

REPORT

**STUDY ON IMPACT OF SUBSIDIES OF THE DELHI
GOVERNMENT ON THE SOCIO-ECONOMIC STATUS OF
CITIZENS AND THE LOCAL COMMUNITY**

**PLANNING DEPARTMENT
GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI**

2020



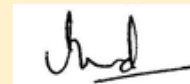
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Dr. Girija Bhusan Nanda
(Director)

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EXECUTIVE SUMMARY

The Delhi Government since 2015 has provided subsidies to the citizens of Delhi in the domains of healthcare, education, access to clean drinking water, electricity and women safety. Though there are ground reports of these subsidies making a significant impact on the equality of life of citizens, there is no consolidated data on the actual impact made on the socio-economic lives of the people. Thus, the Government of National Capital Territory of Delhi intended to study the cumulative effect of all subsidies on the socio-economic life of the citizens of Delhi as well as on the local economy, and Centre for Market Research & Social Development Pvt. Ltd., New Delhi was assigned for the purpose.

For the purpose of this study, a random sampling was done on the basis of the zero electricity bills generated by the discoms in all the eleven districts of Delhi. The rationale behind sampling on the basis of the zero bill is that a household that avails less than 200 units of electricity would either be a small household, or with moderate earnings, and thus one that avails most of the subsidies provided by the government. A questionnaire-based door to door survey was carried out with questions on the spending and saving habits of working men, working women and the household in general being addressed.

Total 3450 households availing subsidies were surveyed across Delhi in 11 districts in “unauthorized colonies”, “JJ Clusters”, re-settlement colonies”, “bungalows/kothis in planned colonies” & “planned housing/flats/DDA” with minimum 300 households from each district. The survey was questionnaire based and was canvassed to the randomly selected beneficiary households in aforementioned categories of colonies. The data collection by field survey was conducted during March 2020.

Study Findings

Demographics

- The study observed that four to six people live in the house permanently in majority (62.4%) of the surveyed houses, while less than four people live in 14.4% houses and more than six people live in 23.3% houses. Present study findings reflect that

the average household size in Delhi is 5.5. As per the population census data of 2011, the average household size in Delhi is 4.5. The findings show that the households benefitted under the services of Delhi Government have larger family compared to the households not benefitted under the services.

- Most (80.8%) of the respondents reported that the house they live in is their own house, while 19.2% respondents reported that the house they live in is the rented one. As per the population census data of 2011, 28% population in Delhi live in rented house. But the present survey indicates that 19.2% respondents in rented households are availing subsidies under various services of Delhi Government. This indicates that some owners of the rented houses are not providing the benefits of subsidies of government services to their tenants.
- Majority (55.2%) of the households were found to be in unauthorized colonies, while 14.2% in resettlement colonies, 11.6% were in JJ clusters, 10.6% in Planned housing/flats/DDA, and 8.4% households were bungalow/kothi in planned colonies.

Impact of Subsidies

- The study observed that in last three months, all the surveyed households have been benefitted for reduced or zero electricity bill, while 76.1% have been benefitted for reduced or zero water bill, 64.7% have been benefitted for free/reduced cost treatment in govt. hospitals, 58% have been benefitted for free bus ride for women and 43.7% households have been benefitted for free public education.
- Due to all the above subsidies provided to the citizens of Delhi, a household is now saving an average amount of Rs. 2464/- per month. Each month, a household is saving Rs. 715/- for reduced or zero electricity bill, Rs. 693/- for free/reduced cost treatment in govt. hospitals, Rs. 554/- for free public education, Rs. 255/- for reduced or zero water bill and Rs. 247/- for free bus ride.
- The study further observed that though more number of households are benefitted due to reduced or zero electricity bill, but highest amount in a month is saved by a household for free public education (Rs. 1267/-), followed by for free/reduced cost treatment in govt. hospitals (Rs. 1071/-), reduced or zero electricity bill (Rs. 715/-), free bus ride for women (Rs. 426/-) and reduced or zero water bill (Rs. 325/-).
- Majority (61.6%) of the households informed that they have already spent the extra money saved due to subsidies; 28.4% have invested the money in FD, Post Office,

Insurance, Savings in Bank, property, etc.; 7.2% will going to spend the money in near future and 2.8% have lent the extra money saved due to subsidies.

- The households which have already spent the extra money saved due to subsidies, 50.7% have spent for food and beverages (fruits, vegetable, dal, rice, flour, tea, coffee, snack items etc.), 13.1% have spent for education related purchases (books, stationary, project materials, tuitions), 10.1% have spent/ going to spend for medical treatment and medicines, 7.9% have spent for clothing and accessories (clothes, cosmetics, shoes, goggles, jewellery etc.), 7.3% have spent for appliances/ assets (cell phone, TV, Fridge, Mixie, stove, microwave, cycle, motorcycle etc.), 6.7% for entertainment (movies, concerts, picnic, trips), and 4.5% households have spent for other purposes.

Conclusions

The results of the “Study on impact of subsidies of the Delhi Government on the socio-economic status of citizens and the local economy” assessed the various aspects of the impact of the subsidies given under various government services in Delhi and revealed that the subsidies have a significant impact on the savings and expenditure of benefitted households. The benefitted households emphasized that there is nothing inherently bad in providing subsidies under various government services in Delhi. Those are provided for the welfare of the society by maintaining the income and providing basic services for low-income groups. Thus, it is suggested that the subsidies provided for various government services in Delhi may be continued for the socio-economic development of the people living at the bottom of the pyramid.

