



Covid-19 Pandemic and Employment in India: An Empirical Study

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ABSTRACT

The COVID-19 pandemic is one of the greatest global tragedies across the world. As it was emerged and spread from Wuhan city of China and within few times spread in the whole sphere of world. Its impact is like World War II as its hit's human life at a large. The virus has spread widely, and the number of cases goes on increasing day by day which harm and hampers the life of every individual unrespecting of their age, religion, sex, status, regions, and race. This was an alarming situation for the whole world which puts the life of every individual in dangers. In fact, the impact and consequences of Covid-19 are a challenging for every class of society but, the low, middle class, agricultural farmers, labourers, and daily wages workers suffered badly due to this Novel corona virus. The social as well as economic life of these low- and middle-class workers got badly affected and suffered because these people are wholly depending upon agriculture and wages for the sake of their earning. The partially lockdown of night than full lockdown in the country continuously for a long period of time effect the farmers badly. Indian agriculture suffered badly because on the one hand it depends upon monsoon and on the other hand farmers were unable to cultivate and harvest their crops because of this major distress which ultimately raise the rate of unemployment. All the sectors of economy whether it is agriculture sector, manufacturing sector or service sector the growth rate of every sector was almost negligible and hampers the GDP growth rate of economy. The paper studies the impact analysis of Covid-19 on employment system of India which is collected through various reports, studies, and different data sources.

KEYWORDS: Unemployment, Novel corona virus, Income and Employment, Unemployment, informal sector.

I. INTRODUCTION

The most complicated as well as challenging socio-economic aspect in India is issue of unemployment, this problem cannot be solved by a golden touch instantly unless the pressure on the unemployed could only be minimized by a suitable, effective, and fruitful planning. In India Unemployment is considered as a curse of development the literate unemployed youth. In India, any person who is working about 8 hours a day and for 273 days annually is considered as employed on a standard person year basis. Thus, a person is called an employed if he/ she must get a meaningful work for a minimum of 2184 hours in a year. The person who does not get work for this period is known as unemployed person (Arun Khurana 2018).

The magnitude of employment opportunities in a nation widely depends to a large extent on the echelon of its progress and development, therefore when a country is making progress and its production is expanding, employment opportunities will also be increasing.

Over the past four decades approximately, India is expanding its production in all sectors whether it is primary, secondary or tertiary sector of the economy, but misfortune in the initial phase, unemployment within supreme conditions has increased. This was because, of the fact that during the first three decades of economic planning, the achieved growth rate was significantly lower than the targeted growth rate. Hence, jobs in a satisfactory way have not been produced. Furthermore, the economic growth alone cannot solve the problem of unemployment.

It is a well-known fact that, how COVID-19 pandemic has incapacitated the global labour market and economic and political sphere around the globe.



However, they are not thinking about how they are going to outreach such mass unemployment and. The same is the position in context of India as, its income in the coming years 2021-22 and 2022-23 will be much lower as compared to 2019-20. There will be a huge economic pain ahead, both politics and policymakers have to work together and have a major attention to get the edge out of it (Parul 2020). As reported by the International Labour Organization (ILO) estimates that more than 2.5 crore jobs have been threatened across the worldwide as a result of the spread of this novel coronavirus across the world. It has also been seen that four out of five, which is about 81% of the 3.3 billion people worldwide, have been affected either partially or fully closure of their workplaces. The United Kingdom, the United States, Canada, and various others European and Asian countries have registered a huge loss of employment and surge raise in unemployment which increases their unemployment rate (Paul 2020).

