

# Social Assistance and Information in the Initial Phase of the COVID-19 Crisis: Lessons from a Household Survey in India

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## Abstract

Together with a lockdown and an information campaign, India's early response to the Covid-19 pandemic included the launch of PMGKY, a major social protection package. This built on previous digital investments including in direct benefit transfer to financial accounts as well as on several established programs. The paper reports on the implementation of PMGKY, based on a household survey conducted 4-6 weeks after the lockdown and launch of the program. PMGKY successfully delivered benefits to millions of households, including food rations. At the same time, in spite of the information campaign, people did not always realize that payments had been delivered into their accounts while some also faced logistical difficulties in reaching cash-out points because of the severe disruption related to the pandemic and the lockdown. These factors constrained the immediate realization of benefits. Performance was broadly uniform across different groups of recipients, with few systematic major differences in the receipt of benefits reported by gender, urban/rural location and category of ration card. The study also flags the importance of the increasing spread of smartphones across the population.

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## 1. Introduction

Despite a coordinated response to the pandemic, India follows only the United States in the number of COVID-19 cases, with the third highest global death tally. On March 24, 2020, the federal government announced a strict countrywide lockdown. This brought economic activity to a halt but stimulated massive labor flows as migrant workers returned to their communities. Within two days, the government also announced a massive relief package—known as the Pradhan Mantri Garib Kalyan Yojana (PMGKY)—which provided free food grains, targeted financial transfers, and wage employment to tide over the immediate crisis, especially affecting the poor and the marginalized groups.

At the same time, the government launched a mass information and behavior change campaign through both traditional and digital channels. Local governments and frontline health workers known as ASHAs were mobilized in rural areas to reach households directly with COVID-19 prevention messages. People in both rural and urban areas received information from newspapers, TV and mobile phones, including COVID messages from celebrities embedded in ringtones. PMGKY, too, was widely publicized in the media, as well as through the regular channels used to share information on public programs.

Unlike countries like Colombia, Brazil and Pakistan, India did not immediately launch a major new program targeted towards the “new poor”, mostly informal sector workers and urban wage laborers who lost their livelihoods and spurred the urban-rural reverse migration in the aftermath of the lockdowns. PMGKY built on five of its many existing social programs and one new program targeted at women to deliver additional benefits. It also used existing digital infrastructure—for nearly a decade, India has invested in building digital platforms to transfer social benefits directly to beneficiary bank accounts, as well as to help manage the public distribution system (PDS) for food rations. By early 2020, the vast majority of households had been included in the JAM—an acronym for the combination of Aadhaar ID, (Jan Dhan) bank accounts and mobile phones—so that it was possible for the government to implement a ‘digital first’ strategy for social assistance.

The COVID-19 lockdown provides a test of whether these investments in digital infrastructure would pay off and help the government deliver relief quickly, efficiently and equitably. How effective was PMGKY in the early stages of the lockdown, both overall and for different beneficiary groups, in cushioning the adverse impact on households? We approach this question using survey data collected by MSC (MSC Round 1) from over 5000 respondents across 18 states with a total population of over a billion residents. The survey was carried out in a two-week period between end April-early May 2020, approximately 4–6 weeks after the imposition of the lockdown and the rollout of the relief package. It asks about the receipt and realization of social assistance and how well beneficiaries were informed about COVID-19 and PMGKY. The focus is on delivery, not on the selection processes for beneficiaries.

When looking at the evidence, one must keep in mind that the early stages of the lockdown were extraordinary times, with severe disruptions to the “real” economy—local and country-

wide transport, commerce and the functioning of supply chains. School closures also meant the suspension of school feeding programs—the largest in the world—which affected nearly 144 million children and imposed an additional burden on poor households, especially women (Alvi and Gupta 2020). Even if people can communicate and transact digitally, they have to satisfy their physical needs in the real world. There is therefore some limit on what can be expected from even well-functioning digital systems, starting from the point at which they interface with real activity.

In general, the survey results point to a relatively successful rollout of social assistance at scale. India's relief measures reached nearly a billion people in a short period of time, with many households benefiting from multiple programs. Digital systems were instrumental in sustaining and rapidly scaling up financial assistance, no doubt helped by the decision to route benefits through existing programs rather than creating new ones. Nevertheless, many registered beneficiaries faced challenges in realizing the assistance, partly because they were not fully aware that it had been provided to them, and also because of perceived and real difficulties at points-of-service.

