



# An Analysis of Post COVID-19 Pandemic and Economic Recovery of Unorganised Labour

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## Abstract

The year 2020 will be remembered as a bitter memory in the history of the world due to COVID 19 pandemic. The global economy has been deplorably affected by the lock down imposed due to COVID-19. The Indian economy has also not remained untouched by the dire impact of this pandemic. The unorganised sector has been the most affected sector of the Indian economy during the pandemic. A huge amount of laborers are getting their livelihood from this sector. Around 28.58 crore labourers are registered on the e-shram portal launched by the Ministry of Labour and employment on August 26, 2021. The e-shram portal deals only with unorganised labour. These informal labourers have faced severe challenges during the COVID-19 pandemic. Therefore, the salient concern of this paper is not only to elucidate the constraints of informal labourers during COVID-19 but also to explain the post- pandemic recovery of this sector.

Key Words – COVID-19, Unorganised Sector, Informal Labourers, Economy recovery, Post Pandemic

## Introduction

Indian economy is the emerging economy of the world. Both organised and unorganised sectors are playing a major role in the Indian economy, but the unorganised sector provides employment to Indian citizens on a large scale. Many small scale industries, factories are providing employment to the workers. Therefore the role of the unorganised sector in the growing state of the Indian economy Can not be ruled out, but it is the sector that has been majorly affected by the COVID-19 Pandemic. COVID-19 is an abbreviation of Coronavirus disease that entered India in the early months of 2020. The pace of economic activity was slowed down by the nationwide lock down implemented due to the rapid rise in Corona Virus. The time period of the nationwide lock-down was from 25 march 2020 the 34t may- 2020 in which some relief was given in hospital, pharmacies, grocery stores, banks and other basic essential services. This lockdown had widely affected the Indian economy, especially the unorganised labourers. The unorganised labours includes domestic workers, daily wage labours, agriculture labours etc. Uncertainty in work, low wage rate, seasonal work, lack of skills are the main characteristics of informal labours These unorganised labours have faced several challenges during the COVID-19 pandemic. Most of the informal labours are working at low wage rates so their saving status and financial condition is not strong, so they faced difficulties in meeting their basic needs in the time of pandemic. According to the data of E-shram portal, 286019440 labourers are registered in the unorganised sector. The data of registered labourers of some sectors of e-shram portal is given below-

e- shram portal registration ( as on feb 2023) Table 1

Occupation sector	registration
<b>Agriculture</b>	149950733
<b>Domestic And Household workers</b>	27917593
<b>construction</b>	25979029
<b>miscellaneous</b>	12183746
<b>Handicrafts and Crapets</b>	2163288
<b>Food Industry</b>	950975
<b>Textile and handloom</b>	192523
<b>others</b>	77787

Source- E- shram Portal

As per the above table, the number of registered labourers in agriculture sector is more as compared to other sectors. Therefore, the contribution of unorganised labourers in the Indian economy is remarkable.

### Review Literature

**Patra Subhajit et al. (2020)** explained the major impact of the covid-19 pandemic on rural areas of India in terms of employment and wages. Fall in real wage rates in rural areas and slow recovery of employment of daily wage workers during the nationwide lockdown period are some of the main findings of this research paper.

**Saleha (2020)** concluded the state of the informal or unorganised sector of the Indian economy during the COVID-19 period. The informal economy has been badly affected by the Corona Virus epidemic. Small business, restaurant, migrant labours and informal workers have faced many challenges due to the covid-19 pandemic. There is a need for a rapid recovery of this sector

**Christina and Sivasubramanian (2021)** explained about the challenges faced by the migrant labours in the unorganised sector due to the Corona virus disease in India. Due to the loss of employment in the pandemic era the labours who left the urban areas and went back to their hometowns faced many challenges related to their livelihood due to this pandemic.

**Mitra Sona and Dipa Sinha (2021)** concluded the status of female labour in the covid-19 pandemic period. Women working in the informal sector such as food processing sector, small scale factories, agriculture and allied sector have faced many issues during the pandemic. These women have suffered losses in employment and wages in the corona virus period.

### Objective

- To study the status of informal labourers during COVID-19 Pandemic.
- To analyze the recovery of informal labours after pandemic period.
- To study the impact of Corona Virus on the status of female informal labourers.
- To study the efforts made by the government in the direction of providing relief to the workers suffering from the corona epidemic.

### Methodology of Research

This research paper is basically based on the secondary data. The data has been compiled from various published sources such as plfs annual and quarterly reports e- shram portal and Action Aid Association report. The data will be represented in the tabular and graphical form.

