

COVID 19 and Communities

Overview of the impact and plan of actions necessary towards SELCO's end-user communities.

Context:

COVID-19 has brought immense impact to the lives of people across the world. With the rising number of active cases in India leading to unprecedented measures of economic lockdown, the inevitable ruptures in the fabric of society are going to have prolonged implications. The cascading effect of the steps taken in order to curb the spread of the virus and protecting the lives of people have been disproportionately affecting the marginalized communities. Livelihoods that depend on the inflow and outflow of daily activities for their survival have been hurt the most by the crisis, thus weakening their socio-economic safety nets and increasing their vulnerabilities.

SELCO has been building technological, financial and social models for similar typology of end-users across livelihoods and well-being of communities in some of the challenging geographies. One of the fundamental objectives of SELCO's interventions being creation of safety nets for the communities through sustainable energy powered solutions, the current crisis has posed some serious challenges as it has really put a dent in end-users' socio-economic well-being.

Over the last couple of weeks, SELCO has gathered constant updates from end users and end-user institutional partners to understand the way the crisis is impacting their lives and livelihoods while simultaneously developing/mapping out immediate, medium-term and long-term support that they need. More than 100 end-users were contacted to assess the situation of communities, more than 60% of which are livelihood entrepreneurs. This document compiles the inputs and insights emerging from SELCO's conversations with various typologies of end user communities (individual entrepreneurs and institutions such as FPOs and household communities) that might provide the depth of the crisis.

The end-user communities and end-user institutions who have shared the status of their current situation spread across different livelihood entrepreneurs (artisanal, agri & food processing, textile & cottage, retail businesses, street vendors, service rental businesses) , urban migrant communities, rural and semi-urban households, high risk institutions among others.

Impacts, Insights and Needs:

Geographies:	Odisha, Karnataka, Assam, Manipur
End-user/ community typologies	Artisanal and crafts: Pottery, blacksmithy Agri, Livestock, and food processing: Roti rolling, flour milling, dairy, rice milling, spice grinding, Sugarcane juice making, Cold Storage, Poultry Retail businesses: Digital centers, small refrigerators, Integrated Energy Centers Other value chains: Sewing machine, rope making machine

	<p>Household and well-being: Urban migrants (temporary settlements, permanent settlements, disaster settlements, homelighting)</p> <p>Schools and hospitals: High risk institutions</p>
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Although the impact of the crisis spreads across the livelihoods and communities, the level and prolonged nature of the impact varies depending on the typology of the end-user communities. The following table summarizes the type and depth of impact on each of the communities; their perception of the crisis and how it is affecting them in their daily lives - both financially and socially; the short-term and long-term needs that would support the lives and livelihoods.

It is important to note that the inputs were provided in the next few days after the lock-down was imposed nationwide. So, the situation among all the end-users is an evolving one, and the impact gathered here would have further implications that will be captured and actions will be planned accordingly.

Note: Specific impacts related to the livelihoods are mentioned in the table, whereas many impacts cut across the majority of the livelihoods, they are discussed in the end.

Typology of end user	Immediate Impacts and concerns
<p>Artisanal Livelihoods Pottery, blacksmithy</p>	<ul style="list-style-type: none"> - Unavailability of labours: If there are existing orders, employed labors are not able to travel and come to work, so some entrepreneurs faced issues of not being able to work - Lack of raw material supply/ no revenue to pay for the raw materials: Some entrepreneurs have the plans to use the time to stock the products for monsoon, but since in some places the availability of raw materials (lakebed mud to be transported in tractors for pottery, iron from machine shops/ garages/ factories for blacksmithy) is hard to have, it has impacted their business. In some cases, as the business is down, even if they want to prepare more products, they lack the cash to pay for raw materials. - Delivery of manufactured products: Pottery entrepreneurs have finished the orders that were given before the lockdown - now not able to deliver due to lack of transport services. - Cancellation of existing orders: Many customers (especially for the pottery entrepreneurs in urban areas) have cancelled their existing orders due to the uncertainty of the situation. - Space constraints: As customers are not being able to come and receive their ordered products, entrepreneurs are facing issue of space to make more products (even if they would like to plan ahead and prepare products)

