**COVID 19 and Unemployment**

Lockdown, particularly the closure of nonessential businesses—are having an unprecedented impact on the employment scenario of the world. Hundreds of millions of people worldwide have lost their jobs as a result of the COVID 19 pandemic. What about the 1.6 billion workers (22 % of the world’s population) in the “informal sector” – half the global workforce, who didn’t have a steady job to start with? They are in immediate danger of losing their jobs and livelihood. It is not certain that they will be recalled after the pandemic is over.

**India:**

In India, with an increasing number of coronavirus cases and the lockdown imposed by the Government, some economists have said that there is a job loss of 40 million people (MRD report), mostly in the unorganized sectors. One in every four in rural India is unemployed. Economists believe despite the opening up of the economy, it will take time for unemployment situation to come back to the pre-COVID period.

As Prashant K. Nanda observes, rural unemployment rate has been growing for the last couple of weeks despite rural economy opening up gradually. The 25.09% job loss rate means one out of every four workers in rural India is unemployed, and the situation may worsen as millions travel back to villages.

Indian Railways has said since May 1, it has transported 7.1 million migrants through its Shramik Special trains. With more migrants walking back home or taking interstate bus services there would be an overall labour surplus in rural India.

The unemployment rate in India rose to 7.8 percent in February 2020, the highest since last October, from 7.2 percent in the previous month. In rural areas, the rate increased to 7.4 percent from 6.0 percent in January, while in urban areas, it fell to 8.7 percent from 9.7 percent. The highest jobless rates were recorded in Tripura (28.4 percent), Haryana (25.8 percent) and Jammu & Kashmir (22.2 percent), while the lowest were recorded in Puducherry (1.8 percent), Tamil Nadu (2.1 percent) and Goa (2.8 percent).

The covid-19 epidemic is the first and foremost human disaster in 2020. With four phases of lockdowns announced by Prime Minister Narendra Modi, India, as a developing country, is passing through demand depression and high unemployment. It will slow down the supply-side, accelerating the slowdown further and jeopardizing the economic wellbeing of millions.

|  |  |  |  |
| --- | --- | --- | --- |
| **Month** | **Unemployment Rate (%)** | | |
|  | **India** | **Urban** | **Rural** |
| Apr 2020 | 23.52 | 24.95 | 22.89 |
| Mar 2020 | 8.75 | 9.41 | 8.44 |
| Feb 2020 | 7.76 | 8.65 | 7.34 |
| Jan 2020 | 7.22 | 9.70 | 6.06 |
| Dec 2019 | 7.60 | 9.02 | 6.93 |
| Nov 2019 | 7.23 | 8.88 | 6.45 |
| Oct 2019 | 8.10 | 8.27 | 8.02 |
| Sep 2019 | 7.16 | 9.62 | 6.00 |
| Aug 2019 | 8.19 | 9.71 | 7.48 |
| Jul 2019 | 7.34 | 8.30 | 6.90 |
| Jun 2019 | 7.87 | 8.26 | 7.69 |
| May 2019 | 7.03 | 8.58 | 6.30 |

Source: CMIE

Africa and much of South America are suffering from the international economic fallout and are likely to face heightened job losses if the pandemic strikes harder there.

In the US, nearly 30 million people have filed claims for unemployment insurance in April 2020, suggesting that the unemployment rate is already above 15 percent —well above the rate at the height of the Great Recession.

Several European governments have softened rise in unemployment with generous wages subsidies. In Western Europe, joblessness is also increasing.

In China, official statistics have reported only a slight uptick in unemployment. But that figure excludes a migrant workforce of nearly 300 million people.

Across Asia, millions work in garment and other factories that have thrived largely on exports to Europe. Many were suddenly made jobless by COVID-19 shutdowns. The question now will be whether, or how quickly, demand for their products will rebound in a post-pandemic world economy.

Unemployment Rate as on 27 May 2020

India 24.0%

Urban 26.5%

Rural 22.9%

Centre for Monitoring Indian Economy has said 27 million youth in the age group of 20-30 years lost their jobs in April 2020 following a nationwide lockdown to prevent the spread of Covid-19.

Data from CMIE’s Consumer Pyramids Household Survey shows youngsters in the age group 20-24 years accounted for 11% of those who lost jobs while they constituted 8.5% to the total employed persons in the country in 2019-20.

“34.2 million of these young men and women were working in 2019-20. In April 2020 their numbers were down to 20.9 million,” it said.

According to CMIE, another 14 million jobs were lost in the age-group 25-29 years. “This loss again, was disproportionately high as this group accounted for 11.1% of total employment in 2019-20 but it accounted for 11.5% of the job losses.” it added.

|  |  |
| --- | --- |
| **Unemployment Rate (%) (CMIE)** | |
| **States** (India) | **Apr 2020** |
| Andhra Pradesh | 20.5 |
| Assam | 11.1 |
| Bihar | 46.6 |
| Chhattisgarh | 3.4 |
| Delhi | 16.7 |
| Goa | 13.3 |
| Gujarat | 18.7 |
| Haryana | 43.2 |
| Himachal Pradesh | 2.2 |
| Jharkhand | 47.1 |
| Karnataka | 29.8 |
| Kerala | 17.0 |
| Madhya Pradesh | 12.4 |
| Maharashtra | 20.9 |
| Meghalaya | 10.0 |
| Odisha | 23.8 |
| Puducherry | 75.8 |
| Punjab | 2.9 |
| Rajasthan | 17.7 |
| Sikkim | 2.3 |
| Tamil Nadu | 49.8 |
| Telangana | 6.2 |
| Tripura | 41.2 |
| Uttar Pradesh | 21.5 |
| Uttarakhand | 6.5 |
| West Bengal | 17.4 |