



**NCAER releases findings of the
Delhi Metropolitan Area Study**
conducted by its National Data Innovation Centre

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New Delhi (Wednesday, March 2, 2022): **The National Council of Applied Economic Research (NCAER)** released the results of its Delhi Metropolitan Area Study (DMAS) today.

Summary:

NCAER's National Data Innovation Centre began monitoring the living conditions of households in the National Capital Region (NCR) in 2019 and continued the study until 2021 to trace the impact of COVID-19. The results show the success of some of the public policies while highlighting considerable scarring. Welfare measures like increasing access to cereals via the Public Distribution System have allowed households to maintain their cereal consumption, in spite of loss of income and some decline in overall consumption expenditure. Employment declined during the pandemic but seems to have recovered. However, even as the severity of the pandemic recedes and high rates of vaccination offer hope for recovery, three areas of vulnerability require immediate policy attention.

First, while overall employment has more or less recovered, considerable disruption has taken place with individuals struggling to make up for lost work opportunities and closure of their small businesses. About 39% of the male small business owners are no longer self-employed. Women salaried workers have disproportionately stopped working at their jobs and many have had to resort to agriculture and allied activities. Second, the severity of the health crisis associated with the pandemic has led to limited attention being paid to chronic diseases such as diabetes, cardiovascular diseases, and high blood pressure. Third, barely half the children in NCR received any instruction, either via distribution of self-study material or online teaching, during the period of school closure.

As the nation seeks to recover from this scarring caused by the pandemic, special programmes for small business owners who lost their investments may be needed. Health and education policies may also need to consider remedial services.

Background:

NCAER's National Data Innovation Centre (NCAER-NDIC) launched the Delhi Metropolitan Area Study (DMAS) in early 2019 and interviewed 5,253 households from the National Capital Region (NCR) between February and May

2019 (baseline), posing questions about their income, expenditure, employment, education, and health conditions. Following the advent of the pandemic, 4,292 of the original households were interviewed again between August and November 2021 (endline) to evaluate changes in their household conditions and experiences during the pandemic. This ‘before’ and ‘after’ survey provides a unique opportunity to assess the impact of the pandemic on the lives of citizens in Delhi and other parts of NCR.

Over the past two years, individuals across the nation have witnessed unprecedented changes in the conditions under which they live, work, spend money on necessities, deal with health conditions, and educate their children. The impact of the pandemic on the people of Delhi has been exceptionally high due to high levels of infection during the second wave of the pandemic. As the health emergency subsides and the nation begins to recover gradually, it is essential to understand the magnitude of the impact and identify the areas requiring special attention to ensure a full recovery.

The target population of DMAS is NCR, comprising 31 districts, including the districts from the National Capital Territory of Delhi as well as surrounding districts from the States of Haryana, Rajasthan, and Uttar Pradesh. Results obtained from interviews conducted before and after the onset of the pandemic with 1837 urban and 2455 rural households in 12 districts of NCR highlight both the underlying strengths facilitating economic recovery and the vulnerabilities that need to be addressed.

Key Findings:

Continued Support for the Initial Lockdown:

NCAER’s Delhi NCR Coronavirus Telephone Survey conducted in April 2020 had found that 87% of respondents supported the complete lockdown announced on March 24, 2020. Although this support has weakened somewhat over time, particularly among the poor, it still remains remarkably strong. DMAS asked the respondents, *“When the pandemic began, the government announced a nationwide lockdown on March 24, 2020, which continued for more than two months. Taking everything into consideration, do you think it was a good decision or a bad decision?”* More than 70% of the respondents said that it was a good decision. Even among the poorest who were most affected by the lockdown, 64% expressed support for it.

The Success of Vaccination:

After a period of initial hesitation and supply shortage, the vaccination drive appears to have gained momentum and has been notably successful. As per data collected during DMAS endline (August - November 2021), 81% of the NCR households reported that at least one member had been vaccinated with at least one dose; in 43% of the households, all the eligible individuals above the age of 18 had been vaccinated with at least one dose.

At the individual level, 63% of the eligible adults received at least one dose of vaccination and 24.6% were vaccinated with two doses. Among individuals who had not been vaccinated at the time of the survey, about 24% were planning to get vaccinated, 15% reported concerns about vaccine safety and efficacy, and 9% were worried about side effects.

Employment Has Recovered but Left Behind Some Scarring:

The complete lockdown during March 2020 and the subsequent lockdown during the second Delta wave from April 2021 onwards affected employment, particularly in the urban areas. However, by August 2021, after the second wave subsided, employment had almost completely recovered. The work participation rate for men in the age group of 15-59 years, which had been 80% in the pre-pandemic period, had rebounded to 78% after the second wave; the corresponding figures for women were 44% and 43%, respectively.

