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DIFFERENTIAL IMPACT OF COVID-19 AND THE LOCKDOWN

Relevant for: Indian Economy | Topic: Issues Related to Poverty, Inclusion, Employment & Sustainable Development

In his book, *The Great Leveler*, Walter Scheidel, the Austrian economic historian, argues that throughout human history, there have been four types of catastrophic events that have led to greater economic equality: pandemic, war, revolution and state collapse. Currently, the world is going through one of them: a massive COVID-19 pandemic. In Scheidel's analysis, the decline in inequality is a result of excess mortality that raises the price of labour. While the validity of Scheidel's argument for the current pandemic can only be assessed after it is over, the pandemic has been described as a leveller more loosely, both because the disease can strike anyone, and also because the resultant lockdowns have led to widespread job losses and economic hardships across the range of the income and occupational distribution.

Focusing on the looser description of the pandemic as a leveller, preliminary data and early indirect evidence from several parts of the world indicate that the incidence of the disease is not class-neutral: poorer and economically vulnerable populations are more likely to contract the virus as well as to die from it. To the extent, economic class and social identity (e.g. race, ethnicity or caste) overlap, this suggests that socially marginalised groups would be at higher risk of mortality due to COVID-19.

Coronavirus | Opeds and editorials

The risks extend beyond mortality as the <u>economic consequences of the current pandemic</u> are likely to be most concentrated among the low wage earners, and less educated workers, segments of the labour force where racial and ethnic minorities are over-represented. Early evidence from the United Kingdom and the United States reveals that racial and ethnic minorities are indeed the ones most likely at the risk of unemployment.

What does the evidence from India reveal? Disaggregated data on COVID-19 incidence and mortality are not available for India. Thus, we cannot comment on whether certain caste groups are more vulnerable to the virus than others.

A key element of the pandemic control strategy everywhere has been to shut down economic and social activity, and to impose social distancing with varying degrees of strictness. India's lockdown, imposed in the last week of March 2020, was among the most stringent. The first month of the severe lockdown, April 2020, witnessed a sharp rise in unemployment.

Was this sudden unemployment caste-neutral, despite the fact that it was caste-blind?

We examine shifts in employment and unemployment rates using data from the Centre for Monitoring Indian Economy (CMIE)'s Consumer Pyramids Household Survey (CPHS) database. It is a longitudinal data set covering 174,405 households (roughly 10,900 households per week, and 43,600 per month). Each household is followed three times per year. We use unit-level data from six waves of CPHS: Wave 14 (May-August 2018), Wave 15 (September-December 2018), Wave 16 (January-April 2019), Wave 17 (May-August 2019), Wave 18 (September-December 2019), and Wave 19 (January-April 2020).

Lockdown displaces lakhs of migrants

We find that the proportion of employed upper castes dropped from 39% to 32% between December 2019 and April 2020, a fall of seven percentage points. The corresponding fall for Scheduled Castes (SCs) was from 44% to 24%, i.e. a fall of 20 percentage points, almost three times as large. For intermediate castes, Other Backward Classes and Scheduled Tribes (STs) the fall was from 42% to 34%, 40% to 26% and 48% to 33%. Thus, the fall in employment for SCs and STs was far greater in magnitude than that for upper castes.

The global evidence suggests that job losses associated with COVID-19 are much more concentrated among individuals with low levels of education and those with vulnerable jobs with no tenure or security. We find that individuals with more secure jobs, i.e. not daily wagers, and those with more than 12 years of education, were much less likely to be unemployed in April 2020 than those with less than 12 years of education and with daily wage jobs, relative to their pre-pandemic employment status. Thus, education did turn out to be a protective factor in the first wave of immediate post-lockdown job losses.

Our earlier work reveals that caste gaps at higher levels of education have either remained static or widened over the last three decades.

Coronavirus lockdown | COVID-19 widened educational divide: UNESCO report

The current pandemic is further likely to exacerbate these educational differences. Data from another nationally representative survey, the India Human Development Survey for 2011-12 (IHDS-II) show that 51% of SC households have adult women who have zero years of education, i.e. are illiterate, and 27% have an illiterate adult male member. These proportions are in stark contrast to Upper Caste (UC) households, where the corresponding proportions are 11% and 24%, respectively. Thus, in the face of current school closures, parents of SC children would be much less equipped to assist their children with any form of home learning, compared to parents of UC children. This would be the case both because of educational differences among parents as well as due to other significant differences in material conditions living.

There are many dimensions that reveal continued disparity between caste groups, which would affect the ability of Dalit and Adivasi families to access online education. For example, the proportion of households with access to the Internet is 20% and 10% for UC and SC households, respectively. Only 49% of SCs have bank savings, as compared to 62% of UC households. Thus, differential access to information technology, as well as disparities in the ability to invest in technology will be critical in shaping access to online education, if the pandemic forces schools to close for a substantial period of time.

24 million may drop out of school due to COVID-19 impact: U.N.

Early impacts of the pandemic-induced lockdown indicate that the resultant economic distress is exacerbating pre-existing structures of disadvantage based on social identity, and investments in education and health that close gaps between social groups would be essential to build resilience in the face of future shocks.

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