The in-kind PDS system played a vital cushioning role, with perhaps the highest percentage of recipients receiving, and realizing, their benefits. Based on survey responses there might have been a degree of rationing, in the sense that many people reported not receiving their full ration plus the extra PMGKY food allowance, but it is not clear whether everyone who received the free ration actually understood that it had been distributed to them. The PDS was supplemented by a wide range of local schemes providing cooked meals and additional food parcels, which were not part of PMGKY and so are not reported on here (MSC 2020).

The first impediment to realizing the financial transfers was that beneficiaries were not always aware that these had been paid into their accounts. In many cases they would have needed to verify bank balances manually, and this was not always easy under conditions of lockdown. The second related to the logistics of accessing cash-out facilities under lockdown conditions and doing so in a safe manner. Despite unprecedented pressure to deliver benefits, the payments systems themselves appeared to have worked reasonably well (MSC 2020; Dalberg 2020; NCAER 2020). Moreover, the present survey suggests that the delivery systems were not biased against any particular set of beneficiaries. The patterns of responses do show statistically significant differences in the experience of different groups (urban/rural, male/female, etc.) but these are not large enough to undermine the general picture.

On communications, the responses confirm a huge emphasis on communicating on the ground about COVID-19 as compared with PMGKY. This prioritization was understandable but at the same time many beneficiaries did not know about the package or its details. The problem may have been exacerbated by the complexities of channeling additional relief through several programs, with conditions that sometimes differed from the normal rules for the program. The survey results highlight the importance of complementarities between direct contact by frontline workers and officials on the one hand, and news and digital channels on the other. They also flag the importance of smartphones, which are now widely held following the disruptive 2016 entry of Reliance Jio

into India's mobile market and decreases in India's costs of data to perhaps the lowest in the world ([TheCaseCentre.org](http://TheCaseCentre.org) 2017).

India therefore offers lessons on the interaction of "real" and "digital" relief programs during an unprecedented emergency. Digital mechanisms have played a vital role but even in a country that has made huge investments in digital delivery, local, on-the-ground, provision of communications and services is central to reaching large numbers of people. As an established program, PDS played an important role, although the experience of countries like Pakistan and South Africa shows how difficult it can be to implement a major rations program at short notice (Markhoff 2020; Seekings 2020).

The following section summarizes PMGKY and the communications package. Section 3 provides a brief description of the MSC Round 1 survey and the sample. Section 4 draws out main conclusions on overall performance, based on detailed analysis in MSC 2020. Section 5 considers the experience of different groups and section 6 summarizes lessons. These will be refined as subsequent survey rounds are analyzed.

## **2. Social assistance and communications**

### **PMGKY social assistance**

To provide immediate economic relief in the aftermath of the lockdown, PMGKY involved three key pillars: (a) in-kind food rations through the well-established Public Distribution System (PDS); (b) financial assistance to vulnerable groups through two established transfer programs, the National Social Assistance Program (NSAP) and Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) and a new program for women having Pradhan Mantri Jan Dhan Yojana (PMJDY) accounts (see Table 1), as well as advances through the Pradhan Mantri Ujjwala Yojana (PMUY) program that had provided voucher payments into beneficiaries' bank accounts to purchase gas cylinders; and (c) wage employment through the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) program. Collectively known as the Prime Minister's Garib Kalyan Yojana (PMGKY), the measures cost the government around \$22.4 billion, reaching almost a billion beneficiaries in aggregate. All financial transfers were into bank accounts, implemented through the Direct Benefit Transfer (DBT) platform. The details of the programs are in Table 1.

The details of the programs are in Table 1 below.

