

A Critical Analysis of Impact on Employment During and After Covid-19 Lockdown on India

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ABSTRACT

This article aims to analyze the impact on employment during the covid19 lockdown period and after lockdown in India. The analysis was based on the ministry of labour and employment and National Statistical Office surveys undertaken before the outbreak of the Covid-19 and follow-up surveys on the effects of the pandemic, also undertaken by Centre for Monitoring Indian Economy Pvt. Ltd. and Statista Inc. One of the largest unemployment since the Great Depression has been generated during the Covid-19 pandemic. This seems to be a real threat that during lockdown the crisis will exacerbate poverty and deepen inequality, with long-term consequences. Countries must now do all possible to prevent unemployment from escalating into a social disaster. Investing in the future and succeeding generations by rebuilding a stronger and more sustainable labour market is critical. The Covid-19 epidemic in India has unquestionably had a significant detrimental influence on India's employment rates.

SARI PATI

Artikel ini bertujuan untuk menganalisis dampak terhadap ketenagakerjaan selama masa lockdown covid19 dan setelah lockdown di India. Analisis ini didasarkan pada survei kementerian tenaga kerja dan ketenagakerjaan dan Kantor Statistik Nasional yang dilakukan sebelum pecahnya Covid-19 dan survei lanjutan tentang dampak pandemi, yang juga dilakukan oleh Center for Monitoring Indian Economy Pvt. Ltd. dan Statista Inc. Salah satu pengangguran terbesar sejak Depresi Hebat telah dihasilkan selama pandemi Covid-19. Ini tampaknya menjadi ancaman nyata bahwa selama penguncian krisis akan memperburuk kemiskinan dan memperdalam ketimpangan, dengan konsekuensi jangka panjang. Negara-negara sekarang harus melakukan segala kemungkinan untuk mencegah pengangguran meningkat menjadi bencana sosial. Berinvestasi di masa depan dan generasi penerus dengan membangun kembali pasar tenaga kerja yang lebih kuat dan lebih berkelanjutan sangat penting. Pandemi Covid-19 di India tidak diragukan lagi memiliki pengaruh merugikan yang signifikan terhadap tingkat pekerjaan India.

INTRODUCTION

Due to the breakout of Covid-19, the world is in a disastrous position, and the government and society are working together to confront the threat. For the Indian economy, the Covid-19 epidemic has been an unparalleled blow. The disease's frequency increased rapidly between the first recorded case on January 27, 2020, and the very first death on March 12, 2020, prompting significant individual and concepts and ideas. People avoided going to restaurants and shops, and the Indian government declared a state of emergency and forced people to work from home. These actions, taken together, resulted in a significant economic downturn and significant job losses in 2020. The International Labour Organization projected in Mid-2020 that the Covid-19 epidemic may cost over 25 million employments globally in 2020. It was also noted that the epidemic may drive more than 400 million informal labourers in India deeper into paucity. India's economy was severely harmed by the lockdown, which was exacerbated by global challenges. India's GDP growth is expected to be just 1.9 per cent in 2020, the slowest pace since the 1991 economic crisis, according to the International Monetary Fund. The economy is dominated by micro and small companies, informal urban sector, and this gains relevance. International Labor Organization short review forecasts casual employees, with self-employed people having the highest risk of losing their jobs and income. According to the Periodic Labour Force Surveys 2017–2018, non-regular employment accounts for 77.1 per cent of employment in India, with self-employed and casual workers accounting for the majority. An additional 13.7 per cent of the workforce is employed in conventional but in secure positions. When the aforesaid fraction is multiplied by the UN population projection for 2020, it implies that somewhere between 36.4 to 47.3 crores employees are in danger from the shutdown.

Highest unemployment Rate recorded in India during Covid19 Lockdown

According to estimates from the Centre for

Monitoring Indian Economy, the woman Labor Force Participation Rate, decreased from 16.4% to around 11% between July 2016 and January 2020. As a result of the epidemic, it is currently projected that this rate has fallen to 9%. The Centre for Monitoring Indian Economy data also reveals significant decreases in labour force participation and employment rates, particularly in the informal employment, that are gender biased. Due to the limited availability of jobs and work, men are also more likely to take advantage of available possibilities in the labour market. Centre for Monitoring Indian Economy also state that women made up around 13.9 percent of the employment losses India experienced in April 2020, while accounting for just about 10.7% of the overall workforce in 2019-20.