CHAPTER-I

STUDY OBJECTIVES, METHODOLOGY & SAMPLING

1.1 Study Objectives

The Delhi Government since 2015 has provided subsidies to the citizens of Delhi in the domains of healthcare, education, access to clean drinking water, electricity and women safety. Though there are ground reports of these subsidies making a significant impact on the equality of life of citizens, there is no consolidated data on the actual impact made on the socio-economic lives of the people. Thus, the Government of National Capital Territory of Delhi intended to study the cumulative effect of all subsidies on the socio-economic life of the citizens of Delhi as well as on the local economy, and Centre for Market Research & Social Development Pvt. Ltd., New Delhi was assigned for the purpose.

1.2 Study Methodology

For the purpose of this study, a random sampling was done on the basis of the zero electricity bills generated by the discoms in all the eleven districts of Delhi. The rationale behind sampling on the basis of the zero bill is that a household that avails less than 200 units of electricity would either be a small household, or with moderate earnings, and thus one that avails most of the subsidies provided by the government. A questionnaire-based door to door survey was carried out with questions on the spending and saving habits of working men, working women and the household in general being addressed.

1.3 Study Coverage

As per the ToR, a total of 3450 households availing subsidies were surveyed across Delhi in 11 districts in unauthorized colonies, JJ Clusters, re-settlement colonies, bungalows/kothis in planned colonies, and “planned housing/flats/DDA” with minimum 300 households from each district. The survey was questionnaire based and was canvassed to the randomly selected beneficiary households in aforementioned categories of colonies.

Table-1.1: District wise number of households surveyed

District	Number of households surveyed
Central Delhi	310
East Delhi	302
New Delhi	300
North Delhi	300
North East Delhi	300
North West Delhi	304
Shahdara	303
South Delhi	390
South East Delhi	300
South West Delhi	325
West Delhi	316
Total	3450

1.4 Survey and data collection

The data collection by field survey was conducted during March 2020. Data collection was conducted by adequate number of surveyors of the organization. The Project Manager and supervisors monitored the data collection procedure during the survey.

1.5 Data management and analysis

The quality of data was ensured by imparting quality training to the field surveyors and supervisors for the survey. Besides these, regular scrutiny of data and computer-based data checking was conducted to clean the database for the final analysis. Prior to data analysis, data was entered in the MS Excel package and contained all relevant range and consistency checks. Finally, data were entered in SPSS 16.0 version and analyzed according to the analysis plan.

CHAPTER-II

STUDY FINDINGS: DEMOGRAPHICS

2.1 Age of the Respondents

Analyzing the age pattern of the respondents, it is seen that 38% beneficiaries come under the age group of 18 to 30 years. 42% beneficiaries belong to the age group of 31 to 50 years, and 20% beneficiaries were in the age group of above 50 years.

Chart-2.1: Age of the Respondents

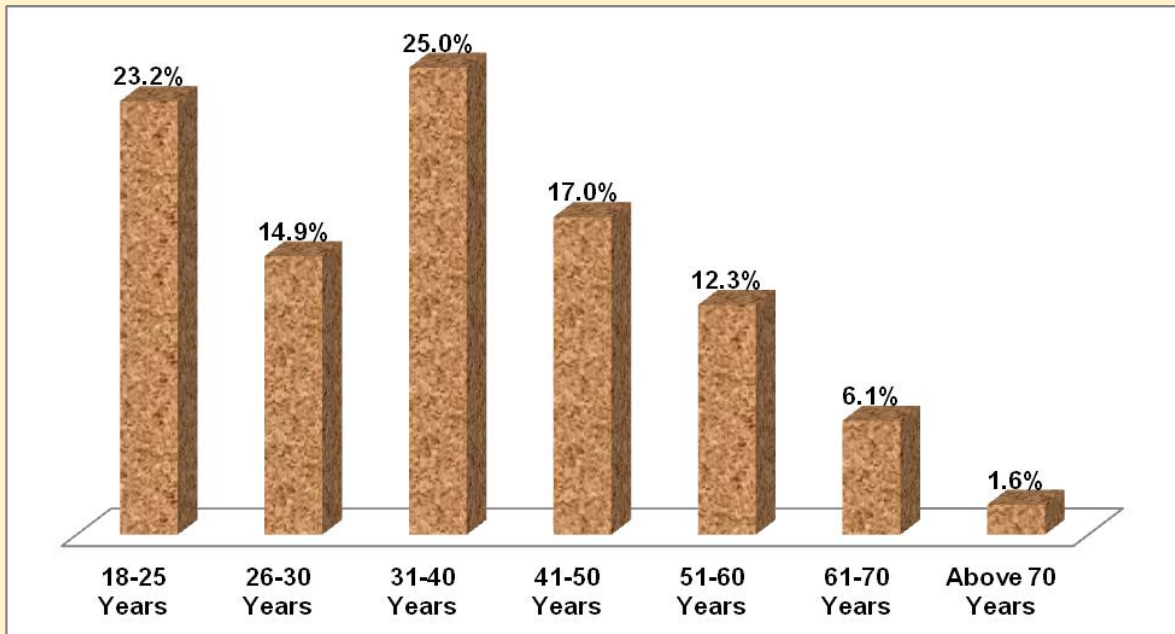


Table-2.1: Age of the Respondents

Age Category	Number	Percentage
18-25 Years	799	23.2
26-30 Years	514	14.9
31-40 Years	861	25.0
41-50 Years	587	17.0
51-60 Years	426	12.3
61-70 Years	209	6.1
Above 70 Years	54	1.6

2.2 Household Size

The study observed that four to six people live in the house permanently in majority (62.4%) of the surveyed houses, while less than four people live in 14.4% houses and more than six people live in 23.3% houses.

