

## Advancing gender equality in a post COVID context

**Mitigating the impacts  
of COVID-19 on India's  
women and girls through  
emergency cash transfers**

## Disproportionate impacts of COVID-19 on women and girls: The case for an emergency cash transfer

COVID-19 is no longer a health crisis. The pandemic and the subsequent lockdown have led to dire socio-economic challenges for India. Loss of livelihoods, food insecurity, wage cuts and financial insecurity are among the few challenges that the majority of Indians are grappling with, especially the poor.

Evidence from past health emergencies shows that impacts of such periods of distress are not gender neutral and can lead to a sharp rise in gender-based violence, unequal burden of unpaid care work, food insecurity, depletion of household assets, income shocks and liquidity constraints, decline in female labour force participation, and significant impacts on health and nutrition, exacerbated by existing inequities in health access.<sup>1</sup>

Findings from a survey across 12 states,<sup>2</sup> for example, show that of the 66% workers who report themselves to be unemployed, women are among the worst affected across all forms of employment. The pandemic is expected to lead to significant reduction of jobs in sectors with high female employment shares.<sup>3</sup>

The same survey also shows that 77% sampled households consume less food than before; only 47% have enough money to buy essentials for at least a week; and only 49% received at least one cash transfer through relief measures announced by the government.

Wage employment in India too has been severely impacted. In 2018–19, women had 55 per cent share of workdays under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). With activities stalled during the lockdown and pending wages from last year, casual wage workers are facing imminent poverty.

The lockdown and the halt of economic activities led to the reverse migration of millions of

migrants. According to the Census of 2011, there are 139 million interstate migrants who are now among the worst hit by the pandemic and the lockdown. Little to no data exists on women migrant workers, mostly employed in construction and domestic work, who continue to be invisible in recent policy discourse and in the design of relief packages. The return of male migrant workers too can have unintended effects on women: fewer jobs being available to them in rural areas, thereby impacting overall levels of household income.

As far as the farm sector is concerned, producers of non-food crops may require immediate income support due to the closing down of industries. Women are likely to be excluded from the farmer relief packages, including the benefits under the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN), since they are not recognised as ‘farmers’ and do not own landholdings.<sup>4</sup>

A recent, small-scale survey<sup>5</sup> of women across 20 different trades by the Self-Employed Women’s Association (SEWA) during the current lockdown shows that self-employed women are facing income losses and are in dire need of basic necessities. There is also an increase in informal borrowing, with women taking loans from informal sources at high interest rates.

In March and May 2020, the government announced a series of relief measures, stimulus packages and liquidity support, amounting to ₹20.7 trillion.<sup>6</sup> However, a large part of these included liquidity measures announced by the Reserve Bank of India, and a repackaging of existing schemes already announced earlier this year as part of the 2020–21 budget. Estimates suggest that if the country retains its current expenditure until 2022, it is likely that India’s GDP growth rate will be -8.8%, indicating an imminent financial depression.<sup>7</sup>

All these uncertainties have led to the re-emergence of a demand for basic income in India.<sup>8</sup> Convergence of existing schemes, fewer leakages and less corruption, as well as reduction in administrative costs, are some of the arguments in favour of a basic income, which

<sup>1</sup> Wenham C., J. Smith and R. Morgan, on behalf of the Gender and COVID-19 Working Group. 2020. “COVID-19: The Gendered Impacts of the Outbreak”, *The Lancet* 395 (10227): 846–48.

<sup>2</sup> <https://cse.azimpremjuniiversity.edu.in/covid19-analysis-of-impact-and-relief-measures/>

<sup>3</sup> Alon, T.M., Doepke, M., Olmstead-Rumsey, J. and Tertilt, M. 2020. The Impact of COVID-19 on Gender Equality (No. w26947). National Bureau of Economic Research.

