

# Lives and Livelihoods in the Wake of Covid-19 Pandemic in Rural Bihar\*

Gaurav Datt<sup>†</sup>, Swati Dutta<sup>‡</sup> and Sunil Kumar Mishra<sup>§</sup>

## The study

The Covid-19 pandemic has triggered an unprecedented health and an economic crisis in India. It is important to document how this crisis has affected people's lives and livelihoods in different parts of the country.

Based on phone interviews with more than 1600 households in rural Bihar, a study funded by the International Growth Centre and jointly conducted by the Centre for Development Economics and Sustainability (CDES, Monash University, Australia) and the Institute for Human Development (IHD, New Delhi, India) provides rapid survey-based evidence on two framing questions:

- (I) how did the Covid-19 crisis impact the livelihoods and lives of rural households in Bihar?
- (II) how far did the announced government support translate into support on the ground?

The study focuses on the experience of rural households during and following the first wave of the Covid-19 pandemic since March 2020. Data collection took place from 17th October 2020 to 10th January 2021 from a sample of 1613 households in 12 villages across seven districts of Bihar (namely, Gaya, Gopalganj, Madhubani, Nalanda, Araria, Purnia and Rohtas). This sample is an updated version of an earlier (2016-17) sample developed by the IHD as part of its Bihar Research Programme to be broadly representative of the state as a whole in socioeconomic terms. Impact was assessed by comparing a household's pre-Covid status with their situation since Covid.

## Impact of the pandemic

- **The livelihood impact of Covid-19 was pervasive.** 94% of households experienced at least some impact on their livelihoods (see Table 1).

Table 1: **Covid-19 impacts across different sources of livelihood**

Source of livelihood	% of households participating in ...	% of affected among those participating
Self-employed in agriculture	38.9	75.7
Self-employed in animal husbandry	54.0	16.6
Self-employed in non-agriculture	11.0	85.3
Regular wage/ salaried worker	7.5	14.5
Casual labour	35.7	100.0
Migrant worker	55.4	94.4
Any source	99.1	94.4

Note: All calculations use sample weights.

\* This note is based on the study: Datt, Gaurav, Dutta, Swati and Mishra, Sunil Kumar (2021). *Changing Lives and Livelihoods in the Wake of Covid-19 Pandemic in Rural Bihar*, Centre Development Economics and Sustainability and the Institute for Human Development.

<sup>†</sup> Centre for Development Economics and Sustainability, Monash University ([gaurav.datt@monash.edu](mailto:gaurav.datt@monash.edu)).

<sup>‡</sup> Institute for Human Development ([swati.dutta@ihdindia.org](mailto:swati.dutta@ihdindia.org)).

<sup>§</sup> Institute for Human Development ([sunil.mishra@ihdindia.org](mailto:sunil.mishra@ihdindia.org)).

- **The impact occurred through multiple sources of livelihood.** The study distinguished six main livelihood sources: self-employment in agriculture, self-employment in animal husbandry, self-employment in non-agriculture, regular wage/salaried work, casual labour (local), and migrant labour. Rural households, on average, were engaged in two of the six types of activities; more than two-thirds are engaged in two or more types of activity. For 45% of households, *all* sources of livelihood were impacted.
- **The impact nearly always involved the main source of livelihood.** The main source of income was affected for nine out of every ten households.
- **The most widely affected livelihood activities were casual and migrant labour.** Every household participating in casual labour was affected; among those participating in migrant labour, 94% were affected. Migrant and casual labour are the two most important sources of livelihood, and the main source of income for 51% and 18% of households respectively.
- **Casual employment was hit hard.** On average, workers engaged in casual labour lost about 9 days of work per month since Corona. This was made up of 4 days each for casual labour in agriculture and non-agricultural activities. MGNREGA work was the least affected, but MGNREGA employment also decreased on average by one day per month.
- **There were multiple channels of the prolonged impact on migrant workers.** More than half of migrant workers returned to the native village with the disruption of work in destination areas, with the typical worker spending Rs. 3,000 on the return journey. Of those who stayed in the destination area, about 9 out of 10 lost days of work and reduced their remittances back home. Among those returning to the village, the typical worker lost more than 40 days of work up to their return to the village, and less than two-thirds of the returnees found alternative part-time work around the village. Many of them went back to destination areas after spending an average (median) of 149 days in the village, and about one-fifth of them had not resumed work in the destination area at the time of the survey.
- **Regular government salaried jobs remained protected,** but less than 4% of rural households had a member working in a government salaried job. By contrast, private sector jobs were less protected. About one-fifth of households with a regular salaried job in the private sector experienced job losses.
- **There is evidence of greater intensity of impact for SC-ST and low-income groups.** While less than 7% of SC-ST households had either no impact or impacts limited to subsidiary income sources only, this proportion was about 16% for Upper Caste households. Similarly, while no or only subsidiary income impact was limited to 6-11% of households in the lowest/low income groups, this proportion was 36% of households in the top income group.
- **Households also experienced a range of other impacts on health, nutrition and education.** About 28% of households with children under 24 months missed their children's immunization since Corona, while 41% of households with pregnant or lactating women reported being unable to avail of the ante and post-natal checkups since Corona. With school closures and the consequent

disruption of the mid-day meal program, only 4% of households with school-going children received alternative food supplements from the government on anything but an occasional basis; 16% did not receive anything. With school closures, any form of online learning was possible for only 7% of households with school-going children, under 2% for households with children in government schools.

## Government support

As against the pervasiveness and breadth of the impact of the pandemic, the amount of support received by households from the government was limited in several ways.

- **A significant fraction of households were excluded for lack of eligibility.** About 18% of households had no ration card and were unable to receive the additional free ration of rice/ wheat and pulses for eight months. 52% of households were not eligible for free cooking gas cylinders for three months under the Prime Minister Ujjawala Yojana. 31% of households had no women Jan Dhan accounts to receive cash transfers. Only a quarter of households were eligible for ex gratia pension payments to widows, senior citizens or those with disability.
- **Some received nothing despite being eligible.** 19% of eligible households received no free cooking gas cylinders. Exclusion despite eligibility was however limited for free food rations and cash transfers to only about 2% of eligible households who received nothing.
- **Among those who received something, most received less than the announced amount.** 78% of ration card holders received less than the announced 5 kg of free rice or wheat per person per month; 91% received less than 1 kg of free pulses per person per month. The typical (median) cardholding household received 75% of the entitlement. Around 30% of households with women Jan Dhan accounts received less than the announced amount of cash transfer; about 22% received only a single instalment of Rs. 500 instead of the promised three. Nearly three-quarters of households eligible for free cooking gas cylinders received less than the three cylinders as intended by the announced relief measure. Monthly receipts for more than three-fourths of recipients of old-age and disability pension recipients, and more than three-fifths of widow pension recipients fell short of entitlements by 29-47%.
- **There is some evidence of displacement of regular PDS rations by free food rations.** Only 51% of the cardholding households received their full normal PDS ration since Corona. This proportion was even lower at 46% for households who received their full free ration of rice/ wheat or pulses.

## Summing up

The picture that emerges from this study is one of pervasive and severe impacts on rural livelihoods in Bihar. In contrast to the scale of the livelihood impact, government support was meagre. Many households received only a fraction of the promised support at a time when the existing safety nets were also compromised to a lesser or greater extent. The promised support itself was meagre relative to the impacts.