Present study findings reflect that the average household size in Delhi is 5.5. As per the population census data of 2011, the average household size in Delhi is 4.5. The above findings show that the households benefitted under the services of Delhi Government have larger family compared to the households not benefitted under the services.

Chart-2.2: Size of surveyed households

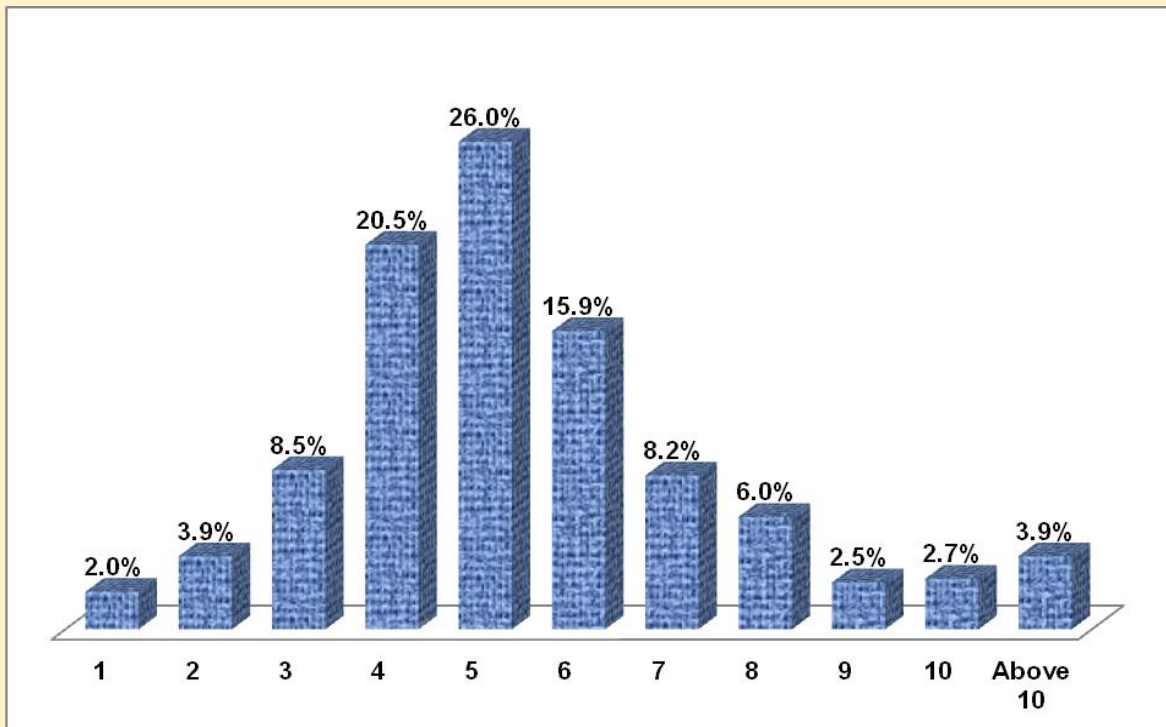


Table-2.2: Size of surveyed households

Household Size	Number of households	Percentage
1	68	2.0
2	136	3.9
3	292	8.5
4	707	20.5

Household Size	Number of households	Percentage
5	898	26.0
6	548	15.9
7	284	8.2
8	207	6.0
9	85	2.5
10	92	2.7
Above 10	133	3.9

2.3 Status of ownership of house

Most (80.8%) of the respondents reported that the house they live in is their own house, while 19.2% respondents reported that the house they live in is the rented one.

As per the population census data of 2011, 28% population in Delhi live in rented house. But the present survey indicates that 19.2% respondents in rented households are availing subsidies under various services of Delhi Government. This indicates that some owners of the rented houses are not providing the benefits of subsidies of government services to their tenants.

