

## AN ECONOMIC ANALYSIS OF JOB CRISES DURING COVID-19 IN INDIA: WITH SPECIAL REFERENCE TO MYSORE CITY

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### ABSTRACT

*For India, the report estimates job loss for 4.1 million youth. Construction and agriculture have witnessed the major job losses among seven key sectors," said the ILO-ADB report. As many as 41 lakh youth in the country lost jobs due to the COVID-19 pandemic while construction and farm sector workers account for the majority of job losses, according to a joint report by the International Labour Organization (ILO) and the Asian Development Bank (ADB). This paper explains the problem of job crises in the course of corona both at national and global level and it tells about the remedial measures in terms of policy implications to overcome from such pandemic caused job crises.*

**Keywords:** India, Asian Development Bank, COVID-19, Pandemic, International Labour Organization.

### Introduction

India had also been witnessing a pre-pandemic slowdown. Even before the pandemic, since FY 2018-19, India's growth was falling, 8% in Q4 FY18 to 4.5% in Q2 FY20. In January 2020 itself, well before India's lockdown or reactions to the pandemic, the International Monetary Fund reduced India's GDP estimates for 2019 and also reduced the 2020 GDP forecast. The 2016 Indian banknote demonetisation and goods and services tax enactment in 2017 led to severe back to back disruptions in the economy. On top of this there had been numerous banking crises such as the Infrastructure Leasing & Financial Services crisis and government scheme failures such as that of 'Make in India'. There was also a significant "income crunch" for both rural and urban sectors in the year prior to the lockdown.

### Corona Virus

- **Meaning:** The name "corona virus" is derived from Latin word Corona, meaning "crown" or "wreath". Corona virus disease is an infection disease caused by a newly discovered corona virus. Corona virus is a group of RNA (Ribo Nucleic Acid) Viruses that cause a variety of diseases in humans and other animals.

### Job Crisis

- **Meaning:** Job is the work that someone does to earn money. Job Crisis is a situation that is going to an unstable and dangerous situation affecting an individual, group, community or whole society. In generally, Job crisis is a situation that is extremely difficult to find a job.

### Definition:

- **Business Standard:** Refers to the ratio of those employed or seeking, employment to the working age population. Which mean less than of working age population have jobs or are seeking work.

### The Statement of the Problem

The most severe immediate impact of COVID-19 crisis while lower economic growth and rise in inequality would be the long-term effects.

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The preliminary results showed that loss of employment was considered as the most severe immediate impact of the crisis while lower economic growth and rise in inequality were probable long-term impact.

### Literature Review

**Brahmbhatt & Dutta, in 2008** have analysed that Research, based on the surveillance and control of infectious diseases, as well as their impact on economic development has recently gained momentum

**King, Peckham, Waage, Brownlie, & Woolhouse, in 2006** have expressed that attention is further restored by the emergence of many new infectious diseases namely—severe acute respiratory syndrome (SARS), bovine spongiform encephalopathy (BSE), and H5N1 subtype influenza A, that are anticipated to continue emerging; anti-biotic resistant bacterial infections including tuberculosis and methicillin-resistant *Staphylococcus aureus* (MRSA); zoonoses such as SARS, avian influenza, and Lyme disease; HIV/AIDS, tuberculosis, and malaria; and epidemic plant diseases such as cassava mosaic virus and banana blight

### Methodology

The present study is an empirical investigation based on a sample interview of respondents in Mysore city. Mysore is a mid-sized south Indian city with a population of about 7.8 lakh and spanning an area of 128 sqkms. This is the second largest city in Karnataka after Bangalore, the capital city of Karnataka. This city is 140 kms away from the state capital Bengaluru. The present study is based on both primary and secondary data and a systematic random sampling method has been adopted for survey. The primary data has been collected from different extension areas of Mysore city. The survey has been conducted by taking 50 respondents on a random basis. Simple tabular percentage method was used to analyse the results and the results have been depicted by simple bar graph and pie chart. Chi-square method is used to interpret the result. The study is also based on the secondary data collected from books, journals, articles, newspapers and internet, to analyse the opportunities and challenges of job crises in India during COVID-19.