**Table 1. Pradhan Mantri Garib Kalyan Yojana (PMGKY) components encompassed in study**

Program Name	Benefit	Number of Beneficiaries (million)	Issues
Public Distribution System (PDS)	Additional 5 kg grain per person and 1 kg pulse per household per month for eight months	800	Supply logistics problems may have constrained distribution
PMJDY	INR 500 (\$6.60) transfers to women-owned accounts for three months	200	Low benefit awareness & cash out logistics problems
NSAP	INR 1000 (\$13.20) grant to pension beneficiaries	28	Low benefit awareness & cash out logistics problems
PM-KISAN	INR 2000 (\$26.30) advance for beneficiaries	90	Low benefit awareness & cash out logistics problems, inconsistencies with beneficiary rolls
PMUY	Advance for 3 cylinders of cooking gas subsidy	80	Low benefit awareness, poor communication of distribution, & cash out logistics problems
MGNREGA	Increase daily wage from INR 187 to INR 202	136	

For in-kind assistance, PMGKY supplemented the regular PDS allocation for both Antyodaya households (the poorest of the poor who receive 35 kg of foodgrains per month), and priority households (the poor, who are covered by the regular PDS allocation of 5 kg of foodgrains per month per registered family member). While there was no significant expansion of the beneficiary base, the lockdown posed a logistical challenge to ensure adequate supply to fair price shops (FPS). Several states waived the requirement for biometric verification to obtain rations, simplifying the process for a large proportion of PDS beneficiaries, confident that the administrative infrastructure was robust enough to minimize opportunities for corruption and leakage

The largest financial transfer program was made through PMJDY which provided Rs.500 per month from April to June 2020 to nearly 206 million women, who had opened Jan Dhan accounts from 2015 onwards when the financial inclusion initiative was initiated. Not all Jan Dhan accounts belong to poor women and not all poor women have Jan Dhan accounts so this was not a highly targeted transfer to the poorest (Pande et.al. 2020). However, it did provide a mechanism to address the gendered impact of the COVID-19 crisis through providing social assistance to a significant section of the female population. Cash assistance included a top-up for the National Social Assistance Program (NSAP) comprising old-age, widow and disability pensions and covering around 28 million beneficiaries. Advance

payments were also provided to around 90 million beneficiaries of PM-KISAN, largely small and marginal farmers.

The final financial transfer program advanced cooking gas subsidy payments to 80 million beneficiaries of the PMUY program. Advances were provided to all PMUY beneficiaries in April of 2020 for the purchase of a 14.2 kg replacement cylinder. This was followed by a second advance in May, provided that beneficiaries had had booked their first cylinder and utilized the previous transfer. A benefit was provided for a third cylinder as well, but as a reimbursement in contrast to the previous two payments. It is not clear that these fine distinctions were widely understood by beneficiaries.

Finally, MGNREGA was engaged to increase opportunities for wage employment in the rural areas especially for migrants returning to their villages from urban centers following the COVID-19 lockdown. Field reports suggest that demand for work increased by over 40 percent from 2019. Daily wages were also increased as part of PMGKY.

We limit the scope of our analysis to PDS and the financial assistance programs, acknowledging the contribution of MGNREGA to mitigate the economic impact of COVID-19 lockdown in the rural areas.

## **Communication**

In conjunction with the economic package, federal and state governments coordinated mass information campaigns with two specific objectives: (i) to increase awareness and knowledge about COVID-19 and (ii) to change behavior to combat its spread. The government used multiple channels to propagate COVID-19 information. These included traditional media (TV/Newspapers), digital platforms (messaging and social media), face-to-face contact with health and local government officials and word of mouth (friends, neighbors etc.). India's administrative infrastructure especially in rural areas enabled the government to leverage available human resources—ASHA (community healthcare) and Anganwadi (early childhood center) workers, as well as panchayats (local governments). A large section of the population received information through social media which made it imperative for the government to saturate these channels with information about correct attitudes and practices. As an initiative announced by the Prime Minister, PMGKY also was widely reported in the media, including political announcements, press releases and media interviews.

### 3. Survey design and the sample

The survey was administered to 5,082 respondents across 18 different states covering over 1 billion inhabitants (Table 2). Within this sample, 69 percent of the respondents were male and 30 percent female, with 69 percent of respondents living in a rural area and 31 percent in urban locations.<sup>1</sup> Just over 94 percent of respondents were permanent residents of their state, 5 percent were immediate relatives of a migrant and around 1 percent were migrants themselves. A little under a quarter (23 percent) of respondents reported being a member of a very poor household with an AAY Card holder.