Corona viruses globally known as Covid-19 effect the masses at large. It is a type of virus which transmit from one person to another by close contact, this virus makes the immune system weak. This virus which can cause illness in animals as well as in humans with wide range of severity. In humans, various corona viruses are known to cause minor disease like common cold, sneeze, respiratory problems etc. The best way to contain this pandemic disease is isolation, maintenance of social distance and use of preventive measures such use of sanitizer or soap for hand wash, wearing of mask etc. In India, the first case of Covid-19 was confirmed in laboratory was detected on January 30, 2020 in Kerala, when a woman along with her two students reverted to India from Wuhan city in China and as on May 2020 the confirmed number of raises to more than 90,000 and death toll about 3000 with nominal mortality rate of 3.3%. Although, India has improved recovery rate up to 38.29% i.e., highest since the inception of this disease in the country. Government of India promptly took preventive measures to contain COVID-19 disease by applying Janata Curfew, compulsory masks, institutions and public places closed etc. Government of India had taken timely comprehensive and precautionary measures in order to tackle and fight with pandemic disease but, this pandemic has a negative impact on the livelihood of migrant workers, farmers, labourers, and daily wages earners and ultimately. Indian agriculture become backward, futile and less profitable. Thus, this paper highly emphasised and focused on the impact of COVID-19 pandemic on

Income and Employment behaviour of farmers and labourers in India.

II. LITERATURE REVIEW

Ali Akhter & Kamraju. M (2020) The problem of unemployment is a grave problem for any economy. India is a developing economy and is on the way of its progression and development has adversely affected in term of providing employment due to this alarming Covid-19 pandemic which has affected many people's lives and livelihoods in our country, and around the world as well.

Mehta, S., & Kumar, A. (2017) Indian agricultural system is characterized by marginal and small farmers, who suffers from access, quality and affordability of basic infrastructure and modern advancements. The recent unrest among farmers along the nationwide has certainly become a discussing phenomenon to the otherwise "SabkaSathSabka Vikas" (Collective Efforts Inclusive Growth) agenda of the Union government would not success.

Aditya, K. S., Subash, S. P., Praveen, K. V., Nithyashree, M. L., Bhuvana, N., & Sharma, A. (2017). Income and employment pattern of farmers is considered as an important pillar of Indian Agricultural system and growth pattern in the economy which got effected with the adverse impact of this Corona pandemic.

Nagaraj, K., Sainath, P., Rukmani, et al (2014). During the last decade it has seen that there is huge degree of agrarian distress in India and large number of farmers suicides are the evidence in the country. Despite being measures taken by central and various states government there needs to be a close check on agrarian distress and farmers suicides which are continuously go on increasing.

Chand Subhash, Chandra Kailash et al. (2020). The Indian agriculture has more challenges and barriers ahead because about more than 80% of total Indian farm households are being small and marginal and their productivity as compared to medium and large farmers is low and significantly high proportion of landless farm workers. Thus, effective and sincere implementations of agricultural policies by Government and their officials will decide the fate of agriculture and are need of the hour during this pandemic.

Marine Al Dahdah, Mathieu Ferry et al (2020). The impact of Covid-19 on the social as well as economic conditions is worsening as challenging. As the migrants are faces problem the distress, they face attacks and are ostracized by fear of infection. And it was not long before hatred discourses surfaced in this crisis with Muslim, north-eastern,



tribal or Dalit Indians, all being accused of spreading the virus.²¹ It is yet to observe whether and how the government will take the opportunity of this crisis to further divide or re-unite its people. The immediate concern is for the poor and the minorities, who as we have seen, will be the first to suffer from this crisis. For them, the consequences of the lockdown will be dramatic.

III. THEORETICAL FRAMEWORK AND DISCUSSION

India is an agrarian state, which produce and exports agricultural products at large. Agriculture sector in India alone not only provides 16 percent share in country national income but also provide more than 40 percent of total employment. In India nearly about 70% of its population directly or indirectly depends upon this ever growing and flourishing sector. A majority of India's farmers (about 80%) are marginal and small with less than two hectares of land. Agriculture is a state subject in Indian subcontinent where agricultural policies vary from state to state. Lockdown-1 which was imposed in the country adversely affected the agricultural sector. Complete lockdown restricted the farmers and agricultural labourers their movements to their fields, to mandies and to the market place become quite difficult and negatively affected the farm production as well the productivity of major as well as the, minor crops in every state and every region the Income and Employment in respect of both male as well as of female effected at large. No doubt the restrictions and lockdown help in controlling and minimising the effect of Covid-19 but on the other hand it hampers the agricultural production, productivity, income and employment thousands of people lost their jobs the middle-class population including farmers and labourers were even not in a position to earn their two times bread. The growth rate of Indian economy which largely depends upon agriculture and industry becomes negligible. Although, Indian government tried its best to minimize the adverse effect on agriculture but could not minimise its implications on agriculture. The major agricultural sectors which were being severely affected by disease area. Due to the scarcity and timely unavailability of farm labours and farmers the price of essential commodities got raise to higher price significantly increased the daily wage price during harvesting operations. Small land holders harvested their crops manually either by themselves or through mutual agreement with each other. Large land holders also faced problems because they did not have enough man power. Thus, they were forced to pay high price for

