2020) (updated), PovcalNet, Global Economic Prospects.

Note: Projections for years 2018-2021 are based on updated estimates of Lakner et al. (2020). For 2020, we show both (a) the number of people that were expected to move out of extreme poverty had the COVID-19 pandemic not happened (Pre-COVID-19 counterfactual scenario, gray bar) and (b) the number of people who are pushed into poverty under the COVID-19-baseline scenario (blue bar) or the COVID-19-downside scenario (blue + orange bar). The “new poor” induced by COVID-19 is the sum of (a) and (b). For instance, under the COVID-19-baseline scenario in 2020, the “new poor” is equal to $88 + 31 = 119$ million. Similarly, under the COVID-19-downside scenario in 2020, the “new poor” is equal to $88 + 31 + 5 = 124$ million. We thank colleagues at USAID for the inspiration behind this figure.

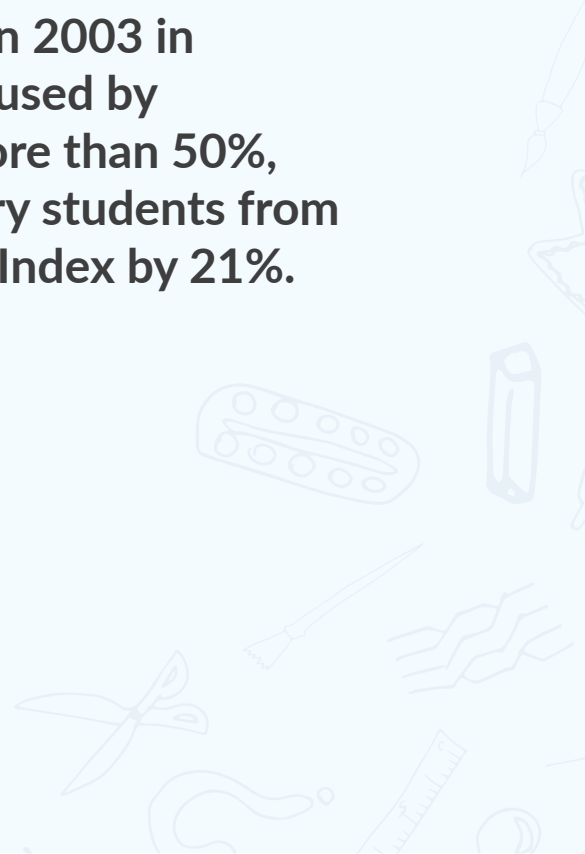
The International Labour Organization (2020), estimates that 400 million people can be pushed below poverty in India alone. With almost 90% of the population working in the informal economy (ILO, 2020), the pandemic has been particularly devastating for vulnerable populations in India. The pandemic has also adversely impacted the Indian Economy. In June 2020, the State Bank of India has released a report stating that India's per capita income will decline by 5.4% in FY21 to Rs 1.43 lakh, a decline higher than the nominal GDP decline of 3.8% (Dhawan, 2020, para. 1).

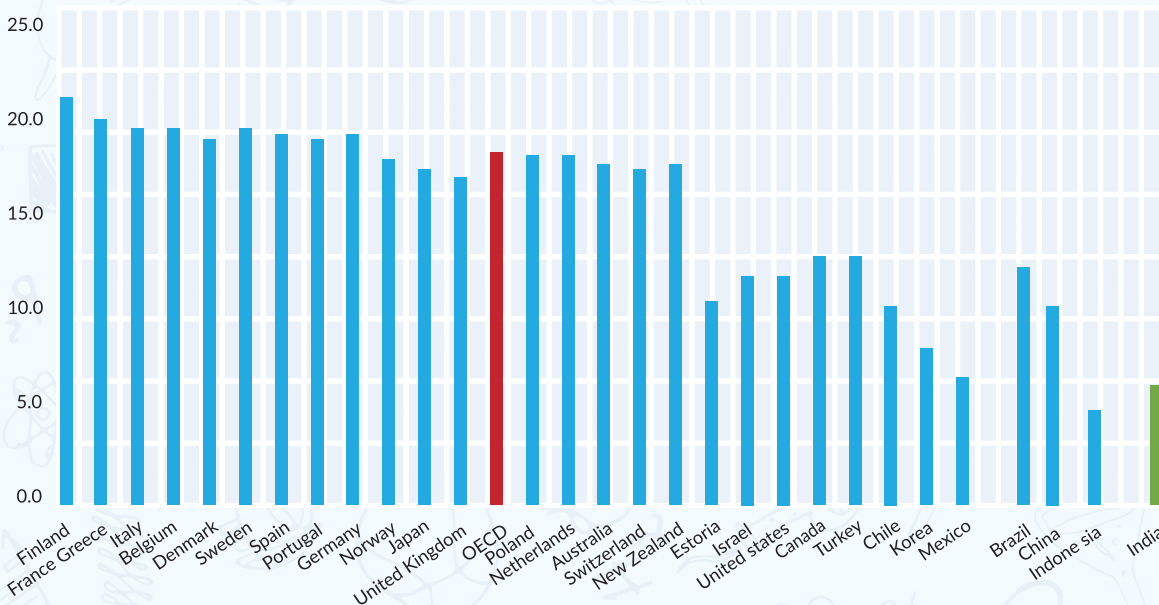
The Bright Spots Report 2020 is centered on social protection for the disadvantaged in India, through the lens of the current COVID-19 pandemic. Case studies from different states revealed examples of fast turn-around times and data-based planning and execution. For example, the Rajasthan Government announced financial help to its citizens under various schemes such as BOCW, social welfare and the others. These funds were to be deposited in 3 installments, the first relief (Rs. 1,000) was released as early as April 2020. As the lockdown was extended, Rs. 1500 was released in May and Rs. 1000 was released in July. This quick response was enabled by the government having a database of vulnerable families under the Bhamashah scheme. The UP government focused on data-based decision making through the Pravasi Rahat Mitr App. As of 14th July 2020, funds to the tune of Rs. 1247.77 Crore were also allocated to the District Administrations under the norms of the State Disaster Response Fund.