Chart-2.3: Status of ownership of house

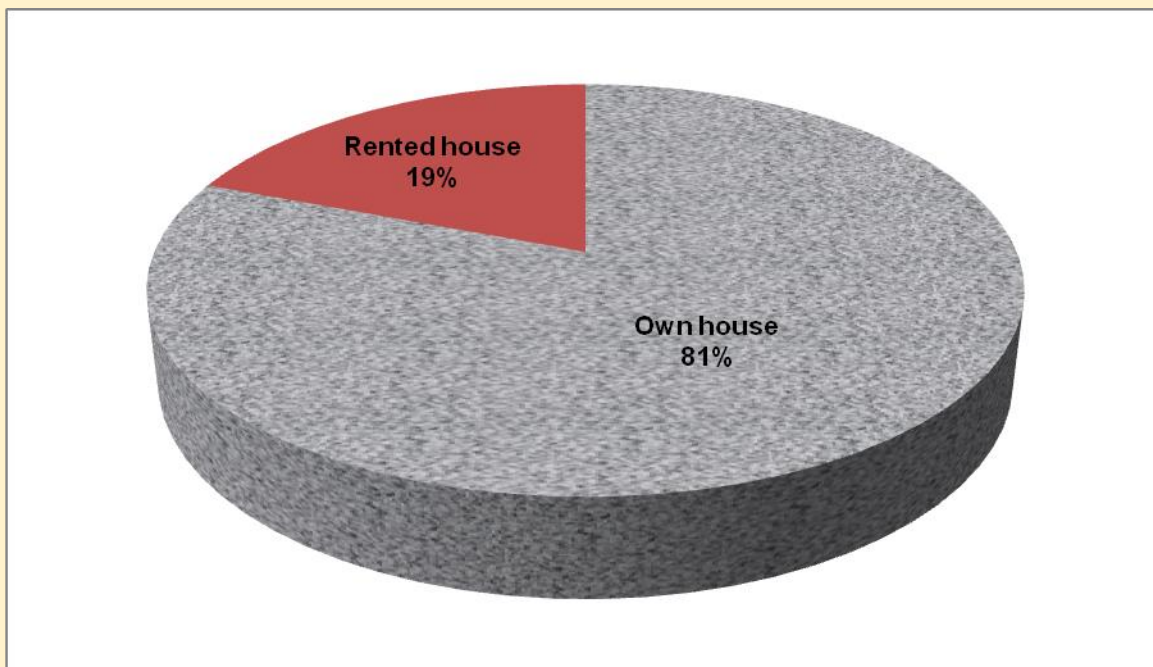


Table-2.3: Status of ownership of house

Status of ownership of house	Number of households	Percentage
Own house	2788	80.8
Rented house	662	19.2

2.4 Type of locality

Majority (55.2%) of the households were found to be in unauthorized colonies, while 14.2% in resettlement colonies, 11.6% were in JJ clusters, 10.6% in Planned housing/flats/DDA, and 8.4% households were bungalow/kothi in planned colonies.

Chart-2.4: Type of locality

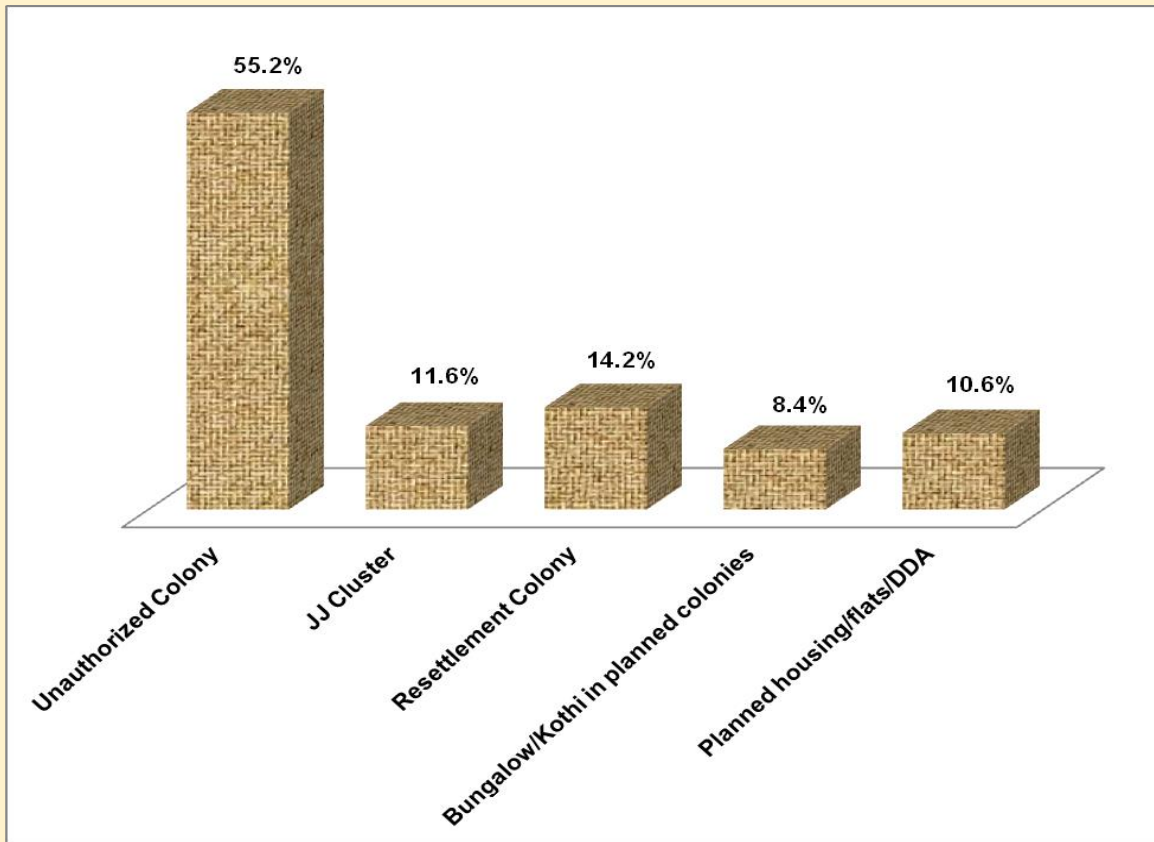


Table-2.4: Type of locality

Locality	Number of households surveyed	Percentage
Unauthorized Colony	1903	55.2
JJ Cluster	401	11.6
Resettlement Colony	489	14.2
Bungalow/Kothi in planned colonies	290	8.4
Planned housing/flats/DDA	367	10.6

CHAPTER-III

STUDY FINDINGS: IMPACT OF SUBSIDIES

3.1 Benefitted government services

The study observed that in last three months, all the surveyed households have been benefitted for reduced or zero electricity bill, while 76.1% have been benefitted for reduced or zero water bill, 64.7% have been benefitted for free/reduced cost treatment in govt. hospitals, 58% have been benefitted for free bus ride for women and 43.7% households have been benefitted for free public education.

