Data Analytics Project

Unemployment rate in

India during covid 19 project

Name : Shaik Asma

ABSTRACT:

The COVID-19 pandemic has had profound impacts on economies worldwide, and India has been no exception. This document delves into the intricate dynamics of the unemployment rate in India during the COVID-19 crisis, offering insights into the multifaceted challenges faced by the Indian labor market. Beginning with an overview of the pre-pandemic Indian economy and its key sectors, the document examines the disruptive effects of COVID-19-induced lockdowns and restrictions on businesses and employment. Through a rigorous analysis of various data sources and methodologies, it explores the fluctuating trends in unemployment rates across different regions and demographic groups.

Furthermore, this document presents case studies, examples, and international comparisons to provide a comprehensive understanding of India's unemployment situation amidst the global crisis. It also critically evaluates government policies and interventions aimed at mitigating unemployment and fostering economic recovery. Beyond economic ramifications, the document examines the social and psychological impacts of unemployment, offering recommendations for individuals, businesses, and policymakers. Ultimately, it concludes with reflections on the future outlook for India's labor market and proposes strategies for building resilience in the post-pandemic era.

1. INTRODUCTION:

The COVID-19 pandemic has thrust the global economy into turmoil, and India, with its vast population and intricate economic fabric, has experienced profound upheaval. Among the myriad challenges wrought by the pandemic, unemployment stands as a central concern, reflecting the abrupt halt in economic activities and the subsequent ripple effects across industries. As businesses grappled with closures and restrictions to curb the spread of the virus, millions of individuals found themselves without work, exacerbating socio-economic vulnerabilities and reshaping the contours of India's labor market.

In this document, we embark on a journey to unravel the complexities of India's unemployment landscape during the COVID-19 crisis. Through a rigorous analysis of regional disparities, demographic influences, government interventions, and socio-economic implications, we aim to provide a comprehensive understanding of the challenges and opportunities facing India's workforce. By shedding light on the human dimensions of unemployment and offering insights for recovery and resilience, we endeavor to contribute to the ongoing discourse on India's path to renewal in the post-pandemic era.

