



Lives and livelihoods in the wake of the COVID-19 pandemic in rural Bihar

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- The COVID-19 pandemic was a health and economic crisis of unprecedented scale and magnitude. This study was conducted while the crisis was still ongoing in India.
- Based on phone interviews with more than 1600 households in rural Bihar, this study aims to provide rapid survey-based evidence to assess the pandemic's differentiated economic impact and the extent of government support received by the households.
- COVID-19 had a pervasive impact in rural Bihar – 94% of households experienced at least some impact on their livelihoods. The main source of livelihood was affected for nine out of every ten households. For 45% of households, all sources of livelihood were impacted.
- Casual and migrant labour were the most widely affected livelihood activities. Self-employment in agricultural and non-agricultural activities, and even work under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), was affected. Regular government-salaried jobs remained protected, but few households had such jobs.
- There is a greater intensity of impact for Scheduled Castes – Scheduled Tribe households (SC-ST) and for low-income groups.
- Although the government provided various support measures, many households surveyed remained excluded from these provisions or received less than the announced amounts. This was particularly problematic as the support announced was low to begin with, relative to the economic impacts.

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Overview of the research

The study focuses on the experience of rural households in Bihar during and following the first wave of the COVID-19 pandemic since March 2020¹. The focus on the first wave is a direct result of the timing of the study, which collected data over the months of October 2020 through January 2021. The key idea of the research project was to collect primary data through phone interviews from a sample of households in seven districts of Bihar to provide information on two focus areas:

1. The impact of the pandemic on livelihoods.
2. The extent of government support received by households.

In order to assess the impact on livelihoods, data was gathered on how the incomes of households have been affected, distinguishing between six main categories of employment: self-employment in agriculture; self-employment in animal husbandry; self-employment in non-agriculture; regular wage/salary work; casual labour in agriculture and non-agriculture; and migrant labour. The last category distinguishes migrant workers working outside the village, who are known to be particularly important for rural Bihar, where about half of rural households have at least one migrant worker. The focus is on differentiated impact for different categories of employment due to the pandemic-induced disruption of economic activities. This includes effects through factors such as the disruption of farming operations, difficulties of marketing produce, business closure and reduced self-employment in non-farm activities, curtailed wage employment, return migration and fall in remittances, or reduced operation of MNREGA public works. We also collected information on select health, nutrition and education impacts of the pandemic.

The second part of the study gathered information on the extent to which various elements of the support package announced by the government have actually been reaching the households since the lockdown. This includes: (a) the announced additional free allowance of rice/ wheat and pulses (and whether this is truly additional to households' receipt of their regular PDS ration); (b) direct transfers into women's Jan Dhan accounts; (c) free provision of cooking gas cylinders; (d) additional payments to old-age, widow and disabled pensioners; (e) any additional support from the state/ local government. This information focuses on documenting the efficacy of actual delivery with a view

¹ The research project was supported by a grant from the International Growth Centre (IGC), and was jointly conducted by the Centre for Development Economics and Sustainability (CDES, Monash University, Australia) and the Institute for Human Development (IHD, New Delhi, India).

to identifying which channels of providing support to affected populations worked better or worse than others.

Data collection took place from 17 October 2020 to 10 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.

Key research questions and findings

The two framing questions for this study were:

1. How did the COVID-19 pandemic impact the livelihoods of rural households in Bihar?
2. How far were these households able to avail of the government support on offer since the pandemic?

A key strength of the study is its richness of detail in painting a picture of the ground reality of the experience of study households with regard to these two framing questions. The following summarises the main findings of the study based on the evidence generated on the two research questions.

Impact of the pandemic

- **The livelihood impact of COVID-19 was pervasive.** The first high-level finding of the study is that the livelihood impact of the COVID-19 pandemic was pervasive in rural Bihar. Hardly any household was spared; 94% of households experienced at least some impact on their livelihoods (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

