

# Speaking from field experience: Impact of COVID-19 on Informal Workers in India?

Chandra Sekhar Bahinipati

Department of Humanities and Social Sciences Indian Institute of Technology Tirupati, India

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Understanding and Addressing Systemic Risks Behind the Socio-economic Impacts of COVID-19 in Japan and India: Developing a Roadmap for a Resilient and Sustainable Future

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## Introduction

- Covid-19
  - India has been severely impacted by COVID-19
  - The first positive case was reported on January 30, 2020 in India
  - Countrywide lockdown that started on March 24
  - Although the central government implemented stringent actions at an early stage
  - Declining or flattening of the curve was not observed even after almost 70 days of lockdown and after 110 days of 'unlocking
  - As on today, 2.82 crore people infected with COVID 19.
  - Normative approach carrot and stick detect people's behaviour
  - Covid-19 and informal Economy Street vendors

## Number of confirmed cases in India (First & Second wave)

#### (March 23, 2020, to June 3, 2020)

#### (June 1, 2020, to September 30, 2020)





#### (March 14, 2020, to August 23, 2021)





State-wise Confirmed Cases in India

80

80



State-Wise Confirmed Cases in India

Source Authors' Figure (data collected from https://www.covid19india.org/ )

(March 23, 2020, to June 3, 2020)

Source: Authors' Figure (data collected from https://www.covid19india.org)

(June 1, 2020, to September 30, 2020)

#### State-wise confirmed cases in India (March 14, 2020, to August 23, 2021)



## Behavioural biases in physical/ Social distancing

High-discount rate	Optimism bias	Overconfidence bias	Confirmation bias	Status quo bias	Loss aversion bias
<ul> <li>Sooner rewards prefer over larger ones</li> <li>Trade-off Stay at home or went outside</li> <li>Myopic individual will value to go outside</li> </ul>	<ul> <li>Adverse events are underestimated</li> <li>Sometimes people are optimistic about their health and they feel that they wouldn't get infected</li> </ul>	<ul> <li>The tendency to overestimate own abilities and skills.</li> <li>Young people are sometimes overconfidence regarding the infection</li> </ul>	<ul> <li>Tendency to cherry-pick information that confirms our existing beliefs</li> <li>If a person not get infected even he roam outside, then he confirms the less chance of infection</li> </ul>	<ul> <li>Emotional preference for the current situation</li> <li>Notably, the younger generation finds it very difficult to relinquish recreational outings with their friends</li> </ul>	<ul> <li>Loss looms larger than equal amount of gain</li> <li>Shutdown' on Saturdays and Sundays gives more psychological distress than the pleasure of the gain of freedoms on weekends</li> </ul>

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#### NOTE

#### COVID-19 IN INDIA: REFLECTIONS FROM BEHAVIORAL ECONOMICS

Dinamani Biswal Monalisa Singh Chandra Sekhar Bahinipati Indian Institute of Technology Tirupati, India

#### ABSTRACT

Although both central and state governments in India took the decisions to impose hard paternalistic policies of lockdown/shutdown to manage the spread of COVID-19, new cases were rising even after the first and second waves. Reverse migration, lack of social distancing, and failure to adhere to appropriate covid behavior are attributed as the leading cause of COVID-19 spread. The policy measures like 'Pradhan Mantri Gareeb Kalyan Yojana,' financial assistance, and series of lockdowns and shutdowns by the government of India have not significantly controlled the spread of disease owing to a lack of understanding of individual's reaction to the pandemic and their reactive behavior. This paper used daily COVID-19 positive cases data to show the overall picture of COVID-19 in India. It used the explorative method to review articles related to behavioral biases involved in the decision-making process of migrant workers and individuals during the pandemic. The paper's findings show that different behavioral biases like base rate neglect, herd behavior, anchoring effect, availability bias are responsible for creating chaos, trauma, and anxiety among the migrant workers and leading to reverse migration in India. Despite knowing that COVID-19 is a fatal disease, some individuals' reaction to it was casual mainly because of hyperbolic discounting bias, optimism bias, overconfidence bias, confirmation bias, status quo bias, and loss aversion. Taking behavioral economics lessons, the paper suggests different nudging techniques for guiding people to maintain social distancing during this pandemic. Nudging has been proved to be an inexpensive tool in bringing desired behavioral changes in health economics. The paper concludes that nudging techniques can influence human behavior to control the spread of the disease. In the end, it gives direction for future work in this area to explore how behavioral economics can help policymakers to tackle the spread of infectious diseases such as COVID-19

JEL Classifications: D91 E71 I120 Keywords: COVID-19; Lockdown; Migration; Social Distancing; Behavioral Economics Corresponding Author's Email Address: dinamanibiswal@gmail.com

#### INTRODUCTION

In 2020, the world was come to a standstill due to the novel coronavirus, which spread like wildfire, adversely affecting every sphere of human life. India has been severely impacted by COVID-19 and was positioned, as of August 30, 2021, second to the US in terms of the total number of people tested positive (WHO 2021). According to the World Health Organisation

## Study Area: Bhubaneswar, Odisha, source: BMC website



Trend of weekly Covid-19 affected cases during May 2020 to June 2021



## Trend of Affected, Recovered and Active Cases during June 2020 to May 2021

### Deceased



### Average Annual Household Expenditure during COVID-19

EC/NEC	Vendor Type	Average HH Expenditure
	Fast Food	-26
	Tiffin Shop	-34
Non-Essential Commodity	Dahi Bara	-40
(NEC)	Gupchup & Chat	-48
	Hotel Boy (Restaurant)	-25
	Sub -Total	-34.6
	Vegetable	-34
	Fruits	-30
Freedities Commendity (FC)	Grocery	-28
Essential Commodity (EC)	Non-Veg Shop	-31
	Hotel Boy (Small Hotels)	-37
	Sub -Total	-32
	Total	33 (-)

## COVID 19 and Street vendors Bhubaneswar



#### Expenditure during COVID-19 Pandemic





#### No. of Days survive without income



#### Magnitude of Impact of COVID-19



Source: Author's figure

# Family members' health conditions during the Covid-19 pandemic

Health conditions	Increased	Decreased	No change
Attention span	74	13	13
Repetitive behaviours	26	0	74
Worry/irritation	96	0	4
Concentration on daily tasks	48	38	14
Ability to take decisions	34	10	56
Common fever	52	10	38
Diarrhea/dysentery	51	0	49
Flu	39	0	61
Cholera	0	0	100
Malaria	0	0	100
Dengue	0	0	100
Cough and colds	64	0	36
Urinary Tract Infection	0	0	100
Hypertension	79	0	21
Allergies	19	0	81

#### **Performance of the Government**





Source: Authors' figure

## Medium of information on COVID19 (in percentage)

	EC	NEC	Overall
Actions			
	06	14	10
Newspapers			
	10	14	12
Radio			
	60	56	58
Television			
	0	0	00
Internet (YouTube, websites etc.)			
	0	0	00
Social media (e.g. Facebook)			
	20	22	21
Friends/neighbours			
	14	04	09
Local social groups			

# Action to be taken by Government for managing the future pandemics

	EC	NEC	Overall
Actions			
	32	26	29
Design support packages in advance for vulnerable people and businesses			
	28	38	33
Enhance the transparency of support packages for ensuring trust and accountability			
	02	0	01
Strengthen social hygiene practices			
	14	18	16
Strengthen healthcare services			
	24	18	21
Strengthen social safety nets			

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