**Table 2. Summary statistics**

Demographic Category	Number of Respondents	Percentage of Respondents
All Respondents	5,082	100%
Male	3,537	69.6%
Female	1,545	30.4%
Permanent Resident	4,781	94.1%
Migrant	47	0.9%
Family of Migrant	254	5.0%
Urban	1,598	31.4%
Rural	3,484	68.6%
Household has at least 1 Smartphone	3,686	72.5%
Household lacks a Smartphone	1,396	27.5%
Households Has at Least 1 Feature Phone	4,237	83.4%
Household Lacks a Feature Phone	845	16.6%
Household Has at Least 1 Aadhaar ID Holder	4,985	98.1%
Household Lacks an Aadhaar ID	97	1.9%
Household Has at Least 1 Bank Account	5,073	99.8%
Household Lacks a Bank Account	9	0.2%

*Note:* Percentages based on unweighted data

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<sup>1</sup> Note: We report all results using unweighted survey data. Weighting survey data by district population produces marginally different percentages. Variations between the two methodologies are not sufficient to significantly impact our overall findings.

With the focus on the delivery of social protection rather than on eligibility or access to the programs, the survey instrument featured a set of screening questions to identify respondent households which were enrolled in the PDS scheme and were beneficiaries of at least one financial transfer program under PMGKY. Thereafter, it included sections on the general status of households following COVID-19 lockdown measures, the receipt and use of benefits (divided into PDS and financial transfer programs) and communications and awareness of COVID-19 prevention measures and social assistance programs. This provides a picture of not only the performance of PMGKY, but also the information and communication ecosystem that surrounded the rollout of both pandemic prevention and social protection. We believe this has not been the case with other surveys conducted in the aftermath of the COVID-19 lockdown in India.

As with most surveys carried out during this period, interviews were conducted by telephone. This methodology has significant, well documented, limitations (IPA 2021). However, access to mobile phones at the household level is less of a concern because of the selection criteria. JAM coverage was nearly complete for the sample. Almost all (98 percent) reported coming from a family with an Aadhaar ID holder while all household members had Aadhaar in 82 percent of sample households. All households had at least one bank account (some had several) and 54 percent had at least 1 PMJDY account. All households had at least one mobile phone and some had multiple phones—85 percent had at least one feature phone, 73 percent had a smartphone while 58 percent had both. Although smartphone penetration was extensive, only some 11.5 percent indicated that they or their household used a digital platform, such as Google Pay or PayTM, for day-to-day transactions. This is consistent with the fact that these most widely used platforms were not available through the operating systems used by Jio phones.

## **4. Overall program performance**

### **PMGKY**

Survey results confirm that households were hit hard by the lockdown. Eighty three percent reported loss of income and many others the loss of jobs. The support provided through PMGKY would not have offset these losses, but it did provide much-needed—and rapid—relief to many people. In addition to being eligible for the PDS, 65 percent of households reported that they were enrolled in a single PMGKY program; 27 percent in two programs; 7 percent in three and 1 percent in four. Multiple coverage was more prevalent in poorer states, such as Assam, Rajasthan, Bihar and Odisha. In contrast to some other countries, India is prevented from checking across its programs to prevent individual or household access to more than one, a process proscribed by the Aadhaar Act (2016). However, the link to Aadhaar does deter duplicate or ghost beneficiaries within any one program.

With many beneficiaries not aware of the PMGKY package and its associated programs, not all were quick to realize that they had received benefits for which they had never needed to apply. Only 41 percent of respondents declared that they were knew of PMGKY and even these were not aware of all its programs. For PDS rations, 91 percent of those declaring

themselves eligible reported receiving either their normal rations, their extra free entitlement or both during the early lockdown compared with government figures of 95 percent provided.<sup>2</sup> On average, the difference was 24 percent for the three cash transfers, less for schemes with regular monthly distributions such as pensions (13 percent) and more for PMJDY (32 percent) where the new grant was distributed to women through existing Jhan Dan accounts, some of which had become dormant. For PM-KISAN, both government and survey numbers were lower (81 and 71 percent) because of complications with beneficiary rolls. In the case of PMUY (57 versus 99 percent), many beneficiaries had not been notified of the extra payments. Some had not checked their accounts while others assumed no payments had been made after talking with neighbors.

The second factor limiting the realization of benefits was the difficulty faced by some in cashing out their transfers. Some chose not to cash out their benefits during the period, but others who wished to cash out faced logistical difficulties in doing so, which were accentuated by the lockdown.