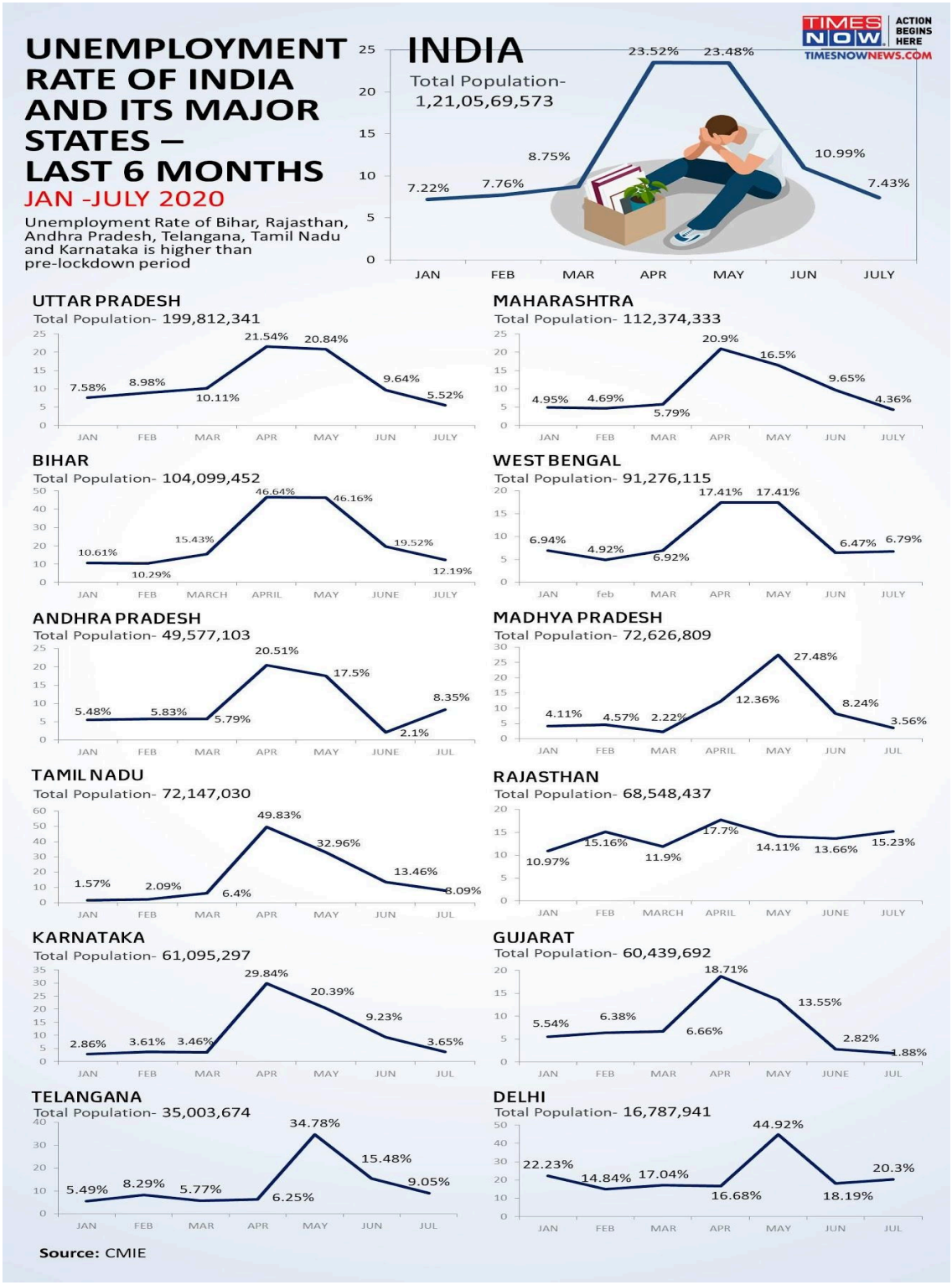


Fig:1

The CMIE calculates its overall unemployment rate by conducting a survey that includes more than 174,000 households over a four-month period. Around 43,600 households distributed all across the country are surveyed each month to determine the monthly joblessness rate. About 10,900 households, translating to 35,900 individuals, are surveyed on a week-to-week basis.

2.Unemployment & Labour Patriation Rate India:

The COVID-19 pandemic, and the subsequent lockdown measures instituted, yielded an unprecedented spike in India's unemployment rates, particularly during the months of April and May. With businesses shuttered causing a huge wave of reverse migration, the country's overall unemployment rate rose as high as 27.11 for the week that ended May 7.

It has taken till August for the joblessness rate to return to pre-COVID-19 levels. It is worth noting that India had been facing a crisis of employment even prior to the pandemic. According to government figures, India's unemployment rate for 2017-2018 fiscal year was pegged at 6.1 per cent, the highest in 45 years.