Current scenario of employment in India

According to estimates from the Centre for Monitoring Indian Economy 28.2 crore people were employed in April 2020 to 39 crore people are employed April 2021 is a huge improvement in comparison to previous year. According to survey data from the Centre for Monitoring Indian Economy, the employment market in September 2021 showed a remarkable all-around improvement. During month, 85 crore new jobs were created. In September 2021, the unemployment rate fell from 8.3% in August to 6.9%. The workforce participation rate grew from 40.5 to 40.7 %, and most crucially, the rate of employment grew from 37.2 to 37.9%. In September 2021 40.6 crore people are expected to be employed. Since the Covid-19 epidemic in March 2020, this is the greatest level in one year and eight months. However, it is still less than the 40.8 crore jobs that existed before to Covid-19 in 2019. The rise in salaried positions is the best portion of the increase in jobs in September 2021 from 77 lakhs in August to 84 lakhs in September, they rose by 69 lakhs. Salaried employment grew the most out of all the major occupational groupings. This large increase in September takes paid positions the closest to their 2019-20 average of 86 lakhs.

In Table 1. We can see that in comparison to 2020

Table 1. Comparison between 2020 and 2021 total No. of Persons Employed with respect to Educational Qualifications

MAX EDUCATIONAL QUALIFICATION	JANUARY TO APRIL		MAY TO AUG	
	2020	2021	2020	2021
No Education	0.614	0.3901	1.7247	0.2597
Upto 5th Std	11.218	7.9627	5.6895	7.7376
6th-9th Std	8.728	11.8553	11.1415	11.6376
10th-12th Std	12.3118	15.0546	14.2683	15.0022
>= Graduate	5.2146	4.6637	4.365	4.7392
TOTAL	38.0864	39.9264	37.189	39.3763

Table 2. Comparison between 2020 and 2021 total No. of Persons Employed with respect to Age group Male and Female

AGE GROUP	JANUARY TO APRIL				MAY TO AUGUST			
	2020		2021		2020		2021	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
15-19	0.4314	0.0315	0.3144	0.0164	0.2461	0.0164	0.2502	0.0267
20-24	3.0107	0.2071	2.7937	0.1818	2.5640	0.1405	2.596	0.1506
25-29	3.8513	0.2679	3.8456	0.2543	3.6458	0.2487	3.8296	0.2160
30-34	3.5316	0.4647	3.5313	0.4498	3.4478	0.4056	3.2059	0.4374
35-39	3.9492	0.6298	3.9931	0.5870	3.6854	0.5637	3.9558	0.5867
40-44	4.6587	0.8423	4.8620	0.9321	4.6104	0.8672	4.7771	0.9193
45-49	5.3014	0.5875	6.1264	0.6600	5.4695	0.6165	6.2788	0.7002
50-54	4.2200	0.4504	4.8439	0.4963	4.2914	0.4851	4.9309	0.4942
55-59	3.4602	0.3060	3.8826	0.3517	3.5650	0.3214	3.9110	0.3214
60-64	1.0678	0.0946	1.0703	0.0940	1.2647	0.0886	1.0458	0.1050
>=65	0.6803	0.0419	0.5900	0.0498	0.6096	0.0358	0.5927	0.0450
TOTAL	34.1626	3.9237	35.8533	4.0730	33.3997	3.7895	35.3737	4.0026
GRAND TOTAL	38.0863		39.9263		37.189		39.3763	

in 2021 first quarter of January to April recovery can be seen where in 2020 year during lockdown total number of employed are 38 crores and in 2021 after lockdown 39.9 crores. On the other hand for the second quarter of 2021 a bit decline in the growth of employed person that are 39.3 crores.

In Table 2 it is shown that during the year of 2021 period of Covid-19 in the months from May to august there is a recovery in female employment than the year of 2020 when there was lockdown. Huge recession can be seen in the quarter of May and august 2020.