harvesting operation either by manually or through harvester.

Agricultural credit to farmers and agricultural labourers in India is not significant and timely available at affordable rate of interest, even if they get credit the rate of interest is so high that the poor farmer is not able to pay it back and due to the sudden incidence of this Covid pandemic their income goes down and even becomes difficult to farmers and labourers to bring up their family and bank credit also becomes burden for them. On the other hand, the agricultural prices are so low that it cannot cover the cost incurred on production. The disturbance of climatic and problem of irrigation as Indian agriculture lies in the glimpse of monsoon, Indian agriculture is mostly depending upon rainfall.

Now the issue of new farms laws and Minimum support price (MSP) is also a major challenging issue across the nation for agricultural and farmers which plays a major role in the agrarian distress and farmers and agricultural labourers' backwardness. The predictions and apprehensions of farmers, masses and experts is that due the absence of MSP there would be a huge loss to farmers and agricultural labourers and also agricultural food wastage would also increase. Earlier there was only government registered mandis which are purchasing major food grains from farmers at a specified price and there would be no sale and purchase beyond this MSP but, now MSP is out of picture the private mandis and players are now also in picture they would buy food grains from farmers at high price in the beginning so as to drag market forces, to attract much costumers and wiped out the government mandis because the governments mandies would not pay as much price as the private would pay to attracts more customers than government mandies would left the market now the private mandis would influence the market they would pay less price now because they already had more stock in their go-down because procurement policy is not there and now they can store whatever amount they want to store. initially there was a time limit up to what time extent the food can be stored and processed in go-downs now it is not active.

Presently there is huge distress in agricultural system of India and large mass protests from farmers and agricultural labourer's side. About 2 to 3 months of large protest of farmers would also adversely affect the agriculture the income and employment behaviour. On the other hand, Indian agriculture lies in the glimpse of monsoon and majority of farmers are marginal and small farmers about 80% of farmers are marginal and small farmers who are afraid about their future because



they are totally dependent on agriculture and allied sector for the sake of their livelihood. It is not possible for these marginal and small farmers to compete and survive in this alarming and rigorous situation which the agriculture of India is facing.

The problems of agricultural credit whether it is short term or long-term credit is prevalent in case of India, the banking and other financial institutions lending agricultural credit are not too much flexible that they can easily lend credit to farmers and growers, in fact there is so much formality and time required which the poor farmers cannot easily fulfil and take credit. On the other

hand, the rate of interest of that loan/credit is too high that the poor agricultural farmers is not able to pay it back and the prices of their agricultural product is not so much ruminative that it cover the cost and price whether it is production cost, transportation cost, or any other cost, all those hindrance and problems leads to farmers suicide finally because the poor and underprivileged farmers have no other alternative to get rid from this debit repaying. On an average it has been observed that the number and rate of farmers suicides are going on increasing day by day and predicated much in future.