**PDS played a central role;** the fact that 91 percent of eligible households reported receiving food support during an unprecedented lockdown is a notable achievement. However, there may have been an element of rationing. The most common problems cited involved the supply and delivery chain: reported non-arrival of ration at the shop, food stockouts and denial of rations by dealers. These did not reflect overall supply shortages—India’s official stock levels for staple commodities were at record levels—but rather the formidable problems in moving them through the system. Logistical difficulties for beneficiaries—transport problems and long queues at shops—were other impediments reported. About one fifth of those who reported not receiving rations did not need them or could not claim them because they were traveling.

Biometric authentication at point-of-service was suspended for more than half the respondents. Nevertheless, 4 percent of those failing to receive rations reported that this was because they failed authentication; this represents around 0.8 percent of those who would have been subject to the biometric test. The actual rate of biometric transactions failure was probably somewhat higher because some dealers would have used backup systems to authenticate their customers.

**Financial transfer programs.** For those beneficiaries who reported having received at least one financial transfer, banks were by far the preferred channel for cash-out (67 percent) though on average they involved longer travel than other options. Next came ATMs (18 percent), while only 13 percent preferred the closer option of agent banking. Overall, 67 percent of eligible households traveled to a withdrawal point to cash out their grants, while 10 percent received cash by home delivery (a particularly prevalent method in Andhra

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<sup>2</sup> In the telephone survey it was not clear whether respondents could accurately distinguish the extra supplement from their normal rations. Some states and districts adopted different timelines for distributing the supplement. Beneficiaries were not required to pay for the extra rations some may have received them without realizing.

Pradesh). Twenty-three percent did not withdraw their grants in the time period covered by the survey.

Several factors contributed to the preference for banks. Respondents noted that agents commonly charged cash-out fees, while the less literate found manual balance checks using passbooks at bank branches more reassuring than online checks through agents. Nevertheless, even though agents did not handle the bulk of the benefits, they came under considerable stress, driven by waves of withdrawals by beneficiaries needing funds or concerned that failure to cash out would lead to the loss of the transfer.

Why did many beneficiaries not withdraw their funds? First, 18 percent of those who did not withdraw reported not needing to do so in the early lockdown period—their cash reserves were adequate for the moment. For the rest, logistical problems appear to have outweighed problems of the payments system itself. Sixty-six percent of those who did not withdraw cited access difficulties due to the lockdown or inability to travel to a bank. In some cases, bank accounts were dormant, creating problems, but only 2 percent of those who failed to withdraw reported that a bank had actually denied the withdrawal and only 1 percent reported denial by an agent. This represents quite a low bank failure rate and an agent transactions failure rate—from all causes, not only biometric authentication—of only 3 percent. This is far lower than suggested by Dvara (May 2020) which estimated high rates of transaction failure for Aadhaar-Enabled Payment Services (AEPS), as used by agents, on the basis of administrative data, largely because of problems with biometric authentication. The reasons for this difference are not clear; it may be that the adjustments to distinguish between attempt failures and transactions failures in the administrative data were not adequate. It is also possible that some beneficiaries for whom biometric authentication failed at the agent points visited banks to draw money.

Information problems appear to have plagued PMUY recipients more than those enrolled in the other programs. Many did not know whether they had received their advances; some claimed to have checked their accounts but many of those who reported not receiving advances assumed this based on neighbors' experiences or failure to receive an SMS from their LPG distributor or bank. At 72 percent, the number of beneficiaries who purchased a cylinder during the period was actually greater than the 57 percent who reported that they had received the advances. Ninety one percent of those who received their advance actually purchased a cylinder while 46 percent of those who either reported not receiving the advance or did not know also did so. Advances and cylinder purchases were therefore substantially related, even though de-linked; it is not clear that beneficiaries understood that the first two advances were cash transfers rather than vouchers. Some respondents did not need a cylinder while others were put off from purchasing one by logistical and other impediments.

While not exactly comparable in design, it is interesting to compare these survey results with a similar study carried out during the lockdown period (Dalberg 2020). The Dalberg study reported that by end-May, 80 percent of households covered by cash programs had received at least one benefit; this is comparable to the present study. Of those who received it, 43 percent had not tried to withdraw due to lockdown restrictions and health concerns; this

is higher than in our survey where we found 23 percent of respondents did not cash out their grants. Out of beneficiaries who did withdraw their transfers, 37 percent faced difficulty buying essential commodities. Putting these numbers together, the Dalberg survey indicates that only 29 percent of those covered by cash payments had received and withdrawn them and had easily been able to use the funds to buy essential supplies. Both studies point to logistical constraints during the lockdown as a barrier to accessing and using benefits.