REVIEW OF LITERATURE

Francesco Daveri, Guido Tabellini (2000) In this research to the untrained eye, the rise in European

unemployment is linked to a slowing of economic development. We contend that the layperson's viewpoint is correct. The rise in European jobless and the slowing of economic development are linked because they both come from the same source: an overly quick rise in labour costs. In Europe, labour expenses have risen for a variety of reasons, one of which is particularly obvious: increased labour taxes. Increases in labour taxes are transferred onto higher real earnings when wages are established by powerful and decentralized trade unions.

Paul Gregg (2008) This article examines cumulative unemployment experiences, emphasizing how unemployment affects a small percentage of the workforce for long periods of time. Low academic

achievement, ability not held captive by education, financial exclusion, and behavior problems in early life all increases a person's susceptibility to joblessness. For men, there is strong evidence of structural dependence induced by early joblessness experience, but only minor persistence for women. Attacking lower levels of education and minimizing the accumulation of long spells of unemployment as a child or adolescent may help to minimize the extent to which a small percentage of men spend a significant portion of their work lives jobless.

Connie R. Wanberg (2012) This study summarizes what has been learned over the last decade regarding an individual experience of unemployment, vocational rehab predictors, and strategies to help people find work faster. The complexity of study on the influence of unemployment has risen, bolstering the causal assumption that unemployment causes decreases in health and wellbeing, as well as an increase in the rate of suicide. This research has clarified the risk factors and processes linked to poor psychological health when unemployed, but not so much for physical health or suicide. Psychologist have begun to add to the research into the factors that influence the pace and quality of returning to work.

Robert Shimer (2012) Both ins and outs of joblessness are measured in this research using widely obtainable composite time-series data to assess the chance that an employed individual becomes jobless and the possibility that a jobless worker obtains work. During 1948, the chance of obtaining work has accounted for three-quarters of changes in the unemployment rate in the U.S., while the probability of leaving work has contributed for one-quarter. During the previous two decades, variations in the employment departure probability have been quantitatively unimportant. The research suggests that all these outcomes are neither attributable to changes in the makeup of the pool of looking employees, nor are they related to transfers of employees in and out of the labour force, using the fundamental micro - economic

data. These findings run counter to the prevailing thinking that has driven the evolution of labour market macroeconomic theories.

Costanza Biavaschi, et al. (2012) This study examines the factors that influence young people's labour market outcomes in developed countries and developing countries, with a particular focus on the importance of vocational education and training policy. In understanding youthful folk's transition into employment, we emphasize the impact of demographic variables, economic expansion, and labour market regulations. We then look at inequalities in the structure and operation of employment and educational policies in various regions of the world as a key cause of young labour market disparities. Study results, we propose professional education model by combining professional experience with teaching and learning, as well as policy suggestions for implementing training and skills development that are tailored to a country's financial and institutional situation.

Kemi F. Akeju Dayo B. Olanipekun (2014) The purpose of this study is to see if Okun's law is still applicable in Nigeria. Throughout most African nations, high levels of unemployment during the previous decade. Nigeria's scenario is one of fast population expansion and poor employment rates. The Okun's law hypothesizes that there is a negative link between unemployment and economic growth. In Nigeria, scientific data suggest that there is indeed a short-term and long-term link between unemployed and production growth. As a result, there is a need to include monetary policies as well as boost the attractiveness of foreign investment in order to lower the nation's economic high levels of unemployment.

K Kroft, MJ Notowidigdo (2016) This Research contributes to the user interface literature in two ways. For starters, it was the first study to look at how the social marginal cost and benefits connected with the user interface benefit level change over time. Furthermore, this

research used Tranaes and Lentz employment model, which was further extended by Chetty to investigate how and why the benefits and costs of user interface change over time. We construct a basic method for the marginal welfare benefit from raising the UI benefit level, which exemplifies the traditional trade-off between demand leveling and ethical risk. The demand averaging factor is determined by the flexibility of unemployed persons duration with reference towards the benefit level, and also the coefficient of relative risk tolerance. The relative risk tolerance term is determined by the flexibility of unemployed persons in term with reference to the benefit level. In contrast to previous research, we specifically require those reduced-form characteristics to be affected by the rate of unemployment. Thus it is sufficient to quantify the marginal welfare increase across the economic cycle by determining the link between such reduction characteristics and the rate of unemployment.