Chart-3.1: Type of government services from which the households benefitted

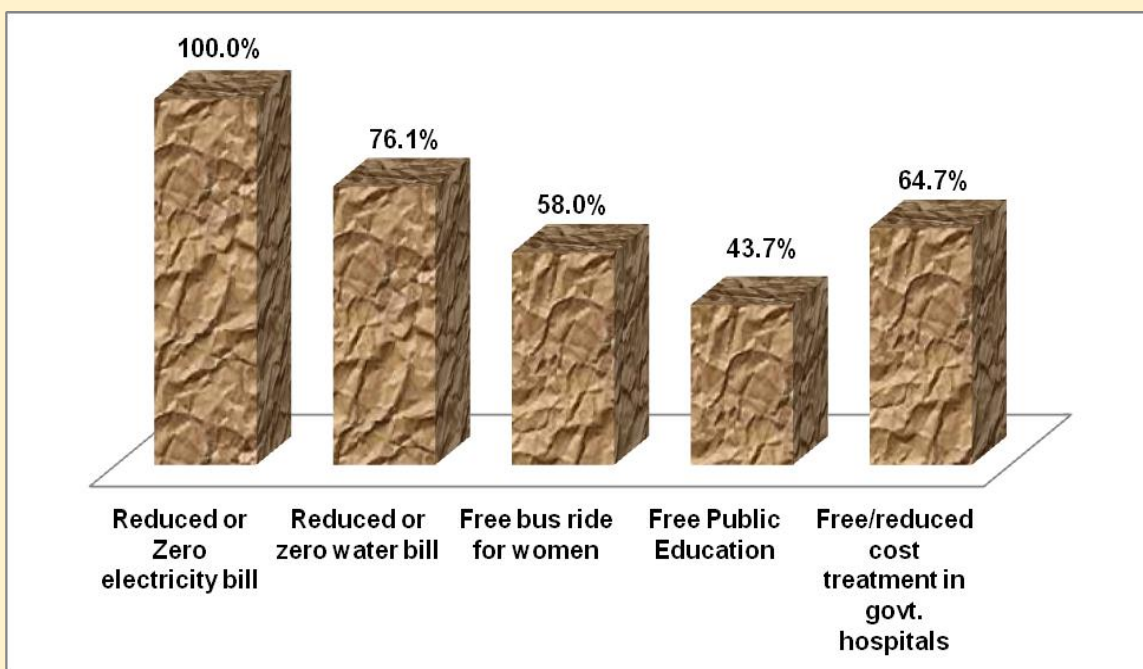


Table-3.1: Type of government services from which the households benefitted

Govt Services	Number	Percentage
Reduced or Zero electricity bill	3450	100.0
Reduced or zero water bill	2627	76.1
Free bus ride for women	2001	58.0
Free Public Education	1509	43.7
Free/reduced cost treatment in govt. hospitals	2233	64.7

**Table-3.2: Type of government services from which the households benefitted
(District wise)**

District		Government Service				
		Reduced or Zero electricity bill	Reduced or zero water bill	Free bus ride for women	Free Public Education	Free/reduced cost treatment in govt. hospitals
Central Delhi	n	310	37	117	25	148
	%	100.0	11.9	37.7	8.1	47.7
East Delhi	n	302	284	134	162	205
	%	100.0	94.0	44.4	53.6	67.9
New Delhi	n	300	82	127	35	116
	%	100.0	27.3	42.3	11.7	38.7
North Delhi	n	300	248	229	225	265
	%	100.0	82.7	76.3	75.0	88.3
North East Delhi	n	300	264	183	100	169
	%	100.0	88.0	61.0	33.3	56.3
North West Delhi	n	304	272	207	178	229
	%	100.0	89.5	68.1	58.6	75.3
Shahdara	n	303	259	94	60	101
	%	100.0	85.5	31.0	19.8	33.3
South Delhi	n	390	357	250	160	268
	%	100.0	91.5	64.1	41.0	68.7
South East Delhi	n	300	252	188	153	191
	%	100.0	84.0	62.7	51.0	63.7
South West Delhi	n	325	290	207	179	253
	%	100.0	89.2	63.7	55.1	77.8
West Delhi	n	316	282	265	232	288
	%	100.0	89.2	83.9	73.4	91.1

**Table-3.3: Type of government services from which the households benefitted
(House category wise)**

Category of house		Government Service				
		Reduced or Zero electricity bill	Reduced or zero water bill	Free bus ride for women	Free Public Education	Free/reduced cost treatment in govt. hospitals
Own	n	2788	2139	1623	1223	1802
	%	100.0	76.7	58.2	43.9	64.6
Rented	n	662	488	378	286	431
	%	100.0	73.7	57.1	43.2	65.1

3.2 Average monthly saving amount in the households due to subsidies in government services

Due to all the above subsidies provided to the citizens of Delhi, a household is now saving an average amount of Rs. 2464/- per month. Each month, a household is saving Rs. 715/- for reduced or zero electricity bill, Rs. 693/- for free/reduced cost treatment in govt. hospitals, Rs. 554/- for free public education, Rs. 255/- for reduced or zero water bill and Rs. 247/- for free bus ride.