## **Communications**

Survey results confirm that households received information on health measures to prevent COVID-19 infections from a variety of sources. TV and radio emerged as the main source of general information (cited by 88 percent) followed by neighbors (52 percent). Social media (38 percent) substantially exceeded newspapers (23 percent), confirming that India is well on its way to becoming a digital information society. In addition, detailed information on COVID-19 precautions and symptoms was provided by a range of health and social workers as well as local officials, with higher levels of contact reported in rural areas (67 percent) than in urban ones (60 percent). Use of all available administrative personnel appears to have been an important outreach strategy, especially in rural areas where frontline workers and the local government played a critical role. The communication drive appears to have been successful: 90, 87 and 66 percent of respondents, respectively, identified dry cough, fever and difficulty in breathing as COVID-19 symptoms while almost all claimed to be taking precautions of some type.

There was less use of direct outreach to explain PMGKY benefits. Only 30 percent of rural and 27 percent of urban respondents reported any personal delivery of information by officials or health or social workers. While the existence of the program may have been publicized through TV, radio and other communications, there was little effort to deploy resource persons to follow up with the details. Faced with quite a complex set of additional benefits tacked on to existing programs, beneficiaries had to rely on informal sources. Some reported not knowing where to turn when faced with questions or difficulties in accessing benefits.

## **5. Differences across groups**

In considering the performance of PMGKY and communications, it is vital to understand if there were differences across groups—by gender, the very poor, or those less digitally connected. While the survey does not collect detailed information on respondents or households, it does enable stratification by some demographic, income and digital attributes: 1) location (rural/urban), 2) gender of the respondent, 3) type of ration card, 4) possession of a smartphone and 5) the use of digital platforms for financial transactions.

We analyzed the survey across these 5 attributes, testing for statistically significant differences across 44 survey questions using Chi-square tests at a 5 percent level of significance. The survey questions were broken down into four thematic groups:

(i) Communication on COVID-19, (ii) Communications on PMGKY, (iii) Completion of Transaction and (iv) Problems with Transaction. Where possible, we simplified or consolidated the survey responses into simple yes or no responses. Of the 220 tests performed, we observe statistically significant differences for 105 cross-tabulations. This is far higher than the 10 or so cases that would be expected on the basis of random correlations, indicating that, indeed, the results were not uniform across the various groupings. The vast majority of these differences, however, have low explanatory power so that, by and large, the aggregate picture holds for the different groups that we are able to identify.

The results are listed in the table below, distinguishing the number of statistically significant differences in each thematic group, together with the direction of the effects. A preponderance of negative effects would suggest a strong systematic relationship between the attribute (for example being a woman) and the thematic area (for example, reported lack of information on COVID-19).

**Table 3. Number and direction of significant chi squared tests (95% confidence) by demographic factor**

Demographic Characteristic	Direction of Chi Squared Test	Questions on Pandemic Communication	Questions on Benefits Communication	Questions on Transaction Completion	Questions on Transaction Problems
Total Number of Questions:		11	10	14	9
Women	More Likely:	1	1	2	0
	Less Likely:	2	3	2	0
Rural	More Likely:	3	2	4	1
	Less Likely:	2	1	2	0
Has AAY Card	More Likely:	0	0	7	1
	Less Likely:	7	4	4	3
Has Smartphone	More Likely:	9	6	4	6
	Less Likely:	0	2	1	1
Uses Digital Payments	More Likely:	7	5	3	1
	Less Likely:	0	0	5	3