### Objectives

This paper explains the problem of job crises in the course of corona both at national and global level and it tells about the remedial measures in terms of policy implications to overcome from such pandemic caused job crises.

- To analyse the socio-economic condition of people due to job crises during pandemic.
- To examine remedial measures in terms of policy implications to overcome from such pandemic caused job crises.

### Hypotheses

**H<sub>0</sub>:** There is no strong association between corona and job crises

**H<sub>1</sub>:** There is strong association between corona and job crises

### Results and Discussion in Study Area Based on Questionnaire

#### Findings and Results

**Table 1: Age**

Age	Respondents	Percentage
18-30	16	32
31-50	29	58
Above 50	05	10
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Survey Method

Table- 1 shows the age of respondents out of 50 respondents, 16 respondents belong to the age of 18-30 years, 29 respondents come under 31-50 years and 5 respondents above age group of 50.

**Table 2: Sex**

Sex	Respondents	Percentage
Male	30	60
Female	20	40
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Survey Method

Table 2: Depicts the sex of respondents out of 50 respondents, 30 are Male and 20 are Female.

**Table 3 - Migrants Type of Job Losses**

Type	Respondents	Percentage
Migrants	40	80
Residents	10	20
<b>Total</b>	<b>50</b>	<b>100</b>

Source : Survey Method

Table 3 Highlights the type of job losses, out of 50 respondents, 40 are migrants and 10 are local residents.

**Table 4: Type of Occupation after Migration**

Type of Occupation after Migration	Respondents	Percentage
MNREGA	18	36
Own Shops	12	24
Marginal formers	10	20
<b>Total</b>	<b>40</b>	<b>80</b>

Source : Survey Method

Table 4 Shows the occupation of job losses after migration, out of 40 migrants, 18 respondents have enrolled into MNREGA, 12 respondents are running Petty Shops and 10 respondents are working as marginal Farmers

**Table : 5 Job Crisis in Sectors**

Job crisis in sectors.	Respondents	Percentage
Manufacturing sector	12	24
Educational Institutions	07	14
Resturants and Hotels	06	12
Garments	08	16
Street vendors	09	18
Private Banking Sector	08	16
<b>Total</b>	<b>50</b>	<b>100</b>

Source : Survey Method

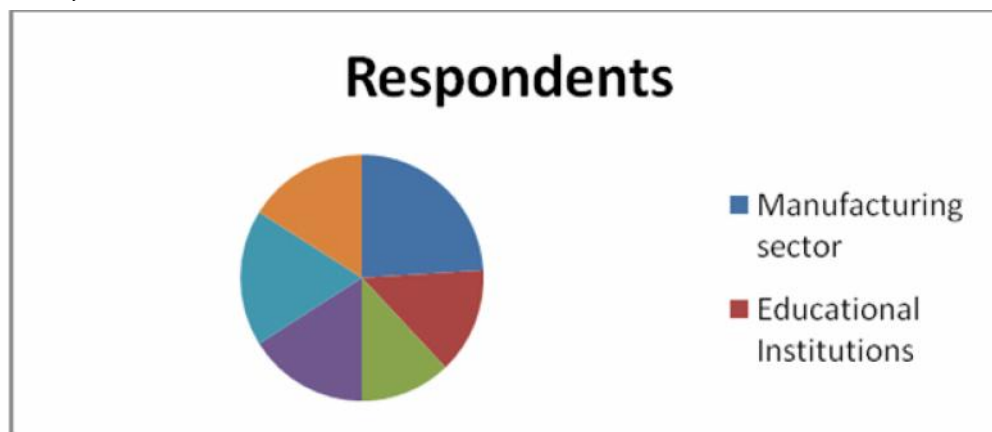


Table – 5 Shows the major job crisis sectors of the respondents out of 50 respondents, 12 were working for manufacturing sector, followed by street vendors (09), labourers of garments (08) and working in Private Banking Sector (08) them followed by workers of private educational Institutions (07) and restaurants (06).

**Table 6: Reasons for Job Crisis**

Reasons	Respondents	Percentage
<b>Lockdown</b>	49	98
<b>Other</b>	01	02
<b>Total</b>	<b>50</b>	<b>100</b>

Source : Survey Method

Table 6 Explains about the respondents reason for job crisis. Out of 50 respondents, 49 Said that job crisis is due to lockdown and only 1 said about his own technical problem.