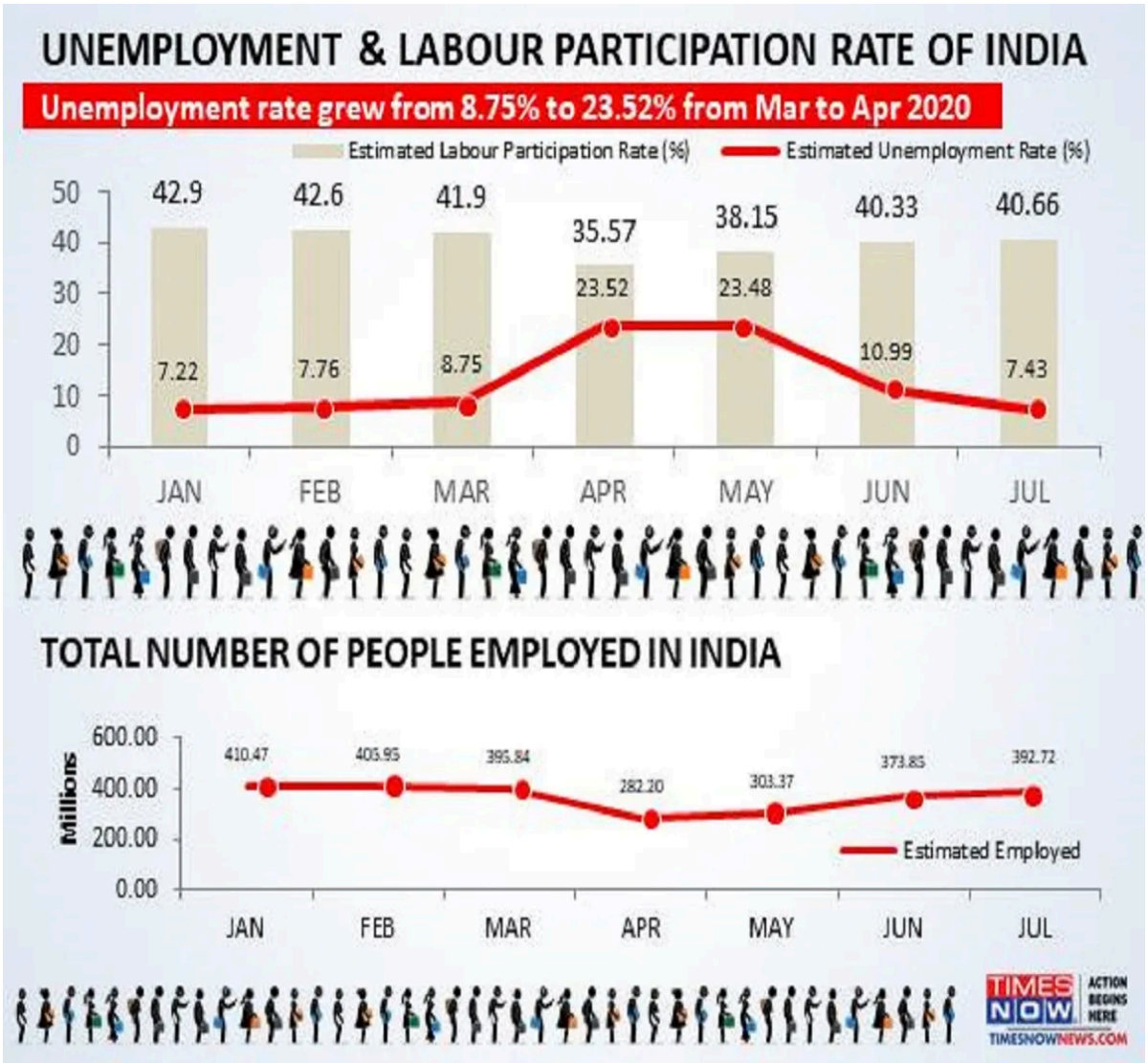
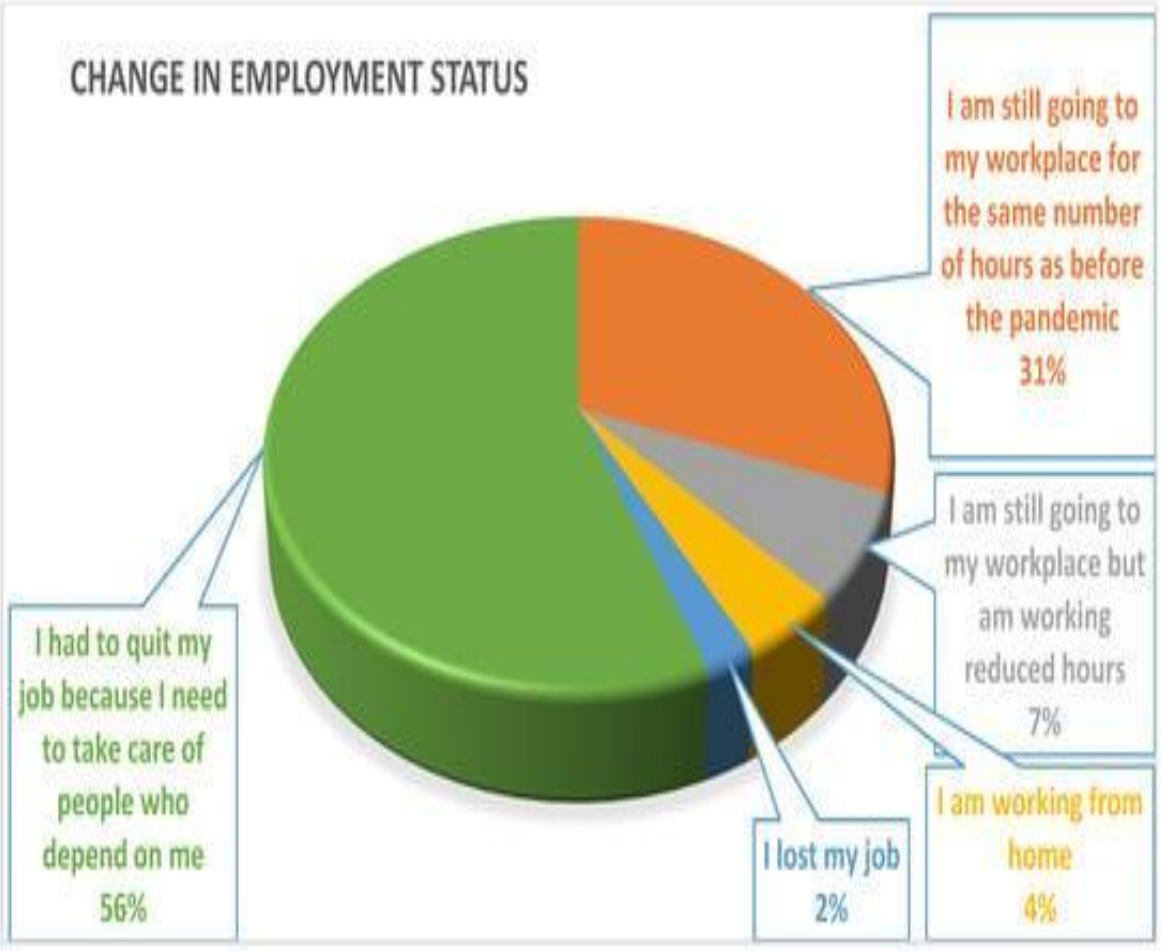