<sup>4</sup> Kulkarni, S. 2020. “Locked in a Crisis: Concerns of Rural Women”, *Economic and Political Weekly* <<https://www.epw.in/journal/2020/23/commentary/locked-crisis.html>>

<sup>5</sup> SEWA Bharat. 2020. Gendered Precarity in the Lockdown. SEWA: New Delhi

<sup>6</sup> <https://www.livemint.com/news/india/india-announces-rs-20-trillion-stimulus-package-to-restart-economy-11589295611168.html>

<sup>7</sup> [https://www.ideasforindia.in/images/pdf/The\\_Covid\\_19\\_shock\\_Learnings\\_from\\_the\\_past\\_addressing\\_the\\_present\\_Pronab\\_Sen.pdf?fbclid=IwAR1vcp9HOekHx1R9Ff\\_IZeW4f-K8Y25MTJ\\_SuwjKyg5ZXwRcMuM4Mxb0cqQ](https://www.ideasforindia.in/images/pdf/The_Covid_19_shock_Learnings_from_the_past_addressing_the_present_Pronab_Sen.pdf?fbclid=IwAR1vcp9HOekHx1R9Ff_IZeW4f-K8Y25MTJ_SuwjKyg5ZXwRcMuM4Mxb0cqQ)

<sup>8</sup> <https://www.thehindu.com/opinion/op-ed/its-time-for-a-universal-basic-income-programme-in-india/article31717471.ece>



were also cited in India's Economic Survey (2017–18).<sup>9</sup> Others argue that once immediate needs are addressed, households will invest in productive assets and better livelihood opportunities.<sup>10</sup>

While a universal basic income (UBI) will require careful deliberation on its feasibility, design and implementation, an emergency basic income or unconditional cash transfer tied to the duration of this pandemic crisis for specific vulnerable groups could help ameliorate the financial uncertainties faced by several households in India.

Countries around the world are implementing various social assistance programmes, with several using emergency cash transfers. In some countries the duration of the transfer is now tied to the end of the crisis.<sup>11</sup>

An emergency basic income has the potential to mitigate the adverse impacts on the most vulnerable, including women and girls. However, these transfers should be complemented with investments in public infrastructure, basic services such as health and food security, and should work in tandem with existing social safety nets to ensure sustained impacts.

## Gendered impacts of unconditional cash transfers

Unlike a UBI, an emergency unconditional cash transfer is not universal in nature, but is targeted at marginalised and vulnerable groups and is implemented for a limited period.

A 2014 UBI pilot intervention in Madhya Pradesh showed significant positive impacts for women and girls. There was an increase in expenditure on energy sources, health services, medication, sanitation, and significant improvements were seen in food security and nutrition, particularly among female children. Direct transfers to women increased their autonomy and decision making ability, and women were more likely to actively participate in the labour force.<sup>12</sup>

A similar pilot in Delhi showed that when money was given to the eldest woman in the household, they were able to afford better quality grain than

usual, and could also add pulses, milk, eggs to their diet, thus improving overall nutrition.<sup>13</sup>

Literature shows that a guaranteed basic income, along with food security systems in place, has the potential to correct for the paid-work bias that women face, and that most contemporary social protection schemes have, particularly when they are tied to conditionalities. These conditions often reinforce unpaid care work for women (e.g. getting children vaccinated, taking the elderly to healthcare services, and so on). In contrast, a basic income or unconditional cash transfer has the potential to increase women's economic autonomy and does not restrict the activities that she can engage in and spend the cash on.<sup>14</sup>

The evidence on similar basic income schemes shows that women's participation in paid work increases when they are able to address the barriers they face when participating in the labour force; for instance, by affording child care and children's education.<sup>15, 16</sup>

Critics, however, argue that an unconditional transfer will reinforce gendered divisions and increase incentives for women to reduce their labour market participation. However, this underscores the importance of accompanying these transfers with wider efforts, such as more employment opportunities for women, to address inequalities through investments in other areas that make for a more conducive environment.<sup>17</sup>