Chart-3.2: Average monthly saving amount in the households due to subsidies in government services

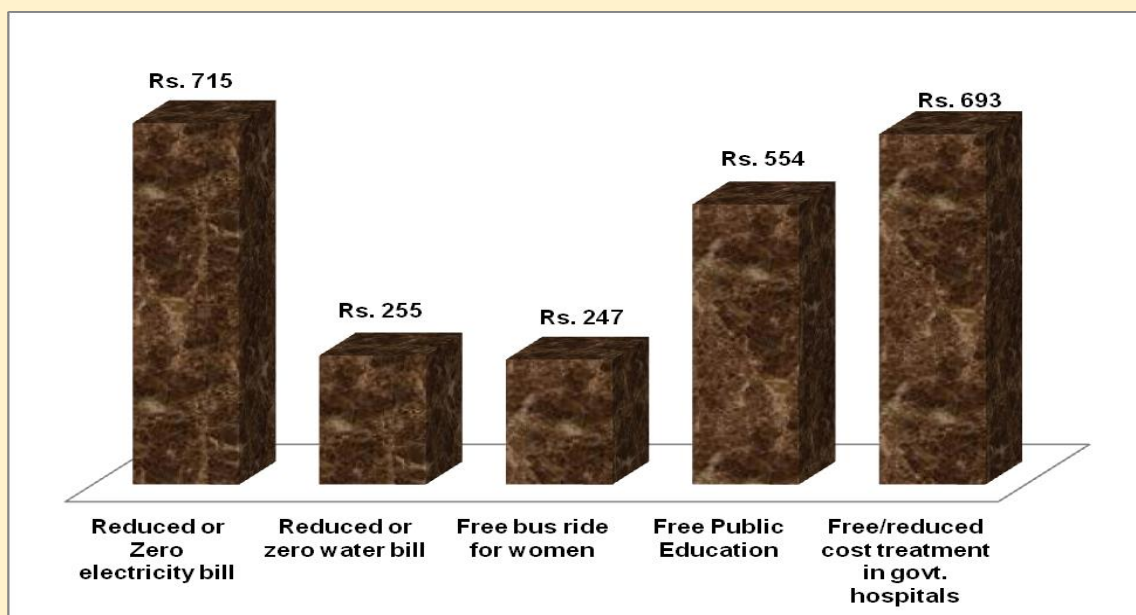


Table-3.4: Average monthly saving amount in the households due to subsidies in government services

Govt. Services	Average Saving (in Rs.)
Reduced or Zero electricity bill	715
Reduced or zero water bill	255
Free bus ride for women	247
Free Public Education	554
Free/reduced cost treatment in govt. hospitals	693
Total Saving	2464

Note: Analysis is done on the basis of 3450 data in each service

3.3 Average monthly saving amount for each govt. service who have availed it

The study further observed that though more number of households are benefitted due to reduced or zero electricity bill, but highest amount in a month is saved by a household for free public education (Rs. 1267/-), followed by for free/reduced cost treatment in govt. hospitals (Rs. 1071/-), reduced or zero electricity bill (Rs. 715/-), free bus ride for women (Rs. 426/-) and reduced or zero water bill (Rs. 325/-).

Table-3.5: Average monthly saving amount for each government service who have availed it

Govt Services	Number	Average Saving (in Rs.)
Reduced or Zero electricity bill	3450	715
Reduced or zero water bill	2627	335
Free bus ride for women	2001	426
Free Public Education	1509	1267
Free/reduced cost treatment in govt. hospitals	2233	1071

- 1) The figures shown in Table-3.4 (column E of the below given table) are the average saving amount of the total surveyed households i.e. 3450.
- 2) The figures shown in Table-3.5 (column F of the below given table) are the average saving amount of the households benefitted under a service (column C of the below table).
- 3) Since all the surveyed households have not been benefitted under all the services, the figures/data given in Table-3.4 and 3.5 are different.
- 4) While Table-3.4 shows the average monthly savings of all the surveyed households, Table-3.5 shows the average monthly savings of the people benefitted under a particular service.

Table-3.6: Comparison of average saving amount of the total surveyed people and average saving amount of the people benefitted under a service

Government Service	Number of household surveyed	Number of household benefitted by the subsidy	Gross Saving Amount	Average saving amount of the surveyed household	Average saving amount of the benefitted household
A	B	C	D	E=D/B	F=D/C
Reduced or Zero electricity bill	3450	3450	2466750	715	715
Reduced or zero water bill	3450	2627	879750	255	335
Free bus ride for women	3450	2001	852150	247	426
Free Public Education	3450	1509	1911300	554	1267
Free/reduced cost treatment in govt. hospitals	3450	2233	2390850	693	1071

Figures in column D, E & F are in INR

3.4 Disposal of saved extra money

Majority (61.6%) of the households informed that they have already spent the extra money saved due to subsidies; 28.4% have invested the money in FD, Post Office, Insurance, Savings in Bank, property, etc.; 7.2% will going to spend the money in near future and 2.8% have lent the extra money saved due to subsidies.