**Table 7: Job Crisis during Lockdown**

Job crisis	Respondents	Percentage
Exists	50	100
No	00	00
<b>Total</b>	50	100

Source : Survey Method

Table 7 Highlights respondents view on existence of Job crisis during lockdown, all 50 respondents said that there existed job crisis during lockdown.

**Table 8: Job Crisis During Unlock**

Job crisis	Respondents	Percentage
Exists	46	92
No	4	8
<b>Total</b>	50	100

Source : Survey Method

Table 8 Explains the views of respondents about Job crisis during unlock. Out of 50 respondents, 46 replied that there existed job crisis but 4 of them said that they voluntarily are not going to any work as they have requested to their home from town.

**Table 9: Income before and after job Crisis**

Income	Before		After	
	Respondents	Percentage	Respondents	Percentage
5,000-10,000	15	30	25	50
10,000-20,000	20	40	15	30
20,000-40,000	10	20	07	14
>40,000	05	10	03	06
	50	100	50	100

Source : Survey Method

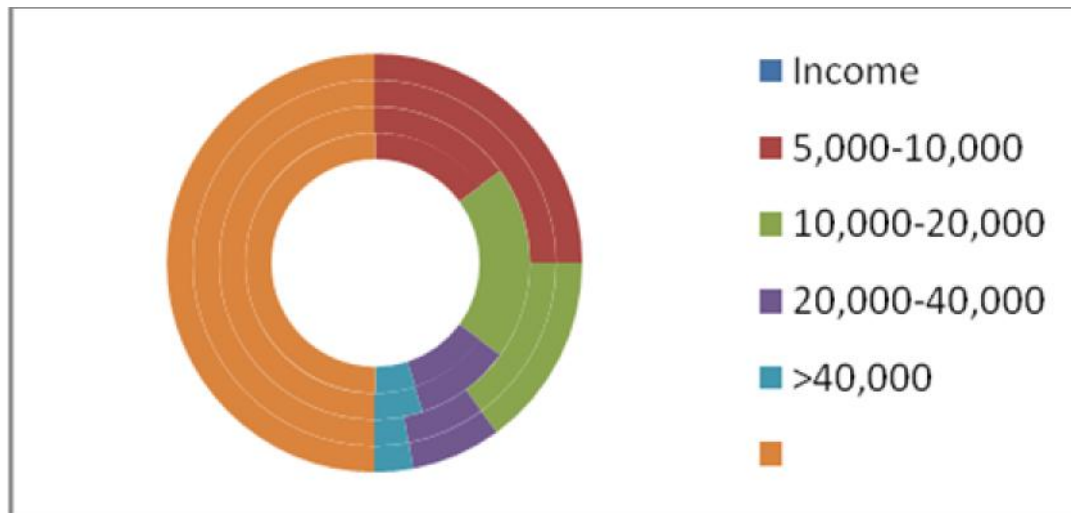


Table 9 Shows the Income of the job loses before and after job crisis. Before the crisis, out of 50 respondents, 15 of them had income between 5,000-10,000, 20 respondents had income between 10,000 - 20,000, Followed by 10 and 05 respondents of income between 20,000-40,000 and above 40,000 Responds.

Table also depicts the income of the respondents after. Job crisis, out of 50 respondents , 25 respondents come under the income group of 5,00 -10,000, and 15 respondents come under the income group of 10,000 – 20,000 and 20,000 – 40,000 respectively followed by 03 respondents above 40,000.

**Table 10: Standard of Living before and after Job Crisis (Out of 50 Respondents)**

Standard of Living	Before		After	
	Respondents	Percentage	Respondents	Percentage
Kachaa houses	03	06	09	18
Pacca houses	47	94	41	82
Mobile Phones	49	98	40	80
Own House	25	50	30	60
Loans From Bank	30	60	40	80
Use of two wheelers	40	80	28	56
Use of four wheelers	30	60	15	30

Source : Survey Method

Table 10 depicts the standard of thing of the respondents before and after job crisis. Before job crisis out of 50 Respondents, 3 of them lived in Kachha houses and 47 stayed in Pacca Houses, 49 respondents used mobile phones, 25 respondents had own houses and 30 of them borrowed loan from banks and 40 and 30 used 2 wheelers and 4 wheelers respectively. After job crisis out of 50 respondents, 9 Pacca houses respectively, 40 used mobile phones, using of two wheelers and four wheelers have decreased to 28 and 15 respectively.

