



The Impact of Covid-19 on the Job Market: A case study of Construction and Education Industry

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The Covid-19 pandemic has taken a huge toll on the economy worldwide. For enterprises, the impact of COVID-19 has been uneven for different regions, different sectors and different populations (Walter,2020). The job market, be it formal or informal, is also showing an alarming trend in terms of the issues of high unemployment rate, greater incidence of layoffs and salary cutoffs of employees. In April, with the commencement of lockdown, the nation saw a huge flock of migrant labourers, hit by loss of income and food shortage, returning to their respective hometowns from the megacities, which was a clear demonstration of the ruckus in the labour market due to the pandemic. With people stuck in their houses, the demand and business of the service sector has suffered severely. The Covid 19 has worst impacted each and every sector of the market so as the service sector (Kumar, 2020). This has led to salary cutoffs and even layoffs for the employees of the sector in the worst scenarios.

It is apparent that both the formal and informal sector have been the victims of the pandemic. Through a detailed analysis of these two sectors, the paper aims to shed light upon the severity of the three current issues in the job market- unemployment, layoffs and salary cutoffs. While the construction industry will act as a tool to gauge the temper of the informal sector due to the crisis, the education industry will well represent the formal service sector. This would give a balanced analysis and idea of the repercussions for both the sectors. A review of the government policies to combat the issues have been done at the end followed by the possible policy recommendation to supplement the existing ones to better address the issues.

The Construction Industry

The contract labourers of the construction industry form a part of the informal sector, with no fixed working hours, employee fixed benefits/ compensation or security against risks. This group of workers, mostly migrants to the cities, became the worst victims of the pandemic. With the commencement of the nation-wide lockdown on March 25, the activities of the industry were suspended like many other similar industries which were not involved in the manufacturing and supply of essential goods. This led to subsequent layoffs of the contract labourers. The

unemployed migrant labourers unable to meet the basic needs of survival, started off to cover thousands of miles, without any means of transportation, to reach their native place, in the hope of survival. This led to further mismanagements in terms of maintaining the covid measures of social distancing and hygiene and deaths due to starvation and hunger. Clearly, the layoffs and high rate of unemployment created in the industry had far flung consequences for the labourers and their families.

The plight of these labourers received unprecedented media coverage and public attention. The interview of these migrant labourers well explained their plight and fear of the pandemic. Durgabai, a migrant worker from Rajasthan to Surat, explained how she was stuck in the city with no means of food or shelter, isolated from her family way back in Rajasthan. The fear multiplied manifold as she did not have proper knowledge of the disease and the way to avoid it. Ayush, a labourer who hailed from a small town from UP explained the fear of dying alone with no means of employment and thus decided to revert back to his hometown to his family. Most of the migrant labourers be it Durgabai, Ayush or Sushant- a migrant from Bihar to Gujarat were asked by their contractor to revert back to their hometowns and had a common fear of dying alone. The fear of the virus was secondary to them as they were determined that the loss of job and lack of amenities would kill them, miles away from the family. This reflected the degree of trust they placed on the government and the system.

The Education Industry

The Education Industry is another victim of the pandemic, be it in terms of the quality of education or the employment conditions for the teachers and professors. While the sudden shift to an online mode of education is still taking time for the students and teachers to process, due to the new challenges it has brought with itself, the teachers and professors of private institutions are fighting another battle against layoffs, salary cutoffs and uncertainty with it. With the onset of nation- wide lockdown, as the schools and colleges shifted to a completely virtual mode of education, the educational institutions remained confused with the fee mechanism. While certain state governments like Gujarat announced a fee waiver for parents' relief, few others like Delhi remained in a state of indecision. This led to the educational trainers to face salary cutoffs as the educational institutions tried cutting down their expenditures. A paper (Jena, 2020) on the impact of the pandemic on the educational sector points out at the hampered employment situations for the students and the educators. While the students will face the problem of placement delays, the teachers remain under a constant threat of job loss. Another primary data analysis (Nagrani, 2020) on the topic highlighted the growing dissatisfaction among the students and parents regarding the online mode of education.

Government Policies and a Critical Analysis

- **Transport and Food distribution:** The first and most critical step taken by the government was to provide the facilities of food distribution and transportation(Iyer,2020). The central government on March 28th authorised the state governments to use their state fund to provide transportation facilities to the migrant workers. Under the Atma Nirbhar Bharat Yojna in May, provisions for free foodgrains and affordable housing to the migrant workers were provided.

This was a very beneficial step taken by the government at that time to get things under control. However with an early commencement/ announcement of the same policies the government could have taken the workers under their confidence and prevented the panic of the workers. Given, the state government was involved at the implementation of the scheme, there was a certain level of confusion and mismanagement between the state governments regarding the same as each followed a different plan.

- Garib Kalyan Rozgar Abhiyan: PM Modi was quite optimistic about the development of the rural towns and areas as the migrant workers returned to their hometown. He believed this would provide for a good opportunity for its development. With this aim, and to protect the migrant workers the plan was launched in states of UP, Bihar, Jharkhand, MP, Odisha and Rajasthan. This employment scheme included 25 areas of public infrastructure work.

This scheme did well in bringing the situation under control as the migrant workers back home did not have to sit jobless and were thus not forced to go back to the cities.

- The central and state government's approach towards the educational sector remained quite inconclusive. While some state governments called the private institutions to give a fee waiver, while some others advised for extension in fee payment deadlines and the rest remained neutral. Absence of a concrete plan or order has kept the educational institutions in a state of confusion.

Policy Recommendations

Be it the issue of migrant laborers or the educators, both call for significant changes in the policy outlook to get a better hold on the worsening situation. While the government has undertaken various steps at stages to address the issues, certain fundamental changes have become the call of the hour.

- Private contractors and employers should be made more responsible for the state of the labourers they employ, providing them with standard employee benefits even during tough times. Had the employers been more accountable and responsible towards the migrant workers, a crisis of such a magnitude could have been prevented. Lack of employer's support made the workers even more restless.
- Proper identification and record of these labourers at a national level: Post lockdown the ruling party announced that it has no data on the migrant workers and their job losses. This shows where these workers stand. Proper identification and a record would help in distribution of various benefits such as direct transfers and food support during tough times.
- The issue of salary cut offs among the educational trainers remain unresolved. This is a critical situation for both the teachers and parents and hence the private institutions require aid from the state governments, in order to pay the teachers and professors without putting the entire burden on the parents. This could be later collected in the form of tax/ revenue from the respective institutions.

Conclusion

There has been a profound negative impact on both the formal and the informal sector. While the issues and problems of the construction industry have received due attention of the public through media coverage, and government policies have been announced on the same, the education sector and the plight of the educational

trainers still remains unnoticed. This is mainly because of the tussle between the troubles of the parents and the teachers which has forced the government into a state of dilemma. The government is yet to find a way through, which is increasing the difficulties of the upper and lower middle class of the society.

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