

# COVID-19 Pandemic and Livelihood Loss: Variations in Unemployment Outcomes and Lessons for Future

Arup Mitra  
Jitender Singh

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**COVID-19 Pandemic and Livelihood Loss:  
Variations in Unemployment Outcomes and Lessons for Future<sup>1</sup>**

**Arup Mitra<sup>2</sup> and Jitender Singh<sup>3</sup>**

**Abstract**

The paper notes significant variations in the rise in the unemployment rate across regions though the nationwide lockdown was implemented without any discrimination. It explores the reasons of such disparities and notes that migration is an important factor. States with higher rates of migration and urbanisation rate, greater dependency on casual wage employment and non-agricultural employment witnessed huger, adverse impact on livelihood. In fact, states which had lower rates of unemployment prior to the outbreak of COVID-19 pandemic and the subsequent lockdown strategy adopted to contain the virus, are the ones which witnessed a surge in the unemployment rate after the implementation of the lockdown. In the context of growth and development the paper indirectly brings out the importance of the large cities which with agglomeration benefits are able to offer livelihood to natives as well as millions of migrants coming from far and wide in search of jobs. The return migration to the rural areas poses new challenges for the government though in a positive sense it also provides scope to rethink about developing the rural non-farm sector in a major way. Should the migrant population travel back to the cities, the preparation needs to be made in a tangible way to strengthen the functioning of the urban informal economy and the slum-living which would mean considerable overlaps among housing, employment and health interventions.

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<sup>1</sup> Views expressed are personal and not of the affiliated organisations.

<sup>2</sup> Institute of Economic Growth, Delhi.

<sup>3</sup> Member Indian Economic Service, Government of India.

## 1. Introduction

Though the rural to all-urban areas migration is moderate in the Indian context, the rural to city, particularly the large ones, migration has been considerably high. The agglomeration economies operating in large cities result in higher productivity gains part of which is transferred to the workers in terms of higher wages which tend to act as pull factor in the process of migration. Given this scenario the present paper proposes to study the effect of lockdown, which has been the dominant strategy across the countries to contain the spread of Covid-19 pandemic on livelihood loss, particularly keeping in view the regional variations in terms of the nature of economic activities. The major hypothesis is that the nationwide lockdown has had differential impact across various Indian states and this differential impact is an outcome of variations in migration rates and economic activities. Thus, the paper is expected to provide insight to working towards future strategies for restoration and creation of livelihood sources. The migrants from the low-income households are believed to be the worst sufferers as the risk of livelihood loss is much higher for them. Thus, many of them had to take recourse to return migration. In this situation what needs to be done in the rural areas and how the urban areas will have to be organised for coping up are some of the crucial questions.

In particular, workers engaged in the lower rungs in the urban sector are self-employed and wage dependant both, and their cost of living is relatively higher (rent, food, transport etc) than the workers in the rural sector. They are more dependent on market for their daily requirements unlike the workers in the rural sector where market dependency for daily requirements is relatively low. In the rural sector, most of the crop producers retain a share of produce for their self-consumption, while marginal farmers and agriculture labour are largely dependent on market for food<sup>4</sup>. Another disadvantage faced by the urban workers is that they have to pay house rent, which is a substantial part of the total expenditure incurred by the workers. Moreover, in the rural areas, jobs are mostly located in the close proximity of the workers' residence, unlike the urban areas where workers have to spend time and money on travelling to access the workplace. The absence of public transport, as is happening during the lockdown, or costly transport facility reduces significantly the size of the labour market for urban workers. Urban migrant workers without identity or address proof are also devoid of accessing public services (PDS etc) which is not the case in the rural areas. These differences between rural and urban sector workers make the urban workers more vulnerable to the employment and income shocks. Migration from rural to urban areas enhances the cost of living significantly.

In the backdrop of these patterns, the study proposes to examine the incidence of migration across states and its association with the increase in unemployment consequent upon the lockdown introduced by the government to deal with the spread of the virus. City specific measures are usually said to be more efficient in reducing the decline in economic growth and livelihood loss, offering time and space to the migrants to work on their future strategies. Hence, it is important to assess the association between migration, unemployment, urbanisation rate across states. As mentioned above, this will also provide directions in understanding the scenario after the migrants have returned to their native places. Whether the agriculture sector

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<sup>4</sup> Munish Alagh (2014), "Assessment of Marketed and Marketable Surplus of Major Foodgrains in Gujarat" Centre for Management in Agriculture Indian Institute of Management, Ahmedabad March 2014, [https://www.iima.ac.in/c/document\\_library/get\\_file?uuid=7ed1fc64-e12e-48ce-b29b-43f0c3503903&groupId=62390](https://www.iima.ac.in/c/document_library/get_file?uuid=7ed1fc64-e12e-48ce-b29b-43f0c3503903&groupId=62390).

and the rural non-farm sector opportunities are adequate to balance the job losses pertaining to the urban informal sector? What future strategies need to be adopted to design the rural non-farm sector and what safety-net can be introduced for the urban informal sector workers so that their miseries can be reduced once the new normal or the post COVID situation emerges?