Marta Fana, Sergio Torrejón Pérez¹, et al. (2020)

The impact of the Covid-19 crisis on employment is assessed in this study by categorizing economic sectors according to three European nations' confinement decrees (Germany, Spain, and Italy). The analysis of these decrees can be used to make a preliminary assessment of the Covid-19 crisis' effects on labour markets, as well as to speculate on mid-and long-term developments because the most and least infected sectors are likely to operate differently until a vaccine or another long-term solution is found. We apply this classification to employment analysis in Germany, Italy, and Spain, as well as the United Kingdom, Poland, and Sweden using an ad-hoc extraction of EU-LFS data.

S. Mahendra Dev, Rajeswari Sengupta (2020)

In this study, we describe the current of the Indian economy prior to the Covid-19 crisis, assess the crisis's potential impact on various areas of the economy, examine the policies announcement was made so far by the national government and the Reserve Bank of India to mitigate the economic

catastrophe, and make policy suggestions for specific industries. This catastrophe strikes at a moment when India's Growth rate is faltering and unemployment is high as a result of the country's dismal financial growth in recent times. The country's economic shaky state before that crisis might exacerbate the effects of the crisis. This would be particularly true since the economic growth, the financial sector, has indeed been malfunctioning, and macroeconomic policy to deal to that same disaster has already been severely constrained.

Dagmar Walter (2020)

The Covid-19 epidemic has plunged the globe into exceptional danger and uncertainty, highlighting the need to adopt the Centenary Proclamation as soon as possible. Constituents were urged to achieve «the international labour company's fundamental mission for social justice with uncompromising energy by further advancing its human-centered perspective to the future workforce.» It advocated for placing workers' rights, as well as other people's interests, ambitions, and rights, at the center of economic, social, and climate protection. The global community and the ILO's members have joined forces to combat the pandemic's catastrophic effect, but more is required.

J Bluedorn, et al. (2021)

The objective of this study is Covid-19 recession are linked to decreases in female's industry workforce shares, especially in industries that represent for a larger proportion of female's overall employment, according to an examination of sectorial employment trends. Most of the other nations that had recession were primarily caused by reducing female's proportion of workforce among industries, in economies where we do have sectorial employment by sexual identity. Emerging research of the pandemic's consequences indicated to a disproportion drop in female employment, which observers dubbed recession. We demonstrate that there is still a lot of variation among nations, with female's employment rates declining faster than male ones in over estimated two of them. Covid-19's impacts on males

and females are often close to the end, spanning about a quarter or two on median. Researchers also demonstrate that Covid-19's effects on sexual identity participation in employment among industries are highly linked to recession.

OBJECTIVES OF THE STUDY

- To analyze the factors behind sharp increase in unemployment in the year of 2020 in India
- To examine the factors that helped employment rate to grow faster after lockdown in India
- To understand the impact of covid-19 lockdown on job security in India

METHODS

The Research is expository in nature and is based on the critical comparison of impact of employments during covid-19 period in India as it result the impact on employment. India regulated the productive lockdown by identifying essential and not essential activities, broadly related to the satisfaction of fundamental needs: job security, education and training programs for employment generation. The secondary data taken from surveys done by Centre for Monitoring Indian Economy Private Limited for this study.

Tools And Techniques

For this research we used formulas, bar graph, line graphs to illustrate the comparison of employment during and after lockdown period during peak months of covid-19 from March 2020 to June 2021

In Figure 1. It is clearly indicated that in April 2020 highest recorded unemployment rate in the history of India which is 23.52 percent can be seen because at that time Government of India had imposed lockdown in concern to covid-19 pandemic.

In Figure 2. April 2020 during the lockdown period total number of employed person recorded which 28.22 crores lowest in the history of Indian workforce. After lockdown lifted a year later in May-June 2021, employment had risen to 2 million.