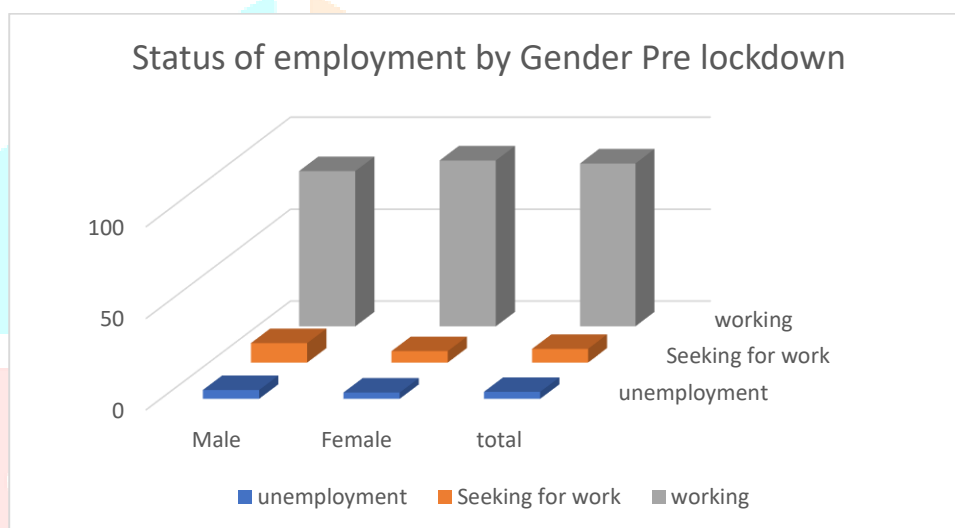
## COVID-19 Pandemic and Status of Employment of Unorganised Labourers

The central government had imposed the nationwide lockdown in India to stop the spread of corona virus. The central government had implemented a nationwide lockdown in India to prevent the spread of the corona virus. The lockdown was implemented in different phases. The first phase of lockdown was 25 march 2020 to 14 April 2020, second was 15 April 2020 to 3 may 2020, third was 4 may 2020 to 17 may 2020 and 4<sup>th</sup> was 18 May 2020 to 31<sup>st</sup> may 2020. Unlock process was started from June 2020. The unlock process was also started gradually from June 2020 in various phases. The unorganised labourers were badly affected by this lockdown.

**Status of employment of By Gender ( Pre Lockdwon) Table 2**

	Male	Female	total
<b>unemployment</b>	4.81	3.42	3.81
<b>Seeking for work</b>	10.65	6.27	7.49
<b>working</b>	84.54	90.32	88.7

Source- Action Aid Association (India) Round 1 of the National study on Informal workers (2020)

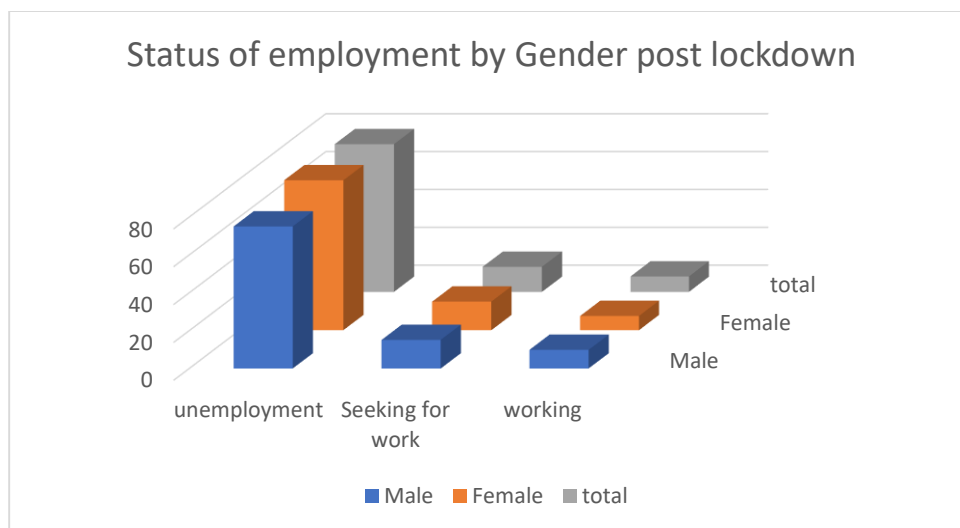


Generated from Table 2

**Status of employment by gender ( post lockdown) Table 3**

	Male	Female	total
<b>unemployment</b>	75.07	79.23	78.08
<b>Seeking for work</b>	15.09	15.09	13.27
<b>working</b>	9.84	7.51	8.16

Source- Action Aid Association (India) Round 1 of the National study on Informal workers



The tables presented show the pre and post lockdown employment status of informal labourers at the gender level. The table clearly shows that the unemployment rate has increased very much in the post lockdown period. 75.07% male and 79.23% female are employed as per the survey report of Action Aid Association.