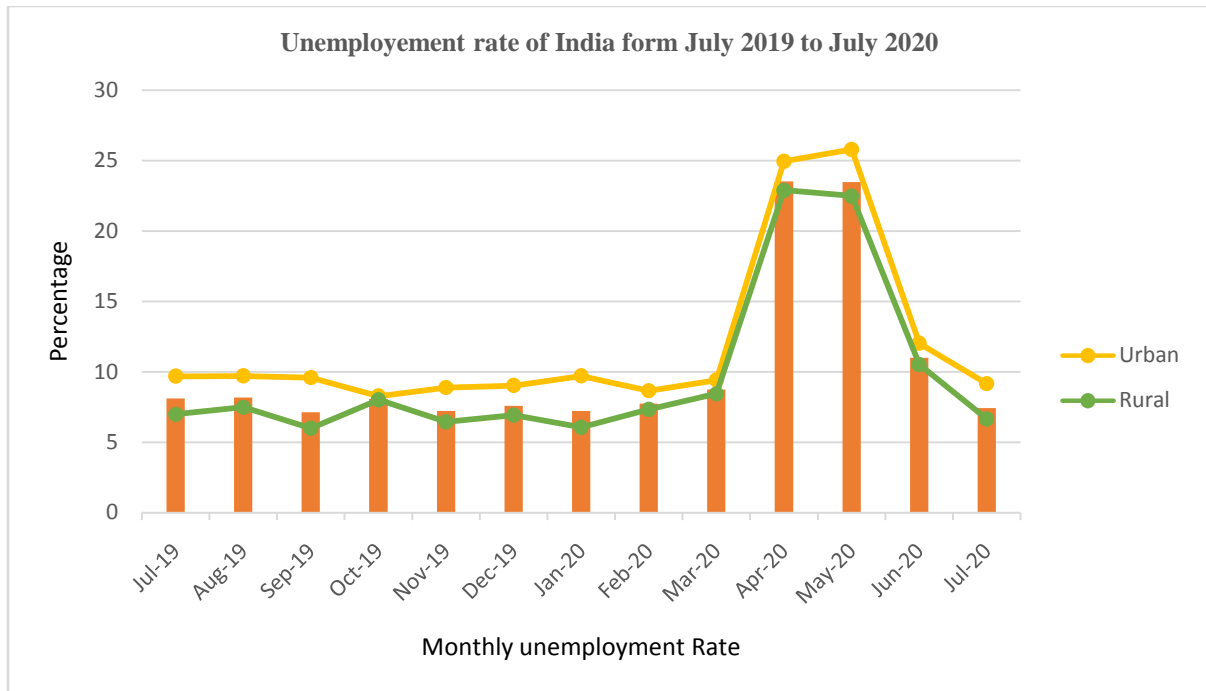
Table 1.1. Unemployment rate of India from July, 2019- July 2020

| Month | Unemployment Rate (%) | | |
|---------|-------------------------|-------|-------|
| | Total Unemployment Rate | Urban | Rural |
| July-19 | 8.12 | 9.68 | 6.98 |
| Aug-19 | 8.19 | 9.71 | 7.48 |
| Sep-19 | 7.14 | 9.58 | 5.99 |
| Oct-19 | 8.1 | 8.27 | 8.02 |
| Nov-19 | 7.23 | 8.88 | 6.45 |
| Dec-19 | 7.6 | 9.02 | 6.93 |
| Jan-20 | 7.22 | 9.7 | 6.06 |
| Feb-20 | 7.76 | 8.65 | 7.34 |
| Mar-20 | 8.75 | 9.41 | 8.44 |
| Apr-20 | 23.52 | 24.95 | 22.89 |
| May-20 | 23.48 | 25.79 | 22.48 |
| Jun-20 | 10.99 | 12.02 | 10.52 |
| Jul-20 | 7.43 | 9.15 | 6.66 |

Source: -Centre for Monitoring Indian Economy Pvt. Ltd.

As shown in the above table 1.1 the total unemployment rate in India for the month of July and August 2019 is 8.12 and 8.19 respectively which slightly goes down in the later months and surge raise to 23.52 and 23.48 in the months of April and May 2020 due to strict and complete lockdown. While on the other hand urban as well as rural unemployment also behave in the same manners which remains slightly same in all the months except in the months of April and May 2020.

On an average it is seen that urban unemployment remain high as compared to rural unemployment because in urban areas it was quite difficult for people to find employment in this Covid panic and lockdown scenario while on the other hand in respect of rural areas people somehow find employment opportunities here and there because there were less restrictions as compared to urban areas because of monitoring authorities.



Source: - Estimated from data sources.