## Recommendations for implementing an emergency cash transfer

**The government must revise its existing targeting criteria to include various marginal and vulnerable groups affected by the crisis, with a focus on targeting individuals instead of households, particularly women and girls.** The current PM-Garib Kalyan Yojana's transfers of ₹500 per month into Jan Dhan accounts for a three-month period are not only inadequate in terms of the amount, but also suffer from inclusion errors. Alternatively, MGNREGA lists, ration cards, or registering those visiting ration shops, lists created by the Ministry

<sup>9</sup> <https://www.businesstoday.in/opinion/columns/universal-basic-income-will-it-work-in-india/story/314686.html>

<sup>10</sup> Give Directly, Research on Cash Transfers. <<https://www.givedirectly.org/research-on-cash-transfers/>>

<sup>11</sup> Gentilini, Ugo, Almenfi, Mohamed, Orton, Ian and Dale, Pamela. 2020. Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures. World Bank, Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/33635> License: CC BY 3.0 IGO

of Railways and Transportation of returning migrants,<sup>18</sup> or lists prepared by Gram Panchayats to track returning migrants, can be used as sources of verification.

Identification of individuals who have lost jobs will continue to be a challenge. Setting up a voluntary system of registration similar to the self-selection process undertaken for MGNREGA, especially for the migrants, could ease the administrative exercise of tracking eligible individuals and could also introduce an exclusion criteria for those who do not qualify.<sup>19</sup> With greater job losses in urban and peri-urban areas, particularly among migrants, there can be greater emphasis on targeting vulnerable individuals in these areas.

**The time frame of the emergency cash transfer or basic income should be extended beyond three months.** The focus should be on supporting individuals until the economy recovers, and a greater share of those unemployed, particularly women, are able to engage in sustainable livelihoods.

**The size of the cash transfer should be increased to meet the basic needs of all vulnerable individuals.** There are different proposals for the size of the cash transfer. Some argue, based on an analysis of India's poverty line, that monthly transfers should be at least ₹5,000 for rural workers and ₹6,000 for urban workers who have lost their jobs.<sup>20</sup> Other estimates indicate that the transfer should be at least ₹7,500. This would be equivalent to a 20-day wage compensation, in line with the recommendations by the Expert Committee set up by the Ministry of Labour and Employment in 2018. The Committee had recommended a national minimum wage of ₹375 per day, regardless of skills, sector or geographic location. An additional housing allowance of at least ₹55 per day for urban workers was also recommended.<sup>21</sup> Others argue that at least ₹4,260

should be given to all individuals in the informal sector for at least six months.

**The role and network of business correspondents serving banks should be expanded, and other distribution channels for last mile cash disbursement should be identified.** Organisations such as the India Network for Basic Income (INBI) are experimenting with last mile cash disbursement for returning migrants and daily wage workers through postal services, particularly the Post Payments Bank.<sup>22</sup> Similarly, there is a growing need for expanding the reach and network of local business correspondents and bank mitras to ensure last mile connectivity and disbursement of the cash transfers, which has been an ongoing challenge.<sup>23,24</sup>

These efforts will fail if the existing direct benefit transfer systems and banking systems are not strengthened. Opening savings bank accounts for those without any formal identification should be a key priority, and other touch points should be used for targeting such individuals.<sup>26</sup>

**Funding emergency cash transfers requires reallocation of existing budgets.** Even if expenditures on certain social welfare schemes are redirected, it would not be enough to fund an emergency cash transfer to all targeted individuals. One recommendation is that India should explore using a "special purpose vehicle" to fund the scheme until the economic impacts on these individuals dissipate. The PM CARES fund can also be redirected to support such a measure. A greater number of longer-term measures such as a fiscal stimulus through infrastructure spending, increasing expenditure on agriculture, investing in sustainable energy sources, could also support the funding needs of such a basic income.<sup>26</sup>

<sup>18</sup> Aiyar, Yamini. 2020. "Cash Transfers: There is a Way Out", Hindustan Times, May 2020. <<https://www.hindustantimes.com/columns/cash-transfers-there-is-a-way-out/story-CnxM5WobJL3vEbuikx34IJ.html>>

