

COVID-19, EFFECT ON UNEMPLOYMENT AND SOLUTION TO REDUCE UNEMPLOYMENT- A SURVEY

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Abstract:

The economic problem of unemployment persisted globally for a long time. Developed countries such as the USA, Canada, UK faced unemployment at its worst in The Great Depression which started in around 1930's leading to rising suicide rates. In 2008, during recession global suicide rates was between 20 to 30 %. For developing nations such as India, Pakistan etc it came after 1940s. In 2016 post the act of demonitisation of 500 and 1000 rupees bank notes made issue worse almost in a few hours. After independence from the British Empire the Indian economy increased substantially but had a worse or no effect on the number unemployed. To deal with this issue Indian government has put forward different policies.

COVID-19 forced the Indian citizens deeper into poverty. This had an impact on organised as well as unorganised sectors by around hundred and thirty million people losing their jobs. Small and medium sized ventures, real estate, tourism and transportation industries took the most hit. This paper is useful to outline the effect of COVID19 on unemployment in India. The outcome of this research will be helpful for students, researchers, employment policymakers and regional policymakers.

Keywords:

COVID-19, Unemployment, demonetisation, unorganised sector, policymaker.

Introduction:

Corona virus negatively affected the employment figures around the world by unemploying about twenty five million people and more to come. Indian authorities exported an enormous sum of vaccines internationally. During the second wave the same authorities fell short

of equipment and had to import oxygen, ventilators, testing kits, PPE kits and vaccines. To save the huge population vaccination is the only solution Tier two and tier three cities had suffered lesser losses in COVID-19 compared to more urbanised regions. Fifty percent of the cases in India were reported from the country's major metropolitan cities. The class of people most affected were the unorganised workforce who received daily wages and small time retailer, distributors and workers minimal or no job security. The unemployment statistics displayed a percentage of 12.4 overall, 15.1 urban and rural 11.2. About half of the employees who worked for the organised sector. To revive the depreciated condition of the company the Government of India has taken certain actions such as an infusion of two hundred and sixty six billion USD though this not enough to retain the earlier levels of GDP (Gross Domestic Product).

According to ILO (International Labour Organization) unemployment rate increased and reached upto 215 million. Influence and privilege are some of the main factors of who is at verge of insecure tasks, with historically marginalized communities being disproportionately vulnerable to these job conditions. Additionally people will have to deal extraordinary amount stress and burnout. This can result in surfacing of inequalities and class bias during the devastating pandemic.

Objective:

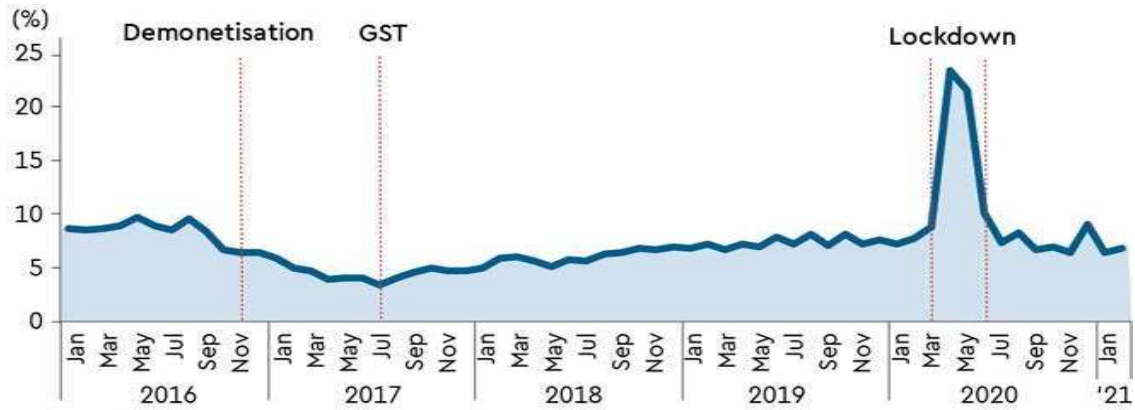
The paper aims to study unemployment in different sectors during COVID 19 crisis, government actions and effective suggestions. This study will provide base for students, researchers, economists and policymakers.