RESULTS AND DISCUSSION

In Figure 3. As a result we find out that After lockdown period during covid-19 2021 year the employment rate has recovered and a growth in number of people employed in comparison to 2020 year, like the unemployment rate increased, the overall labour participation rate (LPR) began to decline, suggesting a rise in workforce utter despair. Because when the rate of unemployment spiked, it dropped from 41.3 % that week ending 9th of May to

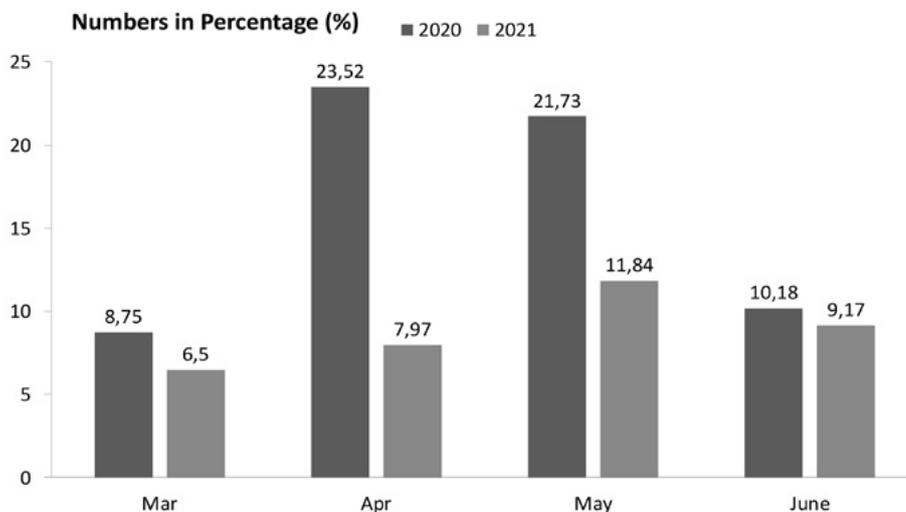


Figure 1. Unemployment Rate Comparison during 2020-2021 (Monthly)
Source: CMIE

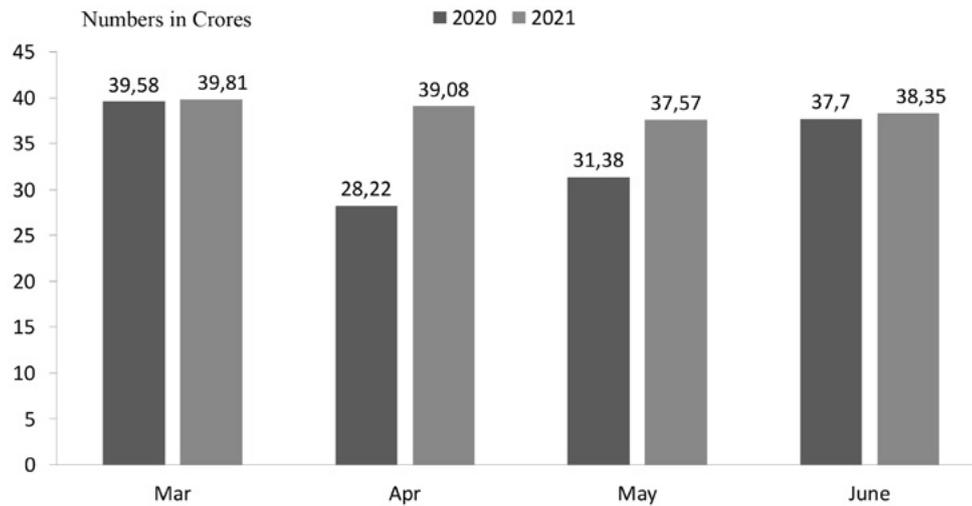


Figure 2. Comparison of Total No. of people Employed during 2020- 2021 (Monthly)
Source: CMIE