Fig:2

3.Employment Changes:



Fig;4

Describe the employment status and working hours of the surveyed migrants. The majority of the migrants (50.6%) did not work during the lockdown period of the pandemic in Saudi Arabia; however, 32.8% of the respondents worked between 5 to 8 hours in day, 2.8% worked only 1 to 3 hours a day, 8.3% were working for 3 to 5 hours, and 5.5% of them worked more than 8 hours in a day. Lockdown had reduced the working hours of the migrants; hence the majority of the migrant workers were doing activities other than work. In total, 22.2% of the respondents spent majority of their time watching TV, 13.3% using social networking sites, 6.7% in telephonic conversations, 6.7% playing games, and 18.3% on other activities. Only 32.8% of the respondents were spending their maximum time on work.

4.Changes in Air Quality Index (AQI):

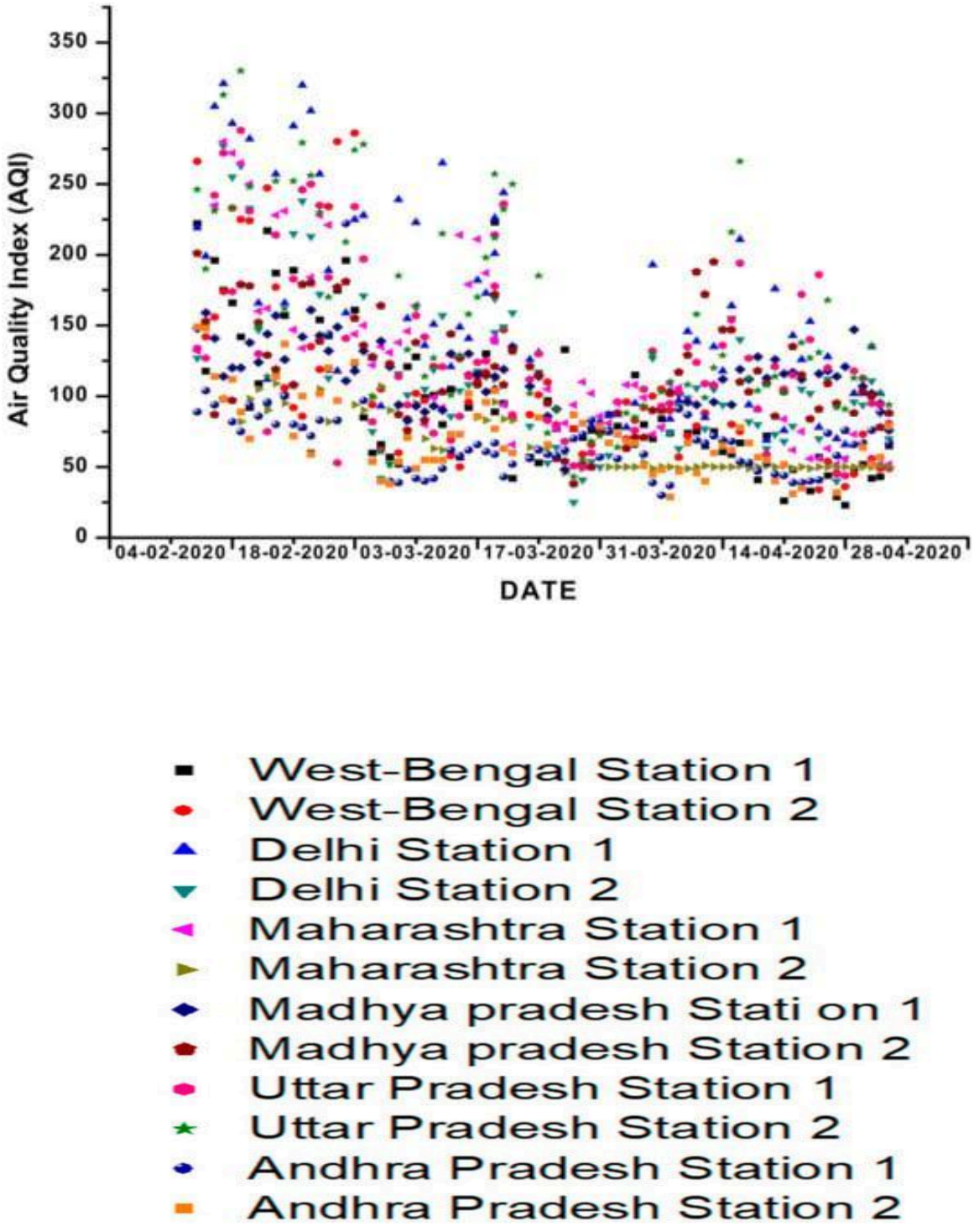


Fig:6

5. Labour force Participation Rates (LFPRs) in India

The Central Statistics Office's estimate of 23.9% contraction in the GDP in the first quarter (April-June) of 2020-21 showed the extent of disruption caused by the nation-wide lockdown imposed in end March. The lockdown was gradually lifted only from the middle of May onwards. Sector-specific lockdowns continue in the country and area-specific lockdowns are also periodically imposed in some states.