#### Result

Chi Square	Value	Level of Significance
	11.8098	0.05

The Chi Square or P value is 11.8098. It is significant at 5 percent level. 95 percent shows that there is an association between job crises and covid 19. Therefore reject null hypotheses and accept alternative hypotheses.

#### Findings

- Most of the respondents (29) belong to the age group of 31-50 years, this age group is the major bread earning members of the family.
- Large number of respondents (30) are male.
- Majority of job losers (40) are migrants.
- Most of the migrants after returning to their home have joined MNREGA(25) followed by marginal farmers (17) and petty shops(08).
- Large number of job crises existed in manufacturing sector (12), followed by street vendors (09), garments (08), private banking sector (08), and then followed by private educational institution (07) and restaurants and hotels (06).
- 49 respondents opined that lockdown is the main cause for job crises.
- Job crises existed both during lockdown and unlock period.
- Majority (20) of them had income between 10001 - 20000 before job crises, followed by 10 respondents (20001- 40000), and 15 respondents with greater than 5000 rupees as income.
- But after job crises large majority (25) of them came under the income group 5000 - 10000, followed by 15 respondents between income group of 10001 -20000.
- After job crises most of them have moved to their native places and that had changed their standard of living, it has made them to use kachha houses than pacca houses, few of them have reduced using mobile phones due to lack of ability to recharge their mobile currency. This has made them to borrow loans from banks and it has made them to reduce the use of two wheelers.

#### Recommendations

- Policies have to be framed immediately to the protection of workers and families
- Urgent measures have to be undertaken to create short-term employment and income transfers to affected workers.
- Stimulus packages to MSMEs, expansion of MGNREGA, job creation, cash transfers and social security.
- Governments should consider balancing the inclusion of the youth in wider labour market and economic recovery measures, with youth-targeted interventions to maximise effective allocation of resources.

### Remedial Policy Suggestions

A combination of monetary, fiscal, and financial market measures is needed to help in minimizing the impact of the outbreak on the businesses and people.

Economic policy suggestions for India to manage the Covid-19 challenges

- **Fiscal policy and stimulus package**
  - Additional fiscal support in the form of an economic package of for health services and healthcare infrastructure-related services has to be increased along with enhancing staffing and testing facilities, and for further mitigation measures.
  - The government should plan to raise still more fiscal stimulus of up to 10% of the GDP.
  - The RBI must ease the bad-loan classification norms and widen the scope of the banks to raise the lending ceiling to help the profoundly impacted businesses, that is expanding the fiscal limits of the state and the center for one-year monetary financing
- **Industry-specific measures**
  - The government needs to focus on aviation, tourism, retail, restaurants, etc. by providing more assistance.
- **Small business and daily wages**
  - with an increase in unemployment, in order to sustain the government may partly pay their salaries
  - The banks should continue to lend. Loans and the interest rates need to be reduced by at least 200 basis points from the current levels

### Conclusion

The outbreak of COVID-19 has resulted in not only the forgone incomes associated with morbidity and mortality, but it has also led to a substantial increase in the private and public expenditures on healthcare and has a more significant impact on the demographic structure and human capital of the economy. The huge informal economy of the country filled with migrant labour, the lockdown has already led to the loss of livelihood for many, as a result of which hundreds and thousands of migrant laborer's started leaving their workplaces to walk hundreds of miles toward their respective hometowns, leading to lockdown violations. Therefore, it would not be easy for the government of India to overspend on rescuing the economy. Still, the government has announced some measures to kickstart the economy. The priority of the financial stimulus proposed is to reach the poor and the money granted to them under the scheme also needs to reach them. Youth employment has to be prioritized in this pandemic situation in ASIA AND Pacific, so that it may contribute to inclusive and sustainable growth, demographic transition and social stability.

### References

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