



Impact of COVID-19 on rising unemployment and loss of jobs/livelihoods in organised and unorganised sectors

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Introduction

This report studies and highlights the problems faced by the workers of unorganised sector who occupy the major chunk of our Indian economy. Pandemic has posed them extra challenges that were absolutely unexpected which they unwelcome. Once in a generation kind of destruction has taken place in their lives.



Key Highlights

- The committee noted that 419 out of 465 million workers in India are engaged in the informal sector which translates to 90%.
- Also, it observed that the informal workers in rural areas comprise almost 2.5 times higher than urban areas.
- This is primarily because of the fact that the 62% of informal workers are engaged in farm or agricultural activities in rural areas as compared to only 8% in urban areas.
- It observed that the total number of migrant workers who returned to their home state during the period of first corona wave of the pandemic was 1,143,0968. Whereas in the second wave, the number was 5,15,363. Furthermore, during the first wave, the maximum number of migrant workers who reverse migrated to their home States belong to Uttar Pradesh.
- As per the observation of the Committee, around Rs. 5,618 crores have been given to 1,82,44,278 Building and Other Construction Workers. Most of them were from West Bengal.
- Similarly, during the second wave an amount of around Rs. 1,708 crores have been disbursed to 1,180,7865 BOCWs belonging to seven States only i.e Karnataka, Kerala, Madhya Pradesh, Maharashtra, Nagaland, Uttar Pradesh and Delhi.
- As per Skilled Workers Arrival Database for Employment Support (SWADES), more than 30,500 citizens have registered on it, mainly returning from UAE, Oman, Qatar, Saudi Arabia and Kuwait relating to sectors like Construction, Oil & Gas, Tourism and Hospitality.
- The Committee pointed out a study conducted by Azim Premji University which says that nearly half of the formal salaried workers moved into informal work either as self-employed (30 %), casual wage (10 %), informal salaried jobs (9 %) between late 2019 and late 2020.
- It noted that the Periodic Labour Force Survey has not been released since 2018-2019.
- The Committee recommended the central government to make, access to health a legal right and obligation.
- The Committee highlighted that as per Centre for Monitoring of Indian Economy (CMIE) data, nearly half of formal salaried workers moved into informal employment as of 2020 itself.
- Furthermore, the overall rate of unemployment has increased from 8.4% to 23.8% as of March, 2020 according to CMIE.
- Up to December 2020, 32 States/UTs have enabled the One Nation One Ration Card plan providing the facility of ration card portability to almost 86% National Food Security Act beneficiaries across the country. The above is seen as an important scheme for the welfare of migrant workers.

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