**Employment Status in urban Areas (in percentage) of persons ( 15 years and above) according to current weekly status – 2020 (Table 4)**

Survey period	Status in employment					
	Own account worker employer	Helper in household enterprise	Self employed	Regular wage/ salaried employees	Casual labour	all
Jan- march 2020	30.4	5.1	38.3	50.5	11.2	100.00
April- June 2020	20.9	3.8	41.0	52.7	6.3	100.00
July- September 2020	31.2	5.4	39.2	49.3	11.4	100.00
Oct- dec 2020	32.4	5.5	38.9	48.7	12.4	100.00

Source- Quarterly Bulletin of PLFS April – June 2020 and 202

**Employment Status in urban Areas (in percentage) of persons ( 15 years and above) at current weekly status – 2021-22 (Table 5)**

Survey period	Status in employment					
	Own account worker employer	Helper in household enterprise	Self employed	Regular wage/ salaried employees	Casual labour	All
Jan- march 2021	32.9	5.6	39.3	48.1	12.7	100.00
April – June 2021	29.3	5.0	40.7	49.0	10.2	100.00
July – September 2021	33.0	5.3	39.1	48.7	12.2	100.00
Oct- Dec 2021	33.1	5.5	39.1	48.4	12.5	100.00
Jan- march 2022	33.1	5.6	39.3	48.3	12.4	100.00
April- June 2022	32.9	5.7	39.2	48.6	12.1	100.00

**Source- Quarterly Bulletin of PLFS April – June 2021 and 2022**

The above tables are showing the decline in employment during the period April- June 2020 ( except self employed section and regular wage/ salaried employees), but there has been a significant decline in self employed and regular wage/ salaried section after April- June 2020.

**Monthly income reported by revisited workers (Table 6)**

	No Income	Rs. Rs. 2,000	1- Rs.2001 – 5,000	Rs. Rs. 5001- 10,000	Rs. Rs. 10001 – 15,000	Rs. Rs. 15,000- 25,000	Above Rs. 25,000
Pre- Lockdown	0	5.21	17.59	41.6	24.18	8.75	2.67
Lockdown	62.52	12.65	14.9	6.38	2.56	0.84	0.15
Unlock	26.37	18.23	28.89	18.49	6.36	1.32	0.34

**Source- Action Aid Association (India) Round 2 of the National study on Informal workers (2021)**

According to this table 62.52% revisited workers did not get any income during the lockdown period but even after the lockdown period 26.37% revisited workers are still not getting any income. The percentage of workers working on Rs 1 to 2000 and Rs 200 to 5000 has increased as compared to workers working at other levels of income.

## Findings

- According to Table 1 and Table 2, the unemployment rate in the pre lock-down period is lower than in the post-lockdown period. Therefore, the Corona epidemic has majorly affected the employment opportunities of labourers working in the unorganized sector.
- The unemployment rate among women is higher than that of men in the post lockdown period. (table 3)
- After the Corona epidemic, the employment situation of the workers is gradually improving.
- Due to the Corona epidemic, labourers have to work at low wages. (table 6)
- Commendable work is being done by the central and state government in the direction of providing relief to the labourers, due to which the condition of the labourers is gradually improving.

## Initiatives by the Government

Pradhanmantri Garib Kalyan Yojana is an effective initiative taken by the central government to provide a package of 1.70 lakh crore to the underprivileged section of the country to enable them to fight against Corona virus. This scheme was launched in March 2020 to ensure access of food and money to the penurious section of the nation.

Some of the measure taken under this scheme are as follows:

- Under the Insurance Scheme the government will provide an insurance coverage of Rs. 50 lakhs to each health workers fighting against the Corona virus.
- Under this scheme, the central government decided to distribute 5 kg of rice or wheat and 1 kg of desired pulses free of cost every month to the poor people of the country. This initiative was effective till December 2022.
- About 20 crore women holding Jan Dhan accounts will receive Rs. 500/ month to face the challenging situation during the pandemic. This initiative was for 3 months.
- MGNREGA is one of the most effective employment guarantee scheme in India. Under this initiative, the wage rate of MGNREGA has increased from 182 to 202. This step benefitted 13.62 crore families.

## Conclusion

The era of Covid 19 pandemic was undoubtedly a nightmare for the whole world. The unorganized workers of the Indian economy have faced many challenges due to this pandemic. It was very difficult for them to arrange basic necessities for their livelihood. Drastic drop in employment and non-availability of monetary assistance had put them in a miserable condition. (Especially from April 2020 to June 2020) But the sensible steps taken by the Central and State Government have helped the unorganized workers a lot in getting rid of this difficult situation due to the pandemic.

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