Methodology:

The research is based on secondary data from Forbes. Literature based study relied on RBI, CMIE reports, different websites, articles from Times Of India and Economic Times.

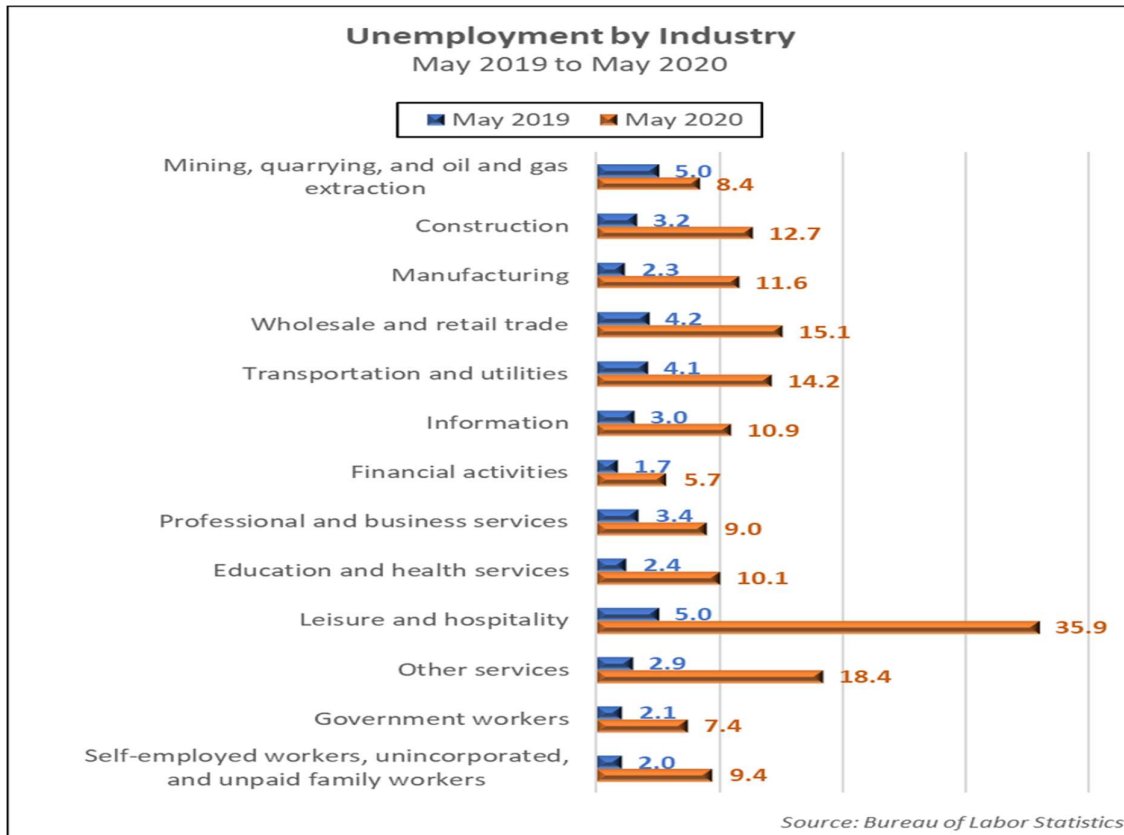
Dicussion:

Unemployment In India:



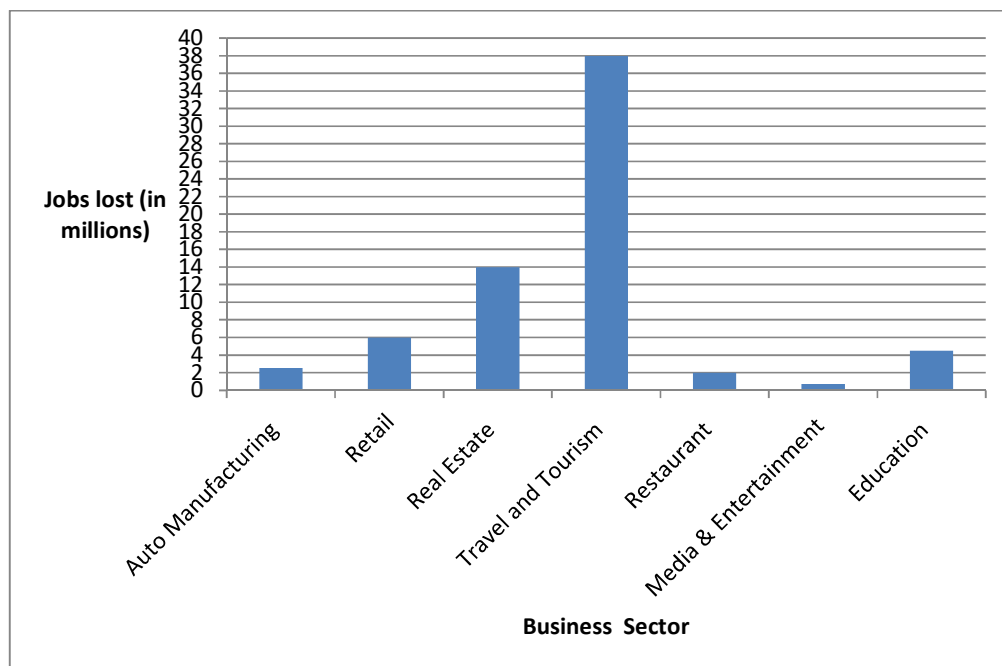
Source: CMIE

Unemployment bursts in the last 6 years



Source: Bureau of Labor Statistics

During the first wave of the COVID-19 from May 2019 to May 2020 various industrial sectors around the world were affected and suffered a blow of unemployment. Firstly the employees’ real estate industry suffered a rise of 9.5% in unemployment. Majority of the construction sites were reported vacant owing to the lockdown. Hence the demand for home and accommodation dropped dramatically. The unemployment rose from 2.3 % to 11.6 % in the manufacturing sector. Due to lockdown physical retail revenue was ruined almost overnight. The unemployment rate increased by 10.3% in the wholesale and retail sector. After lockdown transportation decreased substantially. Indian transportation giant Ola fired around 5000 drivers from its network affecting the overall transportation unemployment by 10.1 %. Unemployment has been increasing from the beginning of 2020 when the earliest cases of COVID-19 were found. According to the Centre for Monitoring Indian Economy, India’s unemployment was at its peak in May 2020 at 24 per cent (26 per cent in urban and 23 per cent in rural areas), although the rate had plummeted to under 7 per cent by November 2020-19. Of these, 91.3 million were small traders and labourers. A enormous number of paid workers and self-employed people were fired.



Solution to reduce unemployment:

Indian economy is growing but unemployment rate is increasing. Vaccination drive with booster dose is scheduled all over india. ILO proposes four pillars of action to reduce the effect of Covid 19 on firms, recruitments and most endangered citizens of nation. 1st pillar functions by stimulation the nation's economy and creating new work opportunities by inclusive financial policies. Giving and monetary support to certain industries including the health sector. 2nd pillar will be introducing new recruitment policies. About 67% of the masses will be emphasized by the Pradhan Mantri Garib Kalyan Anna Yojana. The 3rd pillar improves healthcare related policies as the finance minister announced medical insurance coverage of 5 million rupees for each employee working in the health care sector. Around 2000000 medical services and workers will benefit from such insurance scheme.

A ready solution is available that to fillup vacancies which are not filled up by the government . Lot of vacancies are available in schools, state government department, banks, universities, law courts, police stations and central ministry. Reserved seats should be filled a sthey are lying vacant. There are lot of vacancies are available in the healthcare sector.

Suggestions And Conclusion:

- A way is increase industrialisation, increase attention on agricultural economy will help to curb this issue.
- Awarding and investing more grants to vocational training institutes
- Efficient and successful implementation of the schemes Mahatma Gandhi National Rural Guarantee Act (MGNREGA) , Rajiv Gandhi Swavlamban Rozgar Yojna and the Make In India initiative of producing goods in India and decreasing foreign imports.

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