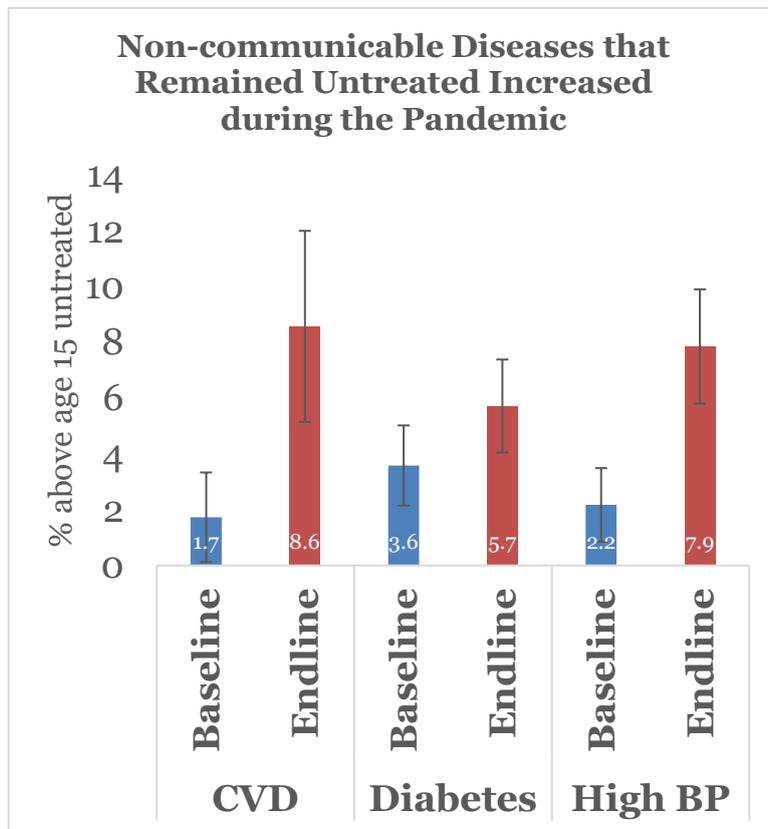
However, the fragility of this recovery is highlighted by two observations. First, disease and lockdown reduced the number of days that individuals worked in 12 months. As compared to 2018-19, men worked 32 fewer days, and women worked 10 fewer days during 2020-21. Second, the pandemic ostensibly destabilised work for individuals in specific occupations, forcing some of them to seek other employment and pushing some others into unemployment. Among men, only 61% of the business owners could continue their businesses while over 80% of the farmers and 72% of the salaried workers were able to continue their prior occupations; for women, in addition to casual labour and business, salaried work also became precarious, with only 63% of them being able to continue as salaried workers, and 25% did not work at all.

Safety Nets Have Worked to Maintain Food Consumption:

A comparison of consumption patterns in 2018-19 and 2020-21 suggests that while real consumption has declined somewhat, most of this decline is related to discretionary items. Expenditure on food and on daily necessities have remained relatively stable.

The per capita consumption of rice and wheat was 1.5 kg and 7 kg per person, respectively, in the pre-pandemic period, which has remained at almost the same level in the post-pandemic period, changing marginally to 1.6 kg and 6.6 kg per person, respectively. However, much of this stability comes on account of increased grain distribution via the Public Distribution System (PDS). The per capita purchase of rice and wheat from PDS increased by about 0.19 kg and 0.36 kg, respectively, for the Below poverty Line (BPL) card-holders, and by 0.17 kg and 0.86 kg, respectively, for the non-BPL households, while purchase from the market declined for both sets of households. Dr. Pallavi Choudhuri, Fellow, NCAER, notes that “at least in NCR, initial government actions to provide free grains helped sustain consumption.”

Health Vulnerabilities Increased, and Treatment Decreased:



Debasis Barik, Fellow, NCAER, points out, “It is well recognised that individuals with pre-existing conditions such as diabetes, high blood pressure and cardiovascular diseases were at a greater risk of COVID-19 complications. However, the impact of COVID-19 in precipitating and exacerbating these diseases is less well recognised.” The DMAS study found that the proportion of individuals reporting high blood pressure had nearly doubled, from 2.9% to 4.4% among individuals above the age 15 years. Moreover, the proportion of individuals suffering from chronic conditions such as

cardiovascular disease, diabetes, or high blood pressure, who did not receive regular care and medication, increased substantially at the endline compared to the baseline (see attached Figure).

Learning Loss:

While schools and teachers made great efforts at reaching students despite the health challenges they faced, learning losses stemming from pandemic-related closure of schools are likely to be vast. Among children aged 6-18 years, 17% either never enrolled or dropped out, and 32% were enrolled but did not receive any education during this period. Only 50% had access to either some learning materials or online classes. Dr Manjistha Banerji, Fellow, NCAER, commented, “NCR is one of the most privileged regions with regard to Internet connectivity and access to smartphones and devices. If half the children in this region did not receive any education during the pandemic, the condition of children in the rest of the country is likely to be even more worrisome.”

Priorities for the Recovery:

Dr Sonalde Desai, Professor and Centre Director, NCAER-NDIC, argues that “As the nation struggles to recover from the effects of the pandemic, it is important to address three key areas—closure of small businesses, learning losses, and long-term health impacts—to address the scarring left behind by the pandemic.”

Many small and micro-business owners could not sustain their businesses through the pandemic and lost their initial investments. Helping them restart may be a crucial step in rebooting the economy. Students have been out of school for two years, and access to self-study materials and online learning has been limited. As the new school year begins, it is vital to prepare remedial instruction plans if we do not want to subject an entire generation of students to an academic loss. The potential long-term impact of the pandemic with regard to non-communicable diseases (NCDs) also deserves monitoring. DMAS data suggest that many patients with cardiovascular conditions and high blood pressure could not comply with monitoring and medication requirements during the pandemic. They are thus at risk of suffering severe complications and should receive screening and treatment on a priority basis.

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Established in 1956, NCAER is India's oldest and largest independent, non-profit, economic policy research institute. NCAER's work cuts across many sectors, including growth, macro, trade, infrastructure, logistics, labour, urban, agriculture and rural development, human development, poverty, and consumers. The focus of NCAER's work is on generating and analysing empirical evidence to support and inform policy choices. It is also one of a handful of think tanks globally that combine rigorous analysis and policy outreach with deep data collection capabilities, especially for household surveys, in its National Data Innovation Centre. More on NCAER and NDIC is available on www.ncaer.org.

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