	<p><i>One of SELCO's partners AIACA has mapped out the qualitative impact and need of artisanal entrepreneurs. The report can be found here.</i></p>
<p>Retail Businesses Digital centers, small refrigerators, Integrated Energy Centers, Screen printing,</p>	<ul style="list-style-type: none"> - No payment for rental products due to non-availability of cash + migrant populations have returned to their homes: In many of the communities where Solar lights were being given on rental basis, the entrepreneurs are not able to have the payment as the customers are daily wage labourers with no wages. Some entrepreneurs are giving the lights for free for now. - Surrounding businesses are closed down: The photocopy center entrepreneurs have no customers as the supporting businesses are closed down. Even if some entrepreneurs could keep the shop open (under essential services), they had to close down due to no business. - Market for cold products (dairy) has increased: In a rare instance of a positive impact, small retailers (who come under essential services) have seen more market for dairy products.
<p>Agricultural, Livestock and food processing livelihoods Roti rolling, flour milling, dairy, rice milling, spice grinding, Cold Storage</p>	<ul style="list-style-type: none"> - Lack of market for FPOs have led to wastage of products: Because the cold-storage is already full, several vegetables grown from the farmers are getting spoiled. An average 500 kg of products/ around 20 - 30k worth of products are lost. Vegetables were being sold in the farms itself, but with the vehicles being banned, people cannot come to buy products from the field. - Stock of agriculture products for the process is getting piled up: One of the FPOs has 2 Tonnes of rice stored to mill, but the businesses cannot run. - Concerns over animal products have reduced the market for livestock businesses: Poultry FPOs have seen huge losses as the prices have dropped down by 80%. - Lack of supply materials for Agri processing/ value added products: Due to the ban on two-wheelers/ and other modes of transport, even the necessary agri-processing services are being affected. - Products under essential services having less impact: Dairy entrepreneurs, although face little challenge in accessing channels to reach the market, there's no shortage in the demand for the products as milk and milk products come under essential product categories. Some of the entrepreneurs have utilized this opportunity to diversify their product range.
<p>Other livelihoods Sewing machine, Sugarcane juicer, popcorn vendors,</p>	<p><u>Immediate Impacts:</u></p> <ul style="list-style-type: none"> - Season dependent livelihoods failing to capitalize the market: Entrepreneurs such as sewing machines (wedding attires bringing a major chunk of income), sugarcane juice maker (more demand in summer), street vendors (holidays for kids/ families) are losing out on their main income season due to the crisis.

street vendors with lighting	
Community households and migrant communities Urban migrants (temporary settlements, permanent settlements, disaster settlements, homelighting)	<ul style="list-style-type: none"> - Ration is available through PDS, but concerned about other needs: Currently majority of the communities have the basic ration (either through their savings or from the PDS or other schemes), but they are concerned about other needs - health care, lost livelihoods, needs beyond ration. - Lack of hygiene in the communities: Some of the migrant/ permanent settlements staying in slums are exposed to higher risks due to the lack of hygiene in the surrounding environment. - Need for additional livelihoods: Many of the households from the communities work as house maids, construction workers, waste pickers, among others - whose livelihoods have been hit by the crisis. There's an immediate need to map out other activities for them through local partners that are currently permitted and relevant to support with income for the families. <p>One of SELCO's partners MHT, who's a pioneer in developing supporting ecosystems for informal workers has come up with strategies to support such communities. Here is the link to their findings and strategies.</p>

General insights, needs and plan of action:

- **Awareness, concerns and actions:** More than 75% of the communities contacted were aware of the basic knowledge about COVID-19, the necessary precautions and other critical aspects around the crisis. ***SELCO, with its partners' network is connecting to the end-user communities to improve their awareness and understanding of the situation***
- **Community members going back to their villages:** Many of the communities (migrant communities, settlements with IEC entrepreneurs, employed laborers for livelihood) have shown the urge to get back to their villages as their daily businesses are lost. Also, some have expressed their concerns of not knowing when their daily labor livelihoods in the urban areas will be back, hence deciding to stay back in their villages for the next 3-4 months. ***This provides an opportunity to develop local livelihood ecosystems in those areas (majority of them have come from the states/ regions with challenging ecosystems). SELCO through its partners would incorporate this in the long-term strategies.***
- **Uncertainty in future orders:** Even after the crisis fades, entrepreneurs are concerned about whether their previous established customers would be ready to provide the orders. ***So support is needed to increase the market access post the crisis by supporting them with different market segments. SELCO to consider a few pilot cases where additional market segments would be explored along with additional timely relevant livelihoods for the current entrepreneurs. For example, Digital Center entrepreneurs could be supported with healthcare equipment sales***
- **Loans Repayment:** Since the inflow of income will be uncertain in the coming weeks,

concern is on paying back the EMIs. Although the next three months have the moratorium period, the concern is post three months. ***Conversations with the banks/ policy level push to increase the moratorium period for art/crafts entrepreneurs.***

- **Availability of labours:** Since the situation has caused a lot of chaos in the life of migrant labours, some of whom are integral part of artisanal entrepreneurs, there is a concern about having them back post crisis.
- **Businesses have stopped for the last 10 days:** More than 80% of the end-user entrepreneurs have mentioned that currently they are able to manage the families, but if the lockdown continues for the next two - three weeks, it will cause terrible disruptions in their lives and livelihoods as their cash reserves will deplete. ***Considering how the situation will roll out, ground partners will have to take a call on supporting the communities in the next few weeks - for ration, cash, medical care, and other critical support. Some of the interventions that are already explored include sewing machine entrepreneurs stitching Masks which currently has a great demand.***
- **Being unable to pay the employees - uncertainty after the crisis:** Around 70% of the entrepreneurs who have employed people to support in their businesses haven't been able to pay for the month of March, and others won't be able to pay in April if the businesses fail to restart by mid- April. ***There is a need to map out immediate capital support for the livelihood entrepreneurs to keep their employees and business alive. SELCO has established a platform for capital support from crowdsourcing along with tapping into other numerous channels of grants, funds and capital support.***
- **Rural livelihoods or livelihoods with a very local customer base are impacted less than the urban livelihoods:** One of the critical insights have been the livelihood entrepreneurs in the rural areas with a very local customer base are able to run the business. ***This reiterates the importance of developing decentralized ecosystems for livelihoods. Post crisis, SELCO along with its partners would strive at helping entrepreneurs to develop more local markets.***
- **Closing down of complementary/ local businesses affecting the communities:** As an example, entrepreneurs such as Blacksmith blowers are facing a lack of market because the tea industries/ operations are closed in Assam who needed agriculture tools from the blacksmithy. Many entrepreneurs are facing a similar issue.
- **Rising concerns over family members who are stuck in different states/ districts:** Many end user communities (especially in Odisha, North Karnataka) have their family members working in other states, and due to the lockdown, they are stuck.
- **Innovative product diversification:** Entrepreneurs who are able to work (essential businesses like dairy) have been leveraging the improved demand of certain products (Paneer, butter, sweets, etc) due to the weakened supply value chain of bigger brands. They are preparing these value added products to add more income to their businesses. ***The learnings will be transferred to other similar entrepreneurs in other geographies.***

Conclusion:

Through the first level of assessment of communities across geographies, it is quite evident that the first phase of lockdown has impacted them both financially and socially. Although some of them have the bandwidth for the next couple of weeks, the majority of them would need different sorts of support to sustain their families and livelihoods. The aim of this report is to identify the gaps, challenges and opportunities for the communities during the crisis, and building solutions (both immediate and long-term) with different ecosystem stakeholders on the ground.