Chart-3.3: Disposal of saved extra money

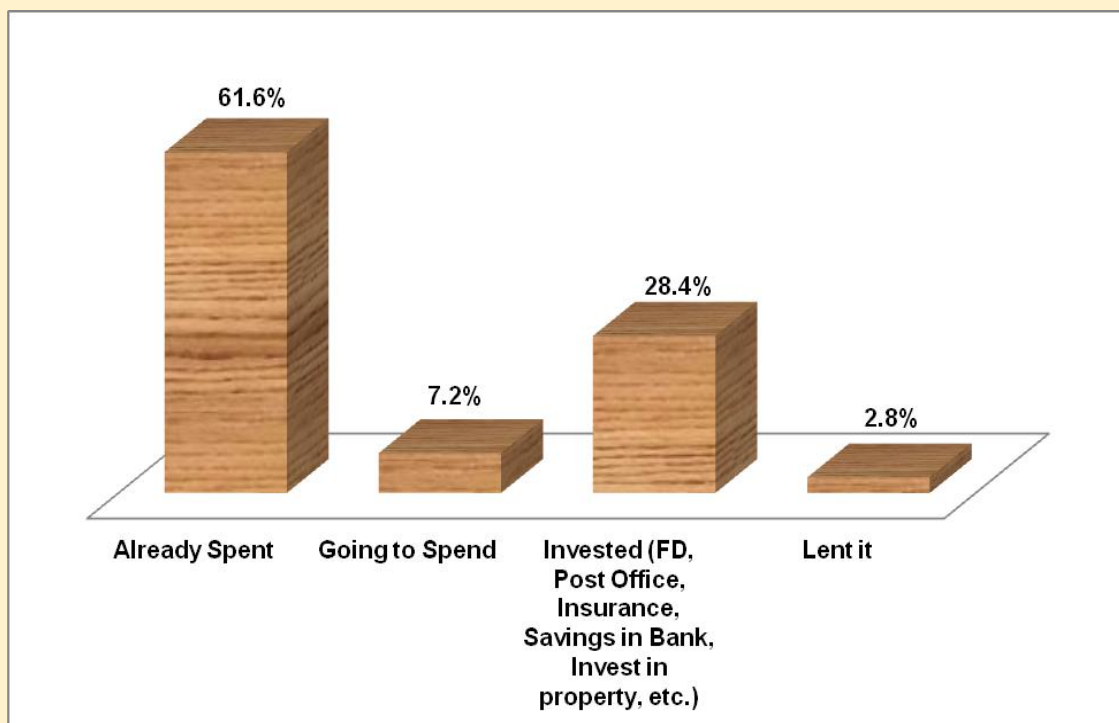


Table-3.7: Disposal of saved extra money

Option	Number	Percentage
Already Spent	2125	61.6
Going to Spend	247	7.2
Invested (FD, Post Office, Insurance, Savings in Bank, Invest in property, etc.)	981	28.4
Lent it	97	2.8

3.5 Spent the saved extra money

Those 2125 households which have already spent the extra money saved due to subsidies, 50.7% have spent for food and beverages (fruits, vegetable, dal, rice, flour, tea, coffee, snack items etc.), 13.1% have spent for education related purchases (books, stationary, project materials, tuitions), 10.1% have spent/ going to spend for medical treatment and medicines, 7.9% have spent for clothing and accessories (clothes, cosmetics, shoes, goggles, jewellery etc.), 7.3% have spent for appliances/ assets (cell phone, TV, Fridge, Mixie, stove, microwave, cycle, motorcycle etc.), 6.7% for entertainment (movies, concerts, picnic, trips), and 4.5% households have spent for other purposes.