This has affected livelihoods and employment across the country. What has been the magnitude of resultant job losses? A few surveys like of the Centre for Sustainable Employment, Azim Premji University, have measured the employment impact of the lockdown. But, currently the only high frequency data on employment, reported regularly, are from the Centre for Monitoring Indian Economy (CMIE). The CMIE estimates from before the lockdown, during the complete lockdown and then with a gradual lifting of the lockdown

Year	Rural and Urban			Rural			Urban		
	P	M	F	P	M	F	P	M	F
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
Usual Status									
1972-73	1.6	1.9	1.0	0.9	1.2	0.5	5.1	4.8	6.0
1977-78	2.6	2.2	3.3	1.5	1.3	2.0	7.1	5.4	12.4
1983	1.9	2.3	1.2	1.1	1.4	0.7	5.0	5.1	4.9
1987-88	2.7	2.6	2.9	2.0	1.8	2.4	5.4	5.2	6.2
1993-94	1.9	2.2	1.4	1.1	1.4	0.8	4.4	4.0	6.2
1999-2000	-	-	-	-	2.1	1.5	-	4.8	7.1
2004-05	2.9	-	-	2.5	2.1	3.1	5.3	4.4	9.1
2007-08	2.2	2.4	1.7	1.6	1.9	1.1	4.1	3.8	5.2
Weekly Status									
1972-73	4.3	3.7	5.9	3.9	3.0	5.5	6.6	6.0	9.2
1977-78	4.5	4.4	5.0	3.7	3.6	4.0	7.8	7.1	10.9
1983	4.5	4.4	4.8	3.9	3.7	4.3	6.8	6.7	7.5
1987-88	4.8	4.8	5.0	4.2	4.2	4.3	7.0	6.6	9.2
1993-94	3.6	3.5	3.8	3.0	3.0	3.0	5.8	5.2	8.4
1999-2000	-	-	-	-	3.9	3.7	-	5.6	7.3
2004-05	4.4	4.2	5.0	3.9	3.8	4.2	6.0	5.2	9.0
Daily Status									
1972-73	8.3	7.0	11.5	8.2	6.8	11.2	9.0	8.0	13.7
1977-78	8.2	7.6	10.0	7.7	7.1	9.2	10.3	9.4	14.5
1983	8.3	8.0	9.3	7.9	7.5	9.0	9.6	9.2	11.0
1987-88	6.1	5.6	7.5	5.2	4.6	6.7	9.4	8.8	12.0
1993-94	6.0	5.9	6.3	5.6	5.6	5.6	7.4	6.7	10.5
1999-2000	-	-	-	-	7.2	7.0	-	7.3	9.4
2004-05	8.2	7.8	9.2	8.2	8.0	8.7	8.3	7.5	11.6

Note: Usual Status includes both principal and subsidiary.