As shown in the above figure there remain a fluctuating trend in rural as well as in urban unemployment in India across the year w.e.f. July 2019 to July 2020, however in the months of April and May 2020 the urban, rural as well as total unemployment in Indian goes on peak because at

that time there was strict lockdown which hamper the employment opportunities in India. Urban unemployment is somehow higher than rural employment across the year because of strict lockdown and monitoring authorities which were partially absent in rural areas.

Table 1.2 Unemployment Rate of Indian States & UT's during different lockdown phases

| States | Mar-2020 | Apr-2020 | May-2020 | Jun-2020 | Jul-2020 |
|------------------|----------|----------|----------|----------|----------|
| Andhra Pradesh | 5.8 | 20.5 | 17.5 | 2.1 | 8.3 |
| Assam | 4.8 | 11.1 | 9.6 | 0.6 | 3.2 |
| Bihar | 15.4 | 46.6 | 46.2 | 19.5 | 12.2 |
| Chhattisgarh | 7.5 | 3.4 | 11.3 | 14.4 | 9 |
| Delhi | 17 | 16.7 | 44.9 | 18.2 | 20.3 |
| Goa | 5.2 | 13.3 | 21.2 | 10.1 | 17.1 |
| Gujarat | 6.7 | 18.7 | 13.6 | 2.8 | 1.9 |
| Haryana | 25.1 | 43.2 | 35.7 | 33.6 | 24.5 |
| Himachal Pradesh | 18.8 | 2.2 | 28.2 | 2.1 | 18.6 |
| Jammu & Kashmir | 15.5 | 2.3 | 5.2 | 17.9 | 11.2 |
| Jharkhand | 8.2 | 47.1 | 59.2 | 21 | 8.8 |
| Karnataka | 3.5 | 29.8 | 20.4 | 9.2 | 3.6 |
| Kerala | 9 | 17 | 26.5 | 20.1 | 6.8 |
| Madhya Pradesh | 2.2 | 12.4 | 27.5 | 8.2 | 3.6 |
| Maharashtra | 5.8 | 20.9 | 16.5 | 9.7 | 4.4 |
| Meghalaya | 1.6 | 10 | 5.9 | 1.1 | 2.1 |
| Odisha | 13.1 | 23.8 | 9.6 | 4.2 | 1.9 |
| Pondicherry | 1.2 | 75.8 | 58.2 | 4.2 | 21.1 |
| Punjab | 10.3 | 2.9 | 33.6 | 16.8 | 10.4 |
| Rajasthan | 11.9 | 17.7 | 14.1 | 13.7 | 15.2 |