Chart-3.4: Spent the saved extra money

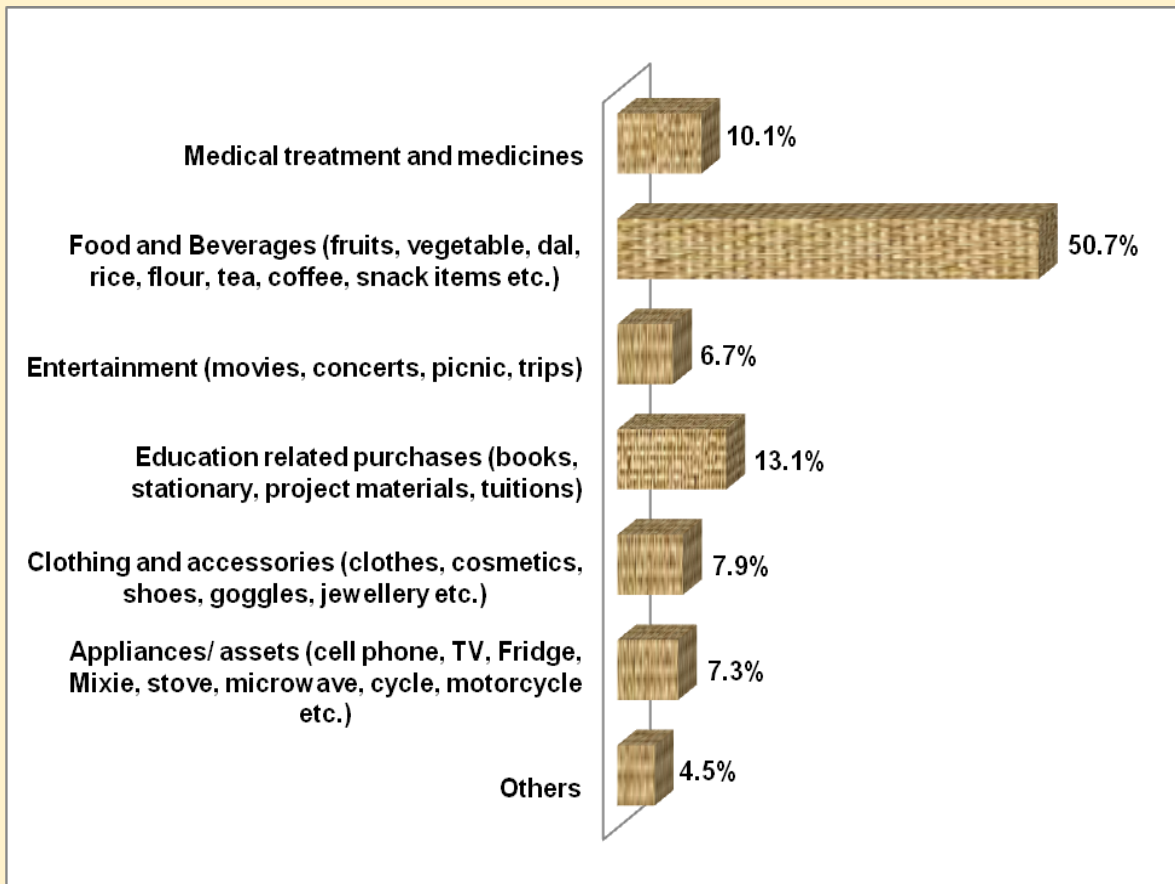


Table-3.8: Spent the saved extra money

Expenses Category	Number	Percentage
Appliances/ assets (cell phone, TV, Fridge, Mixie, stove, microwave, cycle, motorcycle etc.)	155	7.3
Clothing and accessories (clothes, cosmetics, shoes, goggles, jewellery etc.)	168	7.9
Education related purchases (books, stationary, project materials, tuitions)	278	13.1
Entertainment (movies, concerts, picnic, trips)	142	6.7
Food and Beverages (fruits, vegetable, dal, rice, flour, tea, coffee, snack items etc.)	1078	50.7
Medical treatment and medicines	214	10.1
Others*	90	4.5

* includes Outstation Tour, Purchased Bike, Business, Purchased Personal Item, Wedding, etc.

CHAPTER-IV

CONCLUSIONS

The results of the “Study on impact of subsidies of the Delhi Government on the socio-economic status of citizens and the local economy” assessed the various aspects of the impact of the subsidies given under various government services in Delhi and revealed that the subsidies have a significant impact on the savings and expenditure of benefitted households. The benefitted households emphasized that there is nothing inherently bad in providing subsidies under various government services in Delhi. Those are provided for the welfare of the society by maintaining the income and providing basic services for low-income groups. Thus, it is suggested that the subsidies provided for various government services in Delhi may be continued for the socio-economic development of the people living at the bottom of the pyramid.

ANNEXURE

STUDY QUESTIONNAIRE

**STUDY OF IMPACT OF SUBSIDIES OF THE DELHI GOVERNMENT ON THE
SOCIO-ECONOMIC STATUS OF CITIZENS AND THE LOCAL ECONOMY**

PLANNING DEPARTMENT (GNCTD)

SCHEDULE

Section 0: Meta data	
Survey Date:	
Surveyor ID:	
Location:	
Section 1: Identifying the respondent	
Attempt to find the house given in the sample tracking sheet. Did you find the house?	1. Yes 2. No (End survey)
Is the house open?	1. Yes 2. No (End survey)
Is there an adult in the house?	1. Yes 2. No (End survey)
Is the Head of the household available to speak?	1. Yes 2. No
The next set of questions should be posed to the Head of the household, if they are not available, you can ask these to other adults who are aware of Finances of the HH.	1. Yes 2. No
Do you agree to participate?	1. Yes (Go to section 2) 2. No (End survey)
Section 2: Demographics	
What is name?	
How old are you?	(completed years)
How many people live in this house permanently?	
Do you own this house?	1. Yes 2. No
Type of Household (To be filled by surveyor)	1. Unauthorized Colony 2. JJ Cluster 3. Resettlement Colony 4. Bungalow/Kothi in planned colonies 5. Planned housing/flats/DDA
Section 3: Utilization of govt. services	
In the past 3 months, which of the following govt. services have you and others living in this house benefited from? (Select all that apply)	1. Reduced or zero electricity bill 2. Reduced or zero water bill 3. Free bus ride for women 4. Free Public Education 5. Free/reduced cost treatment in govt. hospitals

<p>How much money do you think you all (including others living in the house) saved approximately per month (insert options from above) (Question immediately after each option selected)</p>	<p>Option 1; Saving in Rs. _____ Option 2; Saving in Rs. _____ Option 3; Saving in Rs. _____ Option 4; Saving in Rs. _____ Option 5; Saving in Rs. _____ Total Saving in Rs. _____</p>
<p>So, it looks like due to all the services/programs, you all saved about Rs.(calculate total amount based on responses above)</p>	<p>1. Yes 2. No (reconfirm the individual amounts and calculate amount again)</p>
<p>What did you (including others living in this house) do with the extra money at your disposal?</p>	<p>1. Nothing 2. Nothing, didn't realise I had more money in hand (Go to Section 4) 3. Saved it 4. Spent it (Go to Section 5) 5. Lent/Gave it to someone else</p>
<p>Section 4: Hypothetical use</p>	
<p>Now that you know you (including others living in this house) have this extra money, how do you plan to use it?</p>	<p>1. Save it 2. Spend it (Go to Section 5) 3. Lent/Gave it to someone else</p>
<p>Section 5: Savings/Expenditure</p>	
<p>What do you intend to do/ with the extra funds</p>	<p>1. Appliances/assets (cell phone, TV, Fridge, Mixie, stove, microwave, cycle, motorcycle etc.) 2. Food and Beverages (fruits, vegetable, dal, rice, flour, tea, coffee, snack items etc.) 3. Clothing and accessories (clothes, cosmetics, shoes, goggles, jewellery etc.) 4. Education related purchases (books, stationery, project materials, tuitions) 5. Medical treatment and medicines 6. Entertainment (movies, concerts, picnic, trips)</p>

The response will be confidential and you will not be identified in any way