Source: Visaria (1998) and NSS Employment and Unemployment Survey Reports.

Fig:7

6.Unemployment rate remains notably higher than the pre-COVID period:

To contain the spread of COVID-19, a nationwide lockdown was imposed from late March till May 2020. During the lockdown, severe restrictions were placed on the movement of individuals and economic activities were significantly halted barring the activities related to essential goods and services. Unemployment rate in urban areas rose to **20.9%** during the April-June quarter of 2020, more than double the unemployment rate in the same quarter the previous year (**8.9%**). Unemployment rate refers to the percentage of unemployed persons in the labour force. Labour force includes persons who are either employed or unemployed but seeking work. The lockdown restrictions were gradually relaxed during the subsequent months. Unemployment rate also saw a decrease as compared to the levels seen in the April-June quarter of 2020. During the October-December quarter of 2020 (latest data available), unemployment rate had reduced to **10.3%**. However, it was notably higher than the unemployment rate in the same quarter last year (**7.9%)**.

7.Unemployment rate in urban areas across all age groups as per current weekly activity status (Figures in %)

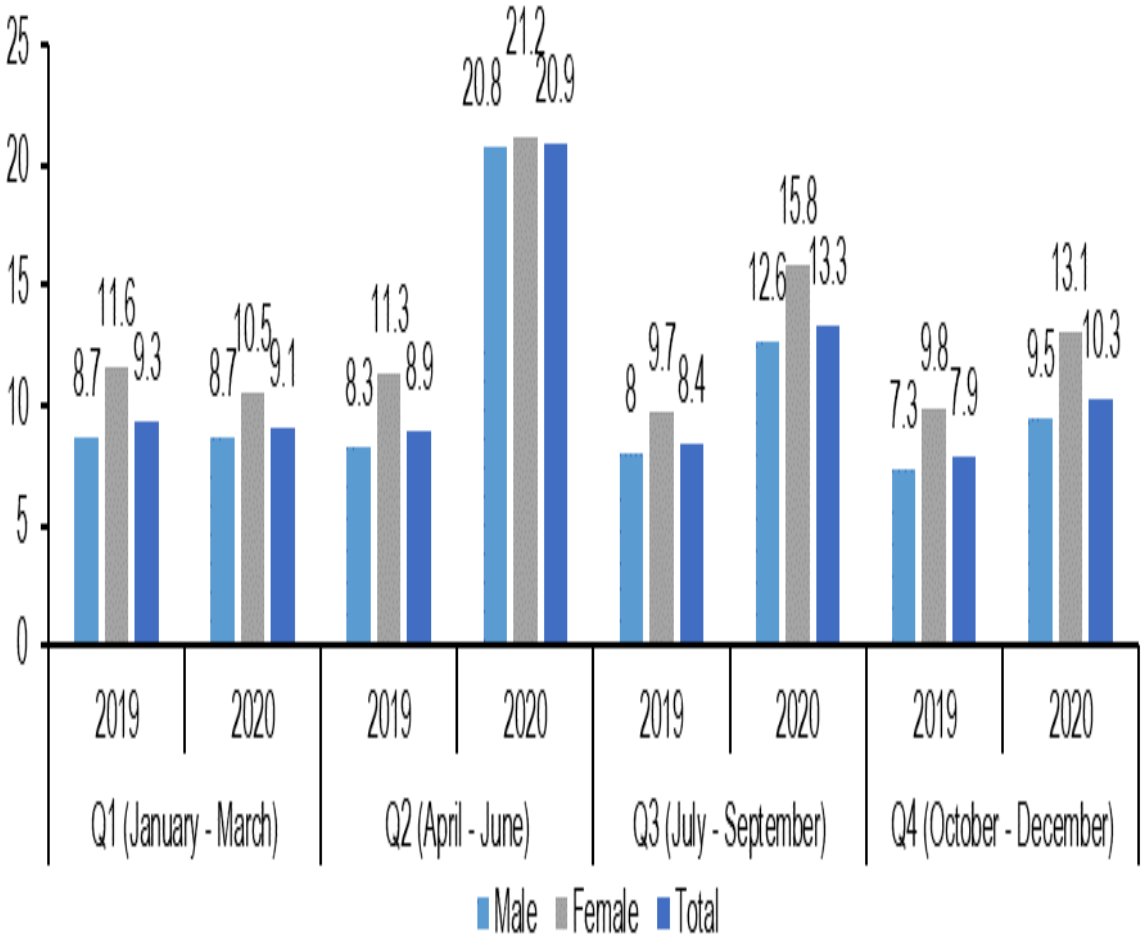


Fig:8

8.Measures taken by the government for workers

The Standing Committee on Labour in its report released in August 2021 noted that 90% of workers in India are from the informal sector. These workers include: (i) migrant workers, (ii) contract labourers, (iii) construction workers, and (iv) street vendors. The Committee observed that these workers were worst impacted by the pandemic due to seasonality of employment and lack of employer-employee relationship in unorganised sectors. The Committee recommended central and state governments to: (i) encourage entrepreneurial opportunities, (ii) attract investment in traditional manufacturing sectors and developing industrial clusters, (iii) strengthen social security measures, (iv) maintain a database of workers in the informal sector, and (v) promote vocational training. It took note of the various steps taken by the central government to support workers and address the challenges and threats posed by the COVID-19 pandemic (applicable to urban areas):

- Under the Pradhan Mantri Garib Kalyan Yojana (PMGKY), the central government contributed both 12% employer's share and 12% employee's share under Employees Provident Fund (EPF). Between March and August 2020, a total of Rs 2,567 crore was credited in EPF accounts of 38.85 lakhs eligible employees through 2.63 lakh establishments.