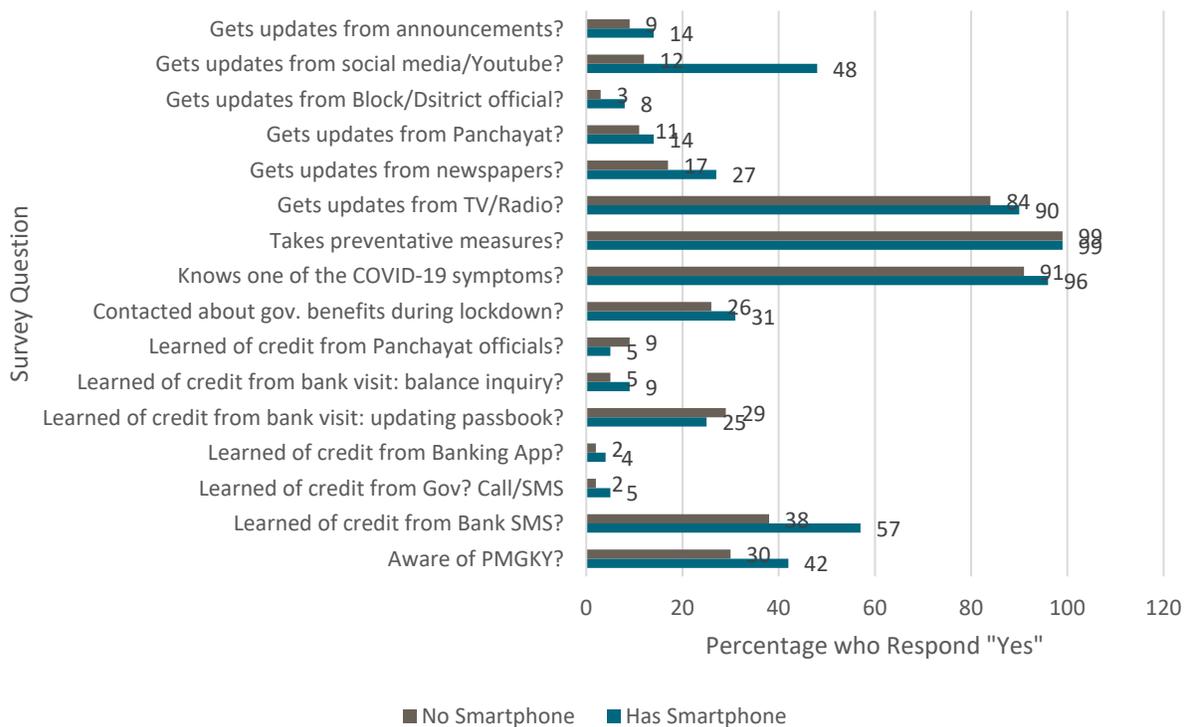
**i. Gender.** Gender effects were modest throughout the response questions, the lowest of the six attributes in terms of statistically significant differences and with little consistency in terms of sign.

**ii. Rural/urban.** Geographic classification had only modest effect on survey response with no consistent pattern. On communications, rural respondents were more likely than urban respondents to report communications through panchayat officials or other government workers and less likely to report mobile communications.

**iii. Poverty.** There is no evidence that very poor households had less success in accessing benefits. Respondents from households with AAY Cards—a proxy for extreme poverty—were more likely to report completing transactions in seven of the 14 relevant questions and were only less likely to report doing so in four. They were also less likely to report experiencing problems transacting in three of the nine relevant questions and were only more likely to report problems in one. On the other hand, they report less outreach in the area of communications in 11 of the 21 relevant questions (including on PMGKY) and more likely to receive communications in none. It is therefore not clear that lack of communications caused poor households to be less successful in realizing their benefits. But it is also possible that fewer of them fully understood what these benefits were.

**iv. Digital access and use.** Respondents from households with smartphones are more likely to report positively on communications than those without them, with significant differences in 15 of the 21 communications-related questions covering both COVID-19 and the PMGKY program (Figure 1). These results confirm important ways in which digital access, including through social media, is increasingly supplementing traditional mechanisms of disseminating and obtaining information. The results strengthen the importance for government of not losing the narrative on social media.

**Figure 1. Percentage of "yes" responses to survey questions**



In only two areas do those with smartphones report channels with less communications; manual checks of bank passbooks, and personal visits by panchayat officials to confirm whether PMGKY benefits have been paid in. These physical mechanisms offer examples of the channels more used by households without smartphone access. In other areas of direct

information outreach such as on COVID-19, the smartphone group was at least as positive as those with only feature phones. Similarly, survey respondents who not only had smartphones but used digital payment platforms for day-to-day transactions were more likely to report receiving program-related information and health-related communications than those that did not, with significant differences in 12 of the 21 relevant questions. In no case were those using a digital payment platform less likely to report such communications, including on questions regarding outreach by officials.