BSR tries to look at some of the issues of social protection that the pandemic has brought into focus, while highlighting the good that has happened across the country. The report also brings to light some international models of poverty alleviation, like the Targeted Poverty Alleviation that China adopted in 2014, and Progresá started by Mexico in 1997, which was followed by multiple Latin American countries, with their variations. The focus here is on conditionalities, the necessity of the same, targeting-types and need, and implementation challenges and how they were overcome.

Targeted Policy Alleviation Program, China: The report of the 19th CPC National Congress pointed out that in the past five years since the 18th CPC National Congress, more than 60 million poor people in China were lifted out of poverty, and the poverty rate dropped from 10.2 percent to less than 4 percent.

Bolsa Familia: The program launched in 2003 in Brazil, has reduced infant mortality caused by undernourishment and diarrhea by more than 50%, increased the passing rate of secondary students from 75.7% to 79.7% and reduced the Gini Index by 21%.





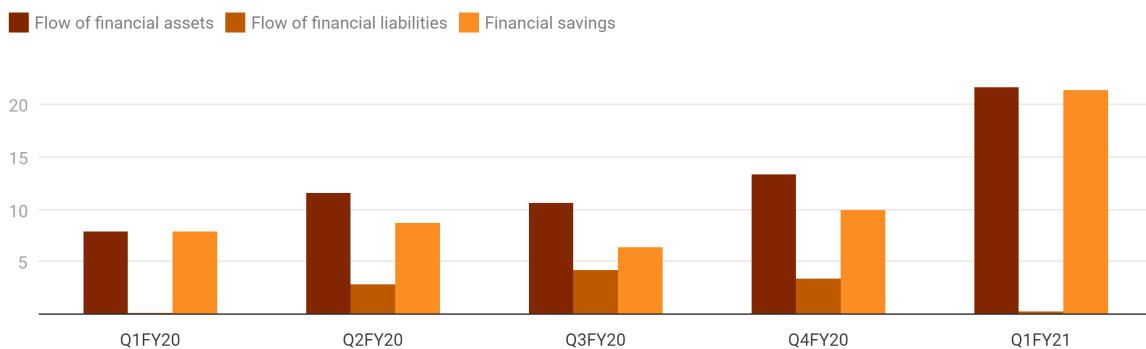
Rich and Middle-Income Countries Spend Significantly on Social Protection
 Percent of GDP Spent on Social Protection in Selected Countries 2013-2017

Figure 8: Percent of GDP spent on Social Protection in Selected Countries, World Bank

A bright spot that the pandemic revealed in India, was of household savings seeing an increase. The Reserve Bank of India (RBI) doesn't feel that this is unique to India, and is also expected to normalize as the pandemic ends. However, the interesting point to note here is that it shouldn't take a shock such as this one, to increase household savings. We will have to start thinking critically as a nation about how to maintain reasonable amounts of savings to not be hit so hard by future shocks. (BQ Desk, 2020)

Household Financial Savings Saw A Spike In Q1FY21

As A % Of GDP



Source: RBI

Bloomberg | Quint

Figure 6: Household Financial Savings, FY 2020-21, as a percentage of GDP, Bloomberg, Quint,2020

The BSR 2020 looks at the Pradhan Mantri Gareeb Kalyan Yojna (PMGKY), the scheme launched by the central government in India, to provide aid during the COVID-19 crisis. While the scheme was popularized by the government, there were multiple challenges of awareness, outreach, targeting, access, and actual receipt of the benefits.

We have however seen some bright spots in different states, which are highlighted through the works of different organizations working in the area, some independently, some alongside the government, to provide assistance to vulnerable populations. Aajeevika Bureau talks of its work in Rajasthan, with the government, and in helping small enterprise development, community relief works, setting up a labour helpline ('Labourline'), and cash transfers by the government. In between March 2020 to July 2020, Labourline, received nearly 34,462 calls from all over India, facilitated distribution of food and ration to 93,839 workers, across the country, in locations where they were stranded, facilitated direct cash transfers of nearly Rs. 11,02,800 to 1,528 workers in distress and also facilitated 1,625 cases involving more than 18,361 individual workers pertaining to arbitrary wage deduction, non-payment of wages and illegal retrenchments.