- The Aatmanirbhar Bharat Rozgar Yojna (ABRY) Scheme was launched with effect from October 2020 to incentivise employers for the creation of new employment along with social security benefits and restoration of loss of employment during the COVID-19 pandemic. Further, statutory provident fund contribution of both employers and employees was reduced to 10% each from the existing 12% for all establishments covered by EPF Organisation for three months. As of June 30, 2021, an amount of Rs 950 crore has been disbursed under ABRY to around 22 lakh beneficiaries.

- The unemployment benefit under the Atal Beemit Vyakti Kalyan Yojana (launched in July 2018) was enhanced from 25% to 50% of the average earning for insured workers who have lost employment due to COVID-19.

- Under the Prime Minister's Street Vendor's Aatma Nirbhar Nidhi (PM SVANidhi) scheme, the central government provided an initial working capital of up to Rs 10,000 to street vendors. As of June 28, 2021, 25 lakh loan applications have been sanctioned and Rs 2,130 crore disbursed to 21.57 lakh beneficiaries.

The central and state governments have also taken various other measures, such as increasing spending on infrastructure creation and enabling access to cheaper lending for businesses, to sustain economic activity and boost employment generation.

Conclusion

The COVID-19 pandemic has left an indelible mark on India's employment landscape, ushering in unprecedented challenges while laying bare pre-existing vulnerabilities. From the abrupt closure of businesses to the plight of informal

workers, the pandemic has underscored the fragility of India's labor market and the urgent need for comprehensive reforms.

As the country grapples with the aftermath of the crisis, it is evident that the road to recovery will be long and arduous. While the gradual easing of restrictions and vaccination efforts offer rays of hope, the scars left by the pandemic run deep, and the path ahead remains fraught with uncertainty.

However, amidst the challenges lie opportunities for transformation and renewal. The crisis has sparked innovation and resilience, with businesses adapting to new ways of operating and individuals harnessing their skills for emerging opportunities. Moreover, the pandemic has brought to the forefront the need for inclusive and sustainable development, with calls for greater social protection and equitable access to opportunities resonating louder than ever.

As we navigate the complexities of the post-pandemic era, it is imperative that we learn from the lessons of the past and chart a course towards a more resilient and inclusive future. This will require concerted efforts from all stakeholders - governments, businesses, civil society, and individuals - to rebuild a labor market that is not only robust and dynamic but also equitable and humane.

In closing, let us seize this moment as an opportunity for collective action and solidarity, recognizing that the true measure of our success lies not in the GDP numbers or employment statistics, but in our ability to create a society where every individual can thrive and flourish, regardless of the challenges they may face.