The paper is organised as follows. In section 1 we focus on the rural migrants residing in the urban spaces for livelihood. Section 2 examines the employment and unemployment scenario across states and tries to connect it to the migration incidence. Section 3 reflects on the surge in the unemployment rate relating to the COVID-19 pandemic. Finally, section 4 engages in drawing future roadmaps.

## **2. Rural to Urban Migration from 2011 Census**

Rural to city migration does comprise huge volumes. Besides, these migrants have originated from the rural areas within the state as well as the other states. Hence, the ethnic diversity is of critical significance as migrants of different background pursue different types of networks for pursuing job search and thus, the labour market outcomes in terms of occupations and wages also tend to vary significantly (Basu, Basu and Ray, 1987). Though some of the received literature on migration models identified the rural poor and the unemployed with the highest propensity to migrate in search of jobs, many empirical studies highlighted that the rural middle income groups are more prone to migrate for labour market pursuits and education and skill attainment. The rich need not migrate and the poor cannot afford to migrate, is a strong message that comes out from these studies (Banerjee, 1986). However, several other studies have noted that the rural low income households too migrate and they are able to reduce poverty as they benefit in the process (Mitra, 2010). In fact, while working in the lower rungs of the informal sector they are able to experience upward mobility over time though the relationship between the duration of migration and levels of living is not linear and monotonic.

Given the agglomeration economies the large cities are able to offer higher real wages as the firms both in the manufacturing and services sectors experience productivity gains. The informal sector in large cities also appears to be more dynamic than its counterpart in a small or medium sized town. Though within the informal sector a bimodal distribution of income may be evident as two distinct clusters of workers concentrating around low income jobs and moderate or relatively high income jobs, the real income of the low income workers in the large cities is much higher than that in small towns (Mitra, 1994). This provides supportive evidence to the claim that the migrants from different economic and social background come to the large cities and thus, their presence is spread out in a number of activities in the cities. A variety of essential services are provided by them at a cheaper cost. Hayami, Dikshit and Mishra (2006) noted that the waste collectors in Delhi generated much more value added than the income they were able to earn in exchange of their services. Similarly, their presence ranging from courier services and contract jobs in offices to transport and personal services is widely evident (Mitra and Tsujita, 2016). Though migration rates calculated in terms of the decadal flow of population from the rural and urban areas to the urban areas for employment and business per thousand urban population is very low (Table 1), it must be remembered that the other reasons of migration are eventually connected with economic consequences. For example, among women significant percentage migrate due to marriage but subsequently some of them land up in the job market at the place of destination (Table A1 in the appendix). Similarly, the reason listed as family moved may not be different from economic factors like employment. Those

who migrate for educational purposes may also join the job market on completion of the educational programme.

Further, migration rates are relatively high in both low income states and high-income states as both push and pull factors operate simultaneously. While the rich states like Maharashtra attract migrants to a large extent, there are poor states like Odisha where people are forced to move out from the rural to the urban areas. However, the difference is while the rich states have both intra and inter state migrants, the poor states are not likely to attract inter-state migrants. But such postulation may be incorrect because the states are basically administrative units. The population from the neighbouring poorer areas (falling into the domain of other administrative regions) may still move into the relatively better areas of a poor state. The paper by Mitra (2020) compares the rural to urban migration rates with the urban to urban rates across states and union territories in India. The rates defined as the gross decadal flow of population from the rural to the urban areas relative to the total urban population at the place of destination show that in a relatively backward state like Odisha it was around 12 per cent among both the sexes while the urban to urban migration rate was only 8 per cent, much lower than the rural to urban rate. On the other hand, the comparable rates in a relatively rich state like Maharashtra are 11 and 12 per cent respectively, indicating that Maharashtra being an advanced state is able to attract migrants from the urban areas of the same state as well as the other states. The rural to urban flows in advanced states also comprise larger number of inter-state population vis-a-vis the poorer states. These patterns create a background to suggest that any economic crisis hitting largely the urban areas will have a greater adverse impact with spill-over effects from a relatively rich state in comparison to a poorer state.