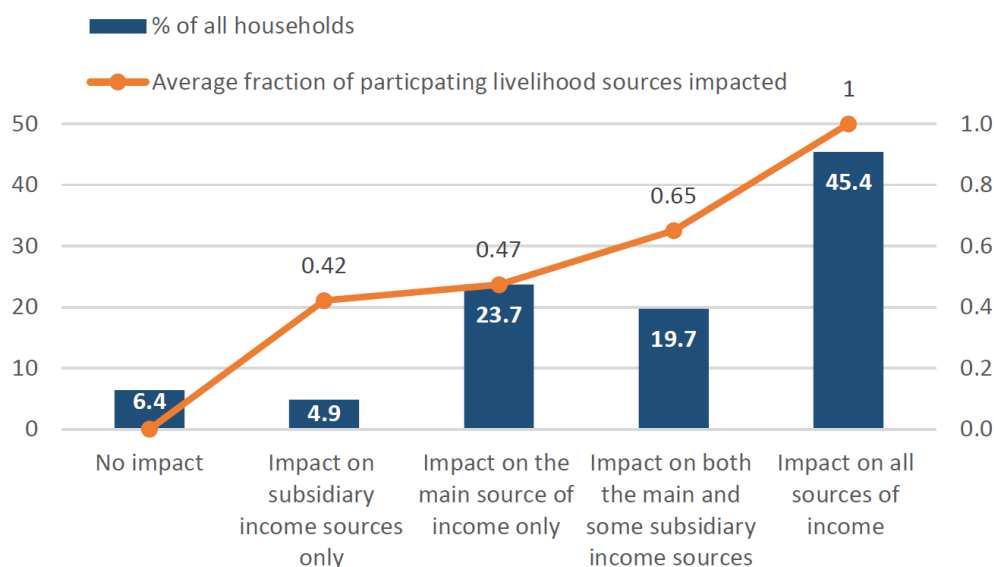
Self-employed in animal husbandry	54.0	16.6
Self-employed in non-agriculture	11.0	85.3
Regular wage/ salaried worker	7.5	14.5
Casual labour	35.7	100.0
Migrant worker	55.4	94.4
Any source	99.1	94.4

Note: All calculations use sample weights.

- The impact occurred through multiple sources of livelihood.** The study distinguished six main livelihood sources corresponding to the type of income-earning activities the working members of the households were engaged in: 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 activity; more than two-thirds of households are engaged in two or more types of activity.
- 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 (Table 1). Migrant and casual labour are the two most important sources of livelihood, migrant labour being the main source of income for 51% of households and casual labour being the main source for 18% of households.
- The impact nearly always involved the main source of livelihood.** The main source of income was affected for nine out of every ten households. For 45% of households, all sources of livelihood were

impacted. The average fraction of livelihood sources impacted for all households was 71% (Figure 1).

FIGURE 1: Intensity of COVID-19 livelihood impacts across households



- Casual employment was hit hard, and even MGNREGA work was affected.** On average, workers engaged in casual labour lost about 9 days of work per month since the COVID-19 crisis began. This was made up of 4 days each for casual labour in agriculture and non-agricultural activities. Work under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) 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 their native villages with the disruption of their work since the lockdowns, 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 workers 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.
- Self-employment in agricultural and non-agricultural activities was also affected.** Contrary to common belief, agricultural activities were also affected. About three-fourths of households participating in self-

employed agricultural activities reported being impacted mainly due to the disruption of agricultural operations and marketing of produce. More than four-fifths of households engaged in self-employed non-agricultural activities were also affected due to business closures, disruption of supply chains and inability to maintain normal opening hours.

- **Regular government-salaried jobs remained protected, but few households had such jobs.** 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.
- **While nearly everyone was affected, there is evidence of greater intensity of impact for SC-ST and low-income groups.** While less than 7% of Scheduled Castes – Scheduled Tribe (SC-ST) households had either no impact or impacts limited to subsidiary income sources only, this proportion was about 16% for Upper Caste households (Table 2). 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.

TABLE 2: Intensity of livelihood impact by social group

Intensity of impact	SC-ST	OBC-1	OBC-2	Upper Caste	Muslim	All households
No impact	3.3	5.3	6.9	8.9	8.3	6.4
Subsidiary income sources only	3.3	4.5	5.2	7.0	4.5	4.9
Main source of income only	22.7	17.3	24.1	23.5	32.1	23.7
Main and subsidiary income sources	26.8	21.8	22.3	10.4	17.0	19.7
All sources of income	43.9	51.2	41.5	50.3	38.2	45.4
Total	100.0	100.0	100.0	100.0	100.0	100.0

Note: All calculations use sample weights.

- **Households also experienced a range of other impacts on health, nutrition and education.** About 12% of households experienced health problems other than COVID-19, for which they faced a range of difficulties in accessing treatment. About 28% of households with children below 24 months missed their children's immunisation since the onset of COVID-19, while 41% of households with pregnant or

lactating women reported being unable to avail of the ante and post-natal checkups since COVID-19. With school closures and the consequent disruption of the mid-day meal programme, 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. The supply of food supplements (including Take Home Rations) from Anganwadi centres to households with 0-6-year-old children was also compromised, with only 2% receiving food supplements on a regular basis and about 5% receiving cash instead of the take-home ration. 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