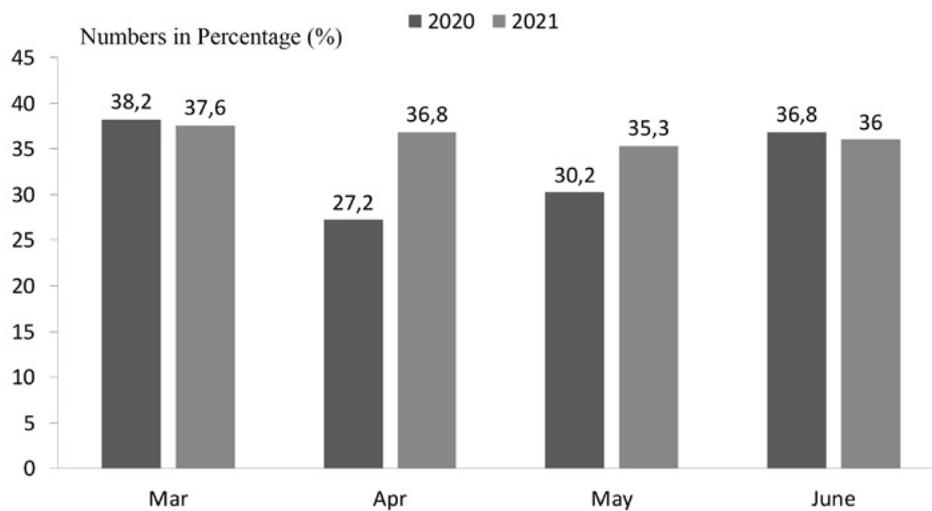


Figure 3. Employment Rate Comparison during 2020-2021 (Monthly)
Source: CMIE

40.5 % on the 16th may the end of the week. The LPR then declined rapidly to 39.4 percent the following week, so when the rate of unemployment increased even more, and it dropped sharply, reaching a recent low of 39 % in the week ended May 30, 2021. Following that, the rate of unemployment began to decline, and the LPR began to improve. However, in the week ending June 27, it fell to 39.6%, showing that the employment market is still poor. This deficit is effectively demonstrated by the employment rate, which is the finest overall measure of India's labour - market. From July 2020 and March 2021,

the unemployment rate was mainly over 37%, with just an average nearing 38%. In April, it decreased to 36.8%, and jumped to 35.3 percent in May 2021. The first 4 weeks in June of 2021 show a 36% rise. The employment rate is alarmingly low in this case.

MANAGERIAL IMPLICATION

- To recover employment rate and encourage job creation during Covid-19 pandemic, the federal and state governments should adopt a variety of other steps, such as expanding infrastructure expenditure and allowing firms to access

- Those who lose their employment or have their livelihoods adversely impacted by the Lockdown during Covid-19 pandemic should be protected by the government.
- Alternative employment and employability help for individuals who are unemployed should be made easier by the Indian and state governments, commonly called active labour market initiatives. When the Indian government reopens for business, policies must strive to help enterprises and people move to a new normal, ideally a better one that promotes a robust recovery..

CONCLUSION

In conclusion, during first quarter of 2020, India was affected by the Covid-19 crisis. When the first instances were reported in April, the number of contagions and fatalities has steadily increased, prompting most nations to enact quarantine and economic restrictions in the month of May in order to stem the virus's spread. Over a period of many months where even the most stringent restrictions were put in place. This restricting action had a significant impact on the Economic growth of India, resulting in the greatest unemployment rate recorded since the 1992 market collapse. A thorough Covid-19 alleviation and recovery plan should be devised. The Covid-19 lockdown restrictions have significantly unequal impacts among different classes of employees in India, according to the prior studies. It is logical to

conclude also that employees more concerned about losing their employment as a result of such lockdown inside this near run, and who suffer relatively high insecurity as in mid-term, are almost the same groups highlighted in our research as being one of the most adversely impacted by Covid-19 confinement methods. To sum it up, the prospects for improving economy are bleak, and they are highly necessary for economic policies implemented mostly at the national and state levels. As with every profound crisis, we shall confront significant economic transformation in India as earnings growth, revenue, and consumption fall precipitously in the previous weeks and months. We clearly know that a restricted concentration on structural reforms and exporters as the principal exit strategy resulted in disproportionate flaws and vulnerabilities that have resurfaced in recent months, decade after the crisis. It indicates, particularly, that even the most detrimental consequences disproportionately affect the most marginalized and marginalized employees in limited services. Intensive training schemes and state funded vocational training for new workers, Food and cash, job guarantees, wage subsidies presumably aimed directly at female workers, and heavy investment in infrastructural development that can facilitate female employees to enter the work force could all be part of such a curriculum. This will allow growth in employment in India and India's economy to recover fast and effectively from this Covid-19 Pandemic crisis. ■

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