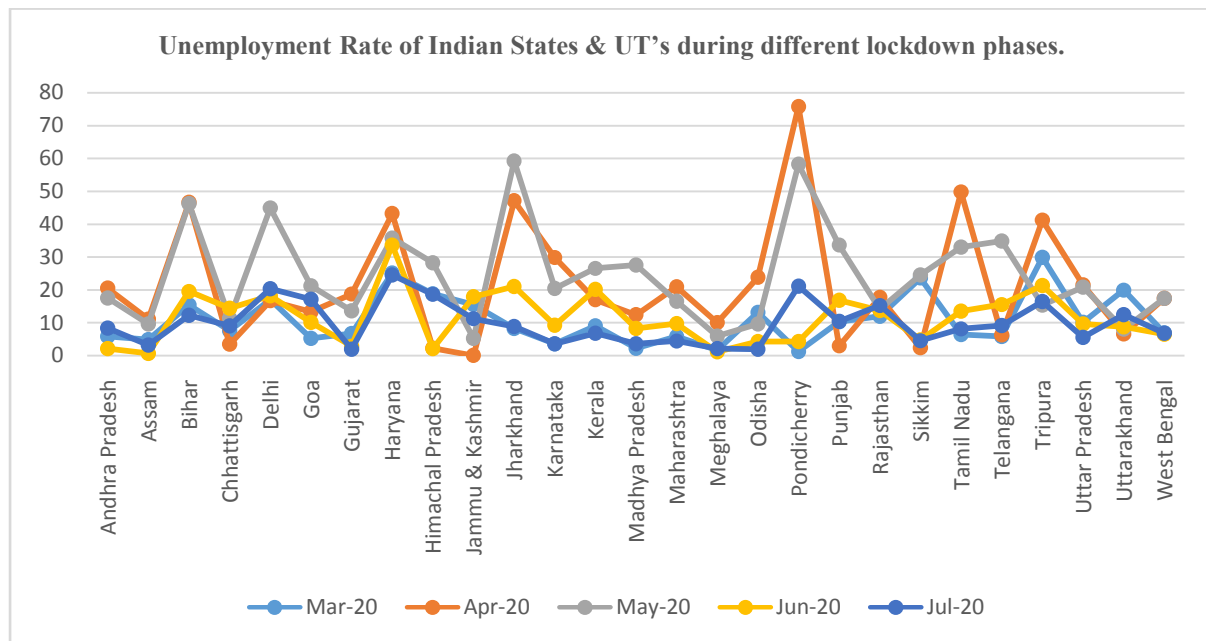


| | | | | | |
|---------------|------------|-------------|-------------|-----------|------------|
| Sikkim | 23.6 | 2.3 | 24.5 | 4.7 | 4.5 |
| Tamil Nadu | 6.4 | 49.8 | 33 | 13.5 | 8.1 |
| Telangana | 5.8 | 6.2 | 34.8 | 15.5 | 9.1 |
| Tripura | 29.9 | 41.2 | 15.3 | 21.3 | 16.4 |
| Uttar Pradesh | 10.1 | 21.5 | 20.8 | 9.6 | 5.5 |
| Uttarakhand | 19.9 | 6.5 | 8 | 8.7 | 12.4 |
| West Bengal | 6.9 | 17.4 | 17.4 | 6.5 | 6.8 |
| India | 8.8 | 23.5 | 23.5 | 11 | 7.4 |

Source: -Centre for Monitoring Indian Economy Pvt. Ltd.

As shown in the above table 1.2 phases wise lockdown scenario across different Indian states is shown. Bihar, Himachal, Uttar Pradesh, Tripura and Pondicherry shown the highest unemployment rate across all the phases of lockdown. As it shown that total unemployment rate in March 2020 is 8.8 which is less as compared to April and May 2020 phases which remains 23.5 in both the phases, which declines to 11 in June 2020 and further declines to 7.4 in July 2020. In Aril and May 2020 due to strict lockdown employment opportunities goes down and unemployment rate increase. In March 2020 Tripura and Haryana states having the highest number of unemployment rate which is 29.9 and 25.1% respectively. In the phase

of April 2020 Tamil Nadu and Jharkhand states having the highest percentage of unemployment rate which is 49.8 and 47.7% respectively. In May 2020 lockdown Jharkhand and Pondicherry states having the highest percentage of unemployment rate which is 59.2 and 58.2% respectively. In the phase of June 2020 of lockdown Haryana and Kerala states having the highest percentage of unemployment rate which is 33.6 and 20.1% The last phase of continues lockdown i.e. July 2020 Haryana and Delhi having the highest percentage of population 24.5 and 20.3% respectively. As it is shown that in the 3rd phase of lockdown i.e., May 2020 the unemployment rate in India was highest as compared to other phases of lockdowns.



Source: - Estimated from data sources.

FACTORS RESPONSIBLE FOR LOW INCOME AND RAISING UNEMPLOYMENT IN INDIA

There are various factors which are responsible for low income and employment in developing countries like India.

1. Covid-19 Pandemic. The major challenges in the way to progress and prosper of low- and middle-



income people including farmers and labourers is the Covid-19 pandemic which hampers their livelihood. The people with high income groups not suffer badly like these poor class people suffer from this virus as these people are the daily wage earners and paid workers which gear up or bring up their family by daily of their earning.

2. Long Lasting Lock-downs. The lock down was also a major challenge to income and employment in under developed or developing economies like India. The people were not able to go on their jobs and make their earning due to the restrictions which were imposed.

3. Lack of Vocational and Technical Education. Lack of vocational and technical education is also a cause of unemployment in India. India is the nation having population with various arts and skill but, due to the lack of technical know-how and right platform the youth of nation suffer a lot. There is need to pay attention towards vocational and technical knowledge so that the problem of unemployment could be solved.

