

## PROBLEM OF EMPLOYMENT IN INDIA DUE TO COVID-19

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**Abstract :** *Due to Coronavirus unemployment rates have been on surge and people are forced to stay home and work from home but many people have on-site jobs and are unable to work and results in drop in employment rate as the lethal coronavirus pandemic has not just created a medical emergency but also an employment crisis across the country. The International Labour Organization (ILO) in its report titled 'ILO Monitor 2nd edition: COVID-19 and the world of work', describes the coronavirus pandemic as "the worst global crisis since World War II".*

**Keywords :** *Unemployment, crisis, pandemic, coronavirus, lethal, on-site, surge, emergency, starved, restrictions.*

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**Introduction :** About 400 million people working in the informal economy in India are at risk of falling deeper into poverty due to the coronavirus crisis which is having “catastrophic consequence”, and is expected to wipe out 195 million full time jobs or 6.7 percent of working hours globally in the second quarter of this year. As a cash starved businesses have either shut shop or delayed worker’s salaries. In the reports by Reuters, All India manufactures Organisation (AIIMO) an industry body representing some 100,000 small manufacturers – said that more than two-thirds of its members faced problems in paying salaries on Tuesday, the usual day for paying monthly wages which effected the monthly wage workers.

Even hiring activity during March & April has declined by 18 percent compared to the same month in 2019 following the nationwide lockdown to tackle the COVID-19 crisis, with major impact in cities like Delhi, Chennai and Hyderabad, according to Naukri Jobspeak Index. The Naukri Jobspeak is a monthly index which calculates and records hiring activity based on the job listing on Naukri.com website month on month. The decline in hiring activity is led by industries like hotel, restaurants, travel, airlines (56 per cent), retail (50 per cent), auto and ancillary (38 per cent), pharmaceutical (26 per cent), insurance (11 per cent), accounting and finance (10 per cent), IT-software (9 per cent) and BFSI (9 per cent).

A total of 81% of the global workforce of 3.3 billion people have had their workplace fully or partly closed. Restrictions on daily life have led to the closure of many companies and the laying off of staff - either permanently or temporarily. The International Labour Organization (ILO), an agency of the United Nations, has been looking at the global impact with a series of charts. Their work shows the global scale of the impact of the coronavirus outbreak.

"Workers and businesses are facing catastrophe, in both developed and developing economies," said ILO director general Guy Ryder.

"We have to move fast, decisively, and together. The right, urgent, measures, could make the difference between survival and collapse."

The covid-19 epidemic comes at a difficult demographic time for India and would only exacerbate a looming jobs crisis. India needs to create nearly 10 million jobs every year to absorb people moving into the working-age population, besides those that are already unemployed. The Adecco Group India, a staffing company, has mapped the impact of covid-19 spread across employment in some Indian industries. It said about nine million jobs can be reduced across the manufacturing clusters of textiles, capital goods, cement, food products, metals, plastics, rubber and electronics. Manpower cuts in the automotive industry started last quarter owing to falling sales. The coronavirus situation will only exacerbate unemployment. Adecco estimated that the automobile industry can lose up to a million jobs in the dealer ecosystem, front-line roles, and the semi-skilled. Around 600,000 ground and support roles on contract in the aviation industry are at risk. Clearly, a labour market crunch right now can

easily turn into a nightmare. Besides the possibility of social unrest, expect more demands for more reservations in government jobs.

“The brunt of the economic impact will be borne by the economically disadvantaged,” Sabina Dewan, the president and executive director of JustJobs Network, a think tank, said.

The share of the informal sector is almost 90.7% overall and 83.5% in the non-farm sectors. Most estimates are based on NSS and PLFS data. Since there are 260 million people employed in India’s non-farm sector (agriculture employs another 205 million), the number of informal workers totals about 217 million across services, manufacturing and non-manufacturing sectors.

Leaving this over 28 million people have no written jobs contracts in manufacturing; 49 Million in non-manufacturing; and 59 million in services. Overall, about 136 million workers in India, or over half the total workers employed in non-agricultural sectors, have no contracts and remain the most vulnerable in the aftermath of the corona outbreak. They can be fired without notice or severance. Most daily-wage earners or casual labourers fall in this bracket.

**Conclusion :** The Covid-19 pandemic has not only stopped fresh hiring across sectors but also derailed many, especially the ones that operate on wafer-thin profit margins. With the lockdown increased, albeit in staggered phases, it remains to be seen the impact it will have on India’s already beleaguered economy.

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