<sup>19</sup> [https://www.ideasforindia.in/images/pdf/The\\_Covid\\_19\\_shock\\_Learnings\\_from\\_the\\_past\\_addressing\\_the\\_present\\_Pronab\\_Sen.pdf?fbclid=IwAR1vcp9HOekHx1R9Ff\\_IZeW4fK8Y25MTJ\\_SuwJkYg5ZXwRcMuM4Mxb0cqQ](https://www.ideasforindia.in/images/pdf/The_Covid_19_shock_Learnings_from_the_past_addressing_the_present_Pronab_Sen.pdf?fbclid=IwAR1vcp9HOekHx1R9Ff_IZeW4fK8Y25MTJ_SuwJkYg5ZXwRcMuM4Mxb0cqQ)

<sup>20</sup> <https://www.thehindu.com/opinion/op-ed/its-time-for-a-universal-basic-income-programme-in-india/article31717471.eht>[https://www.ideasforindia.in/images/pdf/The\\_Covid\\_19\\_shock\\_Learnings\\_from\\_the\\_past\\_addressing\\_the\\_present\\_Pronab\\_Sen.pdf?fbclid=IwAR1vcp9HOekHx1R9Ff\\_IZeW4fK8Y25MTJ\\_SuwJkYg5ZXwRcMuM4Mxb0cqQce](https://www.ideasforindia.in/images/pdf/The_Covid_19_shock_Learnings_from_the_past_addressing_the_present_Pronab_Sen.pdf?fbclid=IwAR1vcp9HOekHx1R9Ff_IZeW4fK8Y25MTJ_SuwJkYg5ZXwRcMuM4Mxb0cqQce)

<sup>21</sup> [https://www.ideasforindia.in/images/pdf/The\\_Covid\\_19\\_shock\\_Learnings\\_from\\_the\\_past\\_addressing\\_the\\_present\\_Pnab\\_Sen.pdf?fbclid=IwAR1vcp9HOekHx1R9Ff\\_IZeW4fK8Y25MTJ\\_SuwJkYg5ZXwRcMuM4Mxb0cqQ](https://www.ideasforindia.in/images/pdf/The_Covid_19_shock_Learnings_from_the_past_addressing_the_present_Pnab_Sen.pdf?fbclid=IwAR1vcp9HOekHx1R9Ff_IZeW4fK8Y25MTJ_SuwJkYg5ZXwRcMuM4Mxb0cqQ)

<sup>22</sup> [https://labour.gov.in/sites/default/files/Committee\\_on\\_Determination\\_of\\_Methodology.pdf](https://labour.gov.in/sites/default/files/Committee_on_Determination_of_Methodology.pdf)

<sup>23</sup> <https://www.thehindubusinessline.com/news/inbi-seeks-to-partner-india-post-for-cash-transfer-experiment/article31724121.ece>

<sup>24</sup> <https://www.financialexpress.com/money/cash-crunch-in-time-of-coronavirus-how-bank-mitras-indias-unique-rural-atm-solution-service-can-help/1936327/>

<sup>25</sup> [https://publications.aazimpremijfoundation.org/2272/1/lockdown\\_and\\_distress\\_report\\_by\\_stranded\\_workers\\_action\\_network-2.pdf?fbclid=IwAR03y0EUdGqwtOCjImKcX\\_ICht-wG1EdLVSDtrQAEEDKYHtuloWGUDOA8](https://publications.aazimpremijfoundation.org/2272/1/lockdown_and_distress_report_by_stranded_workers_action_network-2.pdf?fbclid=IwAR03y0EUdGqwtOCjImKcX_ICht-wG1EdLVSDtrQAEEDKYHtuloWGUDOA8)

<sup>26</sup> <https://www.centerforfinancialinclusion.org/support-for-indias-migrants-during-covid-19-navigating-potential-gaps-in-the-system>

<sup>27</sup> <https://madrascourier.com/opinion/modi-should-claim-his-place-in-history-by-implementing-universal-basic-income/>

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