It is not, however, clear how much access to a smartphone eased difficulties at the service points where the digital world meets the real world. Respondents from households with smartphones were, on balance, more likely to report completing a benefit transaction though less likely to have withdrawn the cash benefits which they received. They were also more likely, on balance, to report encountering a problem while completing a transaction. Perhaps the lack of a consistent effect is less surprising since so many difficulties were real-world problems, including logistics and fear of long queues and infection.

## **6. Conclusions**

India maintains an extensive array of social protection schemes and programs, mostly implemented at state level but with support from the Federal government. While this safety net has some serious holes—notably the cross-state migrant population which was severely impacted by the COVID-19 lockdown—its programs cover a large part of the population, many of whom are enrolled in multiple programs. Over the past decade, India has made extensive investments in digitizing the delivery of benefits, including the Direct Benefit Transfer mechanism for depositing all transfer payments into beneficiary bank accounts. The PMGKY package introduced at the start of the COVID-19 lockdown provides a test of how well the system worked during a period of great economic disruption and social stress, with important lessons, also, for other countries.

India implemented its package by adding benefits to existing programs as well as through a new program directed at women, and using well-established mechanisms to deliver them. This had the advantage of speed; even during the first 6 weeks of the lockdown, many households were able to benefit from both the in-kind PDS food ration system and the several programs that provided financial assistance—a notable achievement. Benefits were not always tightly targeted to the poorest, but by and large focused on the less well-off, and also benefited many women who received transfers through Jhan Dan accounts.

Nevertheless, the results indicate two types of difficulties in realizing the full benefits. The first was inadequate understanding of PMGKY and its quite complex benefits package. Many beneficiaries were not aware of the details of its multiple programs or of whether benefits had actually been paid into their accounts; on average, the gap between financial payments as asserted by government and as reported by beneficiaries was 24 percent. Perhaps this is less surprising considering that official communications prioritized informing people on COVID-19 and on the behavioral changes needed to combat it. However, it does point to the importance of having simple program rules and a focused communications

outreach. Many people did not know where to turn to in the case of difficulties in receiving benefits.

For financial transfers, the second nexus of problems came at the cash-out points where digital systems meet real-world realities. Four percent of those who acknowledged receiving transfers did not need to cash them out, but 19 percent failed to do so for other reasons. These largely reflected real and perceived logistical problems; travel to banks and ATMs under lockdown conditions and concern over the risks posed by crowded facilities. Some accounts had become dormant, but, by and large, the actual payments processes seemed to work quite well with quite low failure rates for banks and agents.

One lesson from the first month of the PMGKY program is therefore the limits of digitized programs in situations with a severely disrupted real economy. Some of these problems could have been reduced if widely used and accepted digital payments had minimized the need for cashing out, but only 11 percent of beneficiaries used such systems. Widening the scope of digital payments is a continuing policy priority, but at the same time, Dalberg 2020 points to the difficulties experienced in purchasing essential supplies in this period, even with cash.

In assessing performance during this difficult period, it is also important to understand whether PMGKY was more or less successful in reaching different groups of beneficiaries, such as women, rural residents, the very poor or those with less digital connectivity. While the survey indicates differential effects, by and large there are not clear patterns for the multiple dimensions of successful delivery across such groups. Both on the PDS side and for financial transfers, the difficulties appear to have been idiosyncratic, reflecting local conditions rather than systematically biased against particular groups.<sup>3</sup>

One important finding is the importance of smartphones for communications, including awareness of social assistance as well as information on COVID-19. Among our respondents, 74 percent reported that at least one person within their household possessed a smartphone, indicating deep penetration both in rural and urban India. Moreover, the survey provides no indication that smartphone ownership is dependent upon income; although urbanites and men were statistically more likely to report owning one, a smartphone is no longer a luxury. Smartphone owners were more likely to be aware of at least one coronavirus symptom and more likely to report receiving information about the virus through six of the seven forms of media polled, the strongest of which, by far, being social media and YouTube. Smartphone owners were also more likely to receive information on the PMGKY package, with less need to check bank balances manually on passbooks or through local officials. If governments plan to use social media as an information channel, they need to ensure that they do not lose the narrative.

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<sup>3</sup> Although the MGNREGA was not a focus of this study, the survey results showed that those with AAY cards were more likely to have benefited than those without, suggesting that the program effectively reached its target demographic as well. MGNREGA will be covered in a forthcoming report using the second round of survey data.

These conclusions from the Round 1 survey will be updated using subsequent survey rounds.

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