Azim Premji University writes about the efficacy and reach of the PMGKY, drawing upon the findings of a phone survey of around 5000 Indian workers. A bright spot revealed in their Covid Livelihoods survey was that overall, 89 percent of the sample were able to access rations during the lockdown, with 9 out of 10 people in rural areas having a ration card. The survey also revealed that 85 percent of vulnerable rural beneficiaries and 79 percent for vulnerable urban beneficiaries received the first tranche of cash transfers under the Pradhan Mantri Garib Kalyan Yojana.

Recognizing the importance of providing policymakers with actionable, real-time data on these relief efforts, a team at Dalberg partnered with Omidyar Network India and Rohini Nilekani Philanthropies to create one of the most comprehensive sources of information on COVID-19 response in India. Their survey covering 15 states and 47000 households also revealed the reach of the PDS, with 87% of the sample owning ration cards .

Dvara Research focused its piece on tracking welfare measures, measuring access, building a framework to study exclusion, and building pathways for redressal. EPoD India highlighted the bright spots in the system, making a case for PDS outreach, agriculture/farming as the fall-back option for a lot of returning migrants, and efficient skill-mapping. Indus Action's survey sheds light on some specific instances in states where access to social security schemes was carried out well.

UNDP focuses on the case of Uttar Pradesh and the COVID relief efforts of the state government, posing the pertinent question of whether this pandemic can be taken as an opportunity for growth by the country, by bringing about some necessary reforms.

To this extent, UNDP helped the UP government constitute an Uttar Pradesh Labour (Employment Exchange and Job) Commission with the objective of providing maximum employment to the workers at the local level in the private and non-

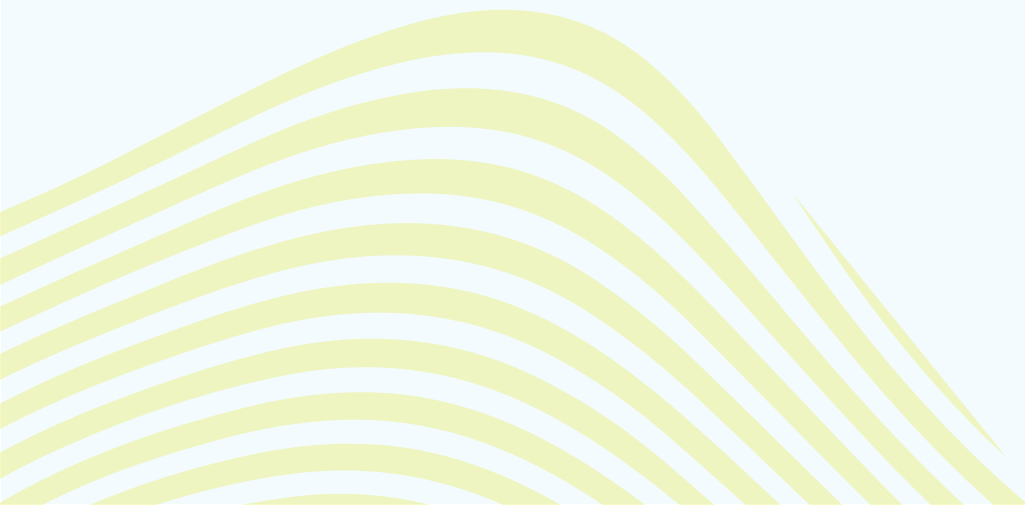
government sector as per their skill and employment opportunities. The Commission will also conduct training programmes to boost workers' skill sets as per industry demand. Another intervention by UNDP was the creation of the Pravasi Rahat Mitra App, which collected data on 35.23 lakh returnee migrant workers. Of these, 10,48,166 received a cash transfer of INR1000 from the UP government as an unconditional transfer.

A theme common to the entire report, is that of convergence. Looking at the numerous DBTs/CCTs that India has to offer (over 400), the idea of converging schemes and databases for social protection is a popular one. The discussion on the pros and cons of the same, brings forth the usage of technology in creating systems that are efficient, easy to use, and accessible by all, along with reducing the burden on the government body implementing it. Awareness and the communication surrounding the schemes is not found to be very clear or all-encompassing. Thus, a better dissemination plan needs to be created, following some of the bright spots in the system, like the reach of the Public Distribution System (PDS) network.

There is need and thus recommendations around institutional reform being the way forward. The need for convergence and looking at social protection with a holistic lens instead of it being dissected into schemes and departments, is a

strong recommendation. To be effective in this, implementable plans need to be created, along with strengthening governmental and non-governmental partnerships and developing grievance redressal mechanisms, along with robust monitoring and evaluation systems.

Throughout the report, there is a focus on systems, ideas, programs, that have worked well, not just in the Indian context, but around the world. By focusing on these Bright Spots, the aim is to better the existing process, by contextualizing existing work. The overall goal of the report is to highlight what can be emulated, while paving the way for others to research into the lesser known areas of social protection in India.





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