4. Less number of village and cottage industries. Small scale and village industries are very important in providing job opportunities and making the human skill full. In India there is no lack of skill among the people but, the way to come out with this skill is not so easily available as compared to the other developed economies. The number of small-scale industries in India as compared to its population are very less. There is a need to pay special focus on this village and cottage industries board and credit facilities should also be made easily available which provide loan at affordable rate of interest.

5. The surge in inputs cost. A sudden rise or upward moment in the cost of factors like, increase in the cost of seeds, cost of chemicals, cost of fertilizers, cost of water and electricity cost of production, and cultivation are increasing so much day by day and all these factors are responsible for agriculture distress.

6. Indebtedness. Indebtedness is one of the major factors which cause the farmer for committing suicide. The problems of indebtedness have a serious flaw, the rate of interest on that particular amount of credit/loan is so high that it makes the farmers unable to repay it back on time. Due to the problem of indebtedness the percentage and rate of suicides among the farmers and agricultural labourers are increasing day by day.

8. Irrigation and marketing problems. Agriculture in India lies in the glimpse of monsoon, a major portion of Indian agriculture depends upon rainfall and has a lack of irrigational facilities through, tube

wells, canals, water pumps etc. along with the problems of irrigation the problems of marketing is also a big challenge. Indian agriculture marketing facilities is not so much well versed and diversified that it caters the needs the farmers and agricultural labourers and the growers as well. Keeping all these major issues and challenges one can observe that Indian agricultural market is depressed and an informal one.

IV. SUGGESTIONS AND POLICY IMPLICATIONS

Following are some important suggestions and policy implications which would be helpful for raising employment and income in the developing economies like India.

1. Focus on small scale and cottage industries. With the at growth of small scale and cottage industries at the village and regional level the level of income and employment can be raised to a large extent. In India majority of population are directly or indirectly engaged with agriculture and allied activities and it would be fruitful if there will be growth and enhancement of these small scale and village industries. For their growth and flourish, organisations are important which would provide the help and assistance to these working-class population and can boost their level of employment.

2. Self-help groups. The formation of self-help group is very much important which on the one hand raise the level of income of the people and on the other hand which reduces the unemployment level to a greater extent.

3. Vocational and Technical Education. The vocational and technical education is much important and is a better source of increasing employment among the youths. There is urgent need of focusing on this vocational and technical education so that they would be able to find easy and fruitful employment opportunities.

4. Wide spread of different jobs. Jobs should be widely spread like, irrigation, rural electrification, flood control, water supply, agriculture, dairy and others jobs which could enhance the level of employment among the unemployed youths.

5. Family planning. This population explosion is an alarming tune for the underdeveloped and developing nations like India which is over populated and stands 2nd in the world after China so far as long population is concerned. There is a need of hours to pay attention for adaptation of family planning so that the problem of hunger and unemployment could be solved.



V. CONCLUSION

The policy implication from the above discussion emphasizes that on a larger scale crisis are there in agriculture and other sectors as well which harvest low returns and declining income and profitability from agriculture, allied and other sectors. Risk management in agriculture and farming should reap low yield, price, high rate of interest income weather-related to uncertainties among others. The employment opportunities become less available to the labour class, farmers and low-income groups which adversely affect their life. The employment opportunities are not easily available to the growing population. There is job less growth in the agriculture and other allied sectors. The impact of this Covid-19 pandemic is adverse across the world and especially in the underdeveloped and developing economies like India which hamper the way to progress and develop which took a long time to come out from the clutches of this pandemic and raise the level of income and employment. Technical and vocational education is not so advance and affordably available to each group and section of the society. In India a large chunk of population is living below poverty line which have need of small and cottage industries which could progress and prosper the standard of living and raise the income as well as the employment level. There is also requirement of strong private credit lending institutions and agencies which make easily availability of credit facilities at lowest possible rate of interest to the poor and vulnerable farmers and agricultural labourers. A challenge for the technological and financial lending institutions is to provide innovative products which reduce the costs of production while giving the increasing returns.

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