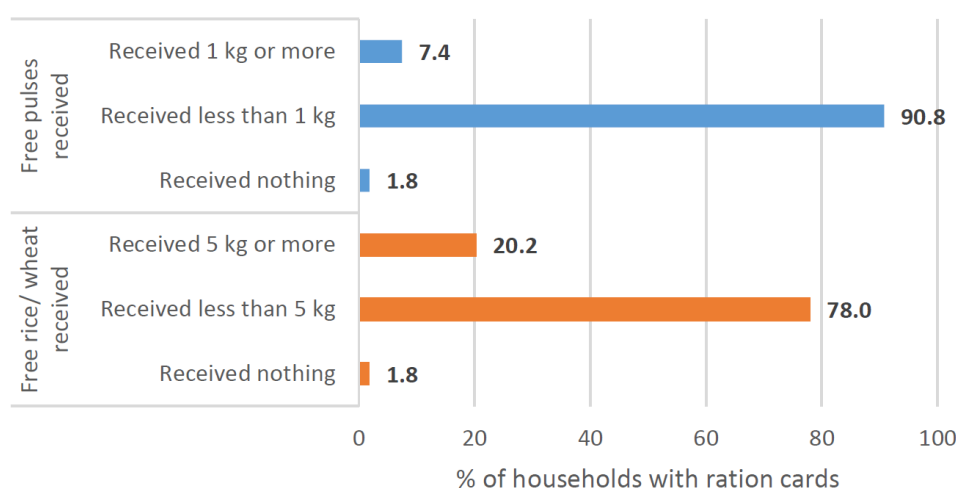
As against the pervasiveness and breadth of the impact of the pandemic, the amount of support received by households from the government was limited in several ways.

- **A significant fraction of households were excluded from government support due to ineligibility.** Many households failed to receive the announced government support simply because they were outside the “eligible” category. About 18% of households had no ration card and were unable to receive the additional free ration of rice/wheat and pulses for six months. 52% of households were not eligible under the Prime Minister’s Ujjawala Yojana to receive free cooking gas cylinders for three months. 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; in these cases, only about 2% of eligible households 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 (Figure 2). 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 those eligible for free cooking gas cylinders received fewer than the three cylinders as intended by the announced relief measure. Monthly receipts for more than three-fourths 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 COVID-19. This proportion was even lower, at 46%, for households that received their full free ration of rice/wheat or pulses.

FIGURE 2: Free food ration received by eligible households (with ration cards)



Policy motivation for research

The main policy motivation of this study was to document ground-level evidence on the impact of the COVID-19 pandemic on the livelihoods of rural households in Bihar and the level of government support they received to cope with this impact. Ground-level information on both these issues is critical for understanding the scale of the challenge and determining further policy responses to assist those affected.

The picture that emerges from the detailed descriptive evidence the study was able to document is one of pervasive and severe impacts on rural livelihoods in the state. The study primarily relates to impacts over the first 8-10 months of the pandemic since April 2020. This is a period when COVID-19 infections were concentrated in urban areas of the country. The evidence shows that it nonetheless exacted a large toll on rural livelihoods, mainly due to the widespread disruption of economic activities and the many links between the urban and rural economies. In the case of Bihar, this was exacerbated by the

dominant link through migrant workers, on whose earnings as much as half the rural households in Bihar critically depend. The livelihood impact the study documents is likely to have pushed many into poverty, and those already in poverty into a more severe state of deprivation. The evidence also suggests a higher intensity of impact among less privileged socio-economic groups.

In contrast to the scale of the livelihood impact, the evidence testifies to the meagre level of government support received by the rural population of Bihar. 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.

Policy recommendations

- The evidence presented in this study presents a strong case for the provision of further support to households for them to find a pathway to a reasonable recovery. This case is only strengthened by the experience of the more devastating second wave of the pandemic since March 2021, which has heavily afflicted the rural areas too.
- This study also highlights the importance of continued and rapid data gathering to monitor the evolving impacts of the pandemic and engineer timely support to those in need. It also underscores the need to develop flexible support mechanisms that can spring into action based on observable triggers, and that an institutionalised data gathering process can regularly monitor.
- Finally, while this study has obvious and immediate relevance for Bihar, it highlights issues that should be of broader relevance beyond this immediate context. Together with other studies of a similar nature, it adds to the corpus of ground-level evidence on the ongoing impact of the pandemic and a detailed record of who is impacted and how, which should inform mitigation, support and recovery efforts for those impacted.

For further details and other findings from this research project, see: Datt, G., Dutta, S., & Mishra, S. K. (2021). *Changing lives and livelihoods in the wake of COVID-19 pandemic in rural Bihar*. Centre for Development Economics and Sustainability and the Institute for Human Development.
https://www.monash.edu/data/assets/pdf_file/0003/2651448/Covid-19-in-rural-Bihar-Full-Report-30-July-2021.pdf.