Table 1: Household Status and Migration rate

States	Status of Households (%)					Migration rate per '000' *	Change in Unemployment rate in April-May 2020# (%)
	Own account Worker/ employer	Helper in household enterprises	All self employed	Regular wage salary	Casual labour		
Andhra Pradesh	30.7	11.8	42.5	23.1	34.5	40.9	14.8
Assam	46.5	5.2	51.8	30	18.3	33.8	5.5
Bihar	51.4	5.2	56.6	10.4	33	12.7	38.9
Chhattisgarh	34.6	34.3	69	14.8	16.3	42.2	2.7
Goa	35.9	5.4	41.4	53.7	4.9	60.4	8.6
Gujarat	39.8	14	53.8	31.2	15	49.3	12.7
Haryana	37.8	5.2	43	37.1	19.9	51.4	25.7
Jharkhand	41.2	17	58.2	16.6	25.2	25.2	45
Karnataka	35.3	10.3	45.6	27.2	27.2	53.4	21.4
Kerala	34.2	3.1	37.3	31	31.6	13.4	12.8
Madhya Pradesh	35.5	20.9	56.4	14.4	29.1	28.2	15.6
Maharashtra	31.3	14.8	46.1	29.3	24.6	54.6	13
NCT OF DELHI	33	3.6	36.6	59.6	3.8	42.9	22.1
Odisha	42.1	14.8	56.9	16	27.1	42.4	10.1
Punjab	34.3	7.5	41.8	35.7	22.6	34.2	11.7
Rajasthan	42.7	25.4	68.1	18.1	13.8	23.4	8.4
Tamil Nadu	27.7	6.2	33.9	34.6	31.5	37	37.1
Telangana	36.6	9	45.6	27	27.4		17.2
Tripura	52.2	3.6	55.8	22.4	21.8	19.4	4.9
Uttar Pradesh	47.7	17	64.7	15.7	19.6	21.3	12.1
Uttarakhand	46.1	10.1	56.2	30.3	13.4	51	5.4
West Bengal	41.1	7.3	48.3	21.9	29.8	15.8	10.9

Source: PLFS 2018-19

\*Persons [migrating "in the urban areas" either "from rural or urban" for "work/Employment" and "business" for the duration "less than one year" plus "one to four year" "five to nine years" ] per thousand of urban population. Source: Census 2011.

# Change in UR is calculated over the average change in April-May from 2016-2019. Source: CMIE.

Table 2. Sectoral share in total employment (PS+SS) (%)

States	Agriculture	Mining	Manufacturing	Electricity	Water supply	Construction	Wholesale	Transportation	Accommodation
Andhra Pradesh	44.35	0.29	10.6	0.5	0.17	10.89	9.24	6.53	2.9
Assam	38.86	0.61	10.55	0.04	0.04	12.82	14.94	4.16	1.19
Bihar	48.89	0.34	5.3	0.1	0.15	16.79	12.17	4.58	1.64
Chhattisgarh	64.65	0.51	5.46	0.32	0.06	9.39	8.8	1.91	0.87
Goa	8.09	1.12	16.39	0.82	0.69	7.52	20.83	7.8	8.04
Gujarat	42.77	0.62	20.84	0.34	0.06	5.29	10.89	4.81	0.84
Haryana	26.85	0.07	17.6	0.89	0.39	13.94	12.82	6.35	1.19
Jharkhand	42.77	1.83	7.68	0.14	0.39	22.31	8.46	4.37	1.38
Karnataka	40.97	0.53	11.74	0.26	0.25	8.68	10.77	7.29	2.82
Kerala	20.36	0.33	11.77	0.51	0.26	19.53	14.27	7.83	3.25
Madhya Pradesh	57.21	0.35	6.84	0.23	0.08	12.68	8.49	2.8	1.22
Maharashtra	45.34	0.32	11.24	0.27	0.4	6.35	11.07	5.27	2.11
NCT OF DELHI	0.35	0.21	22.99	0.45	0.38	5.98	19.72	6.53	4.06
Odisha	44.1	0.96	8.15	0.27	0.14	19.97	9.89	4.94	1.44
Punjab	24.59	0.12	19.39	0.74	0.63	14.51	14.11	4.72	2.41
Rajasthan	52.73	0.72	7.5	0.45	0.29	12.76	8.04	4.01	1.52
Tamil Nadu	27.26	0.2	18.74	0.43	0.37	14.7	11.3	6.01	3.08
Telangana	43.56	0.51	12.86	0.23	0.22	8.67	8.79	5.25	1.09
Tripura	31.05	0.06	6.38	0.09	0.04	12.92	16.85	4.98	0.79
Uttar Pradesh	49.99	0.14	10.51	0.15	0.25	13.68	10.04	3.51	1.45
Uttarakhand	34.32	0.92	12.81	0.32	0.32	12.47	11.21	5.79	3.18
West Bengal	34.24	0.38	18.66	0.2	0.24	11.07	11.69	5.63	1.65

Table 2. Continue..

States	Information	financial	real-estate	professional	administrative	Public administration	Education	human health	arts	other service
Andhra Pradesh	0.55	1.02	0.29	0.47	0.47	1.97	3.45	1.54	0.14	3.46
Assam	0.12	0.49	0.1	0.38	1.34	1.57	6.45	1.38	0.46	1.38
Bihar	0.2	0.57	0.07	0.53	0.95	0.57	3.64	0.82	0.15	1.97
Chhattisgarh	0.08	0.24	0.05	0.23	0.32	1.33	3.44	0.99	0.25	0.83
Goa	1.29	2.01	0.14	1.56	1.67	5.33	5.4	3.39	0.8	3.56
Gujarat	0.91	1.97	0.1	1.23	1.07	1.05	2.56	1.33	0.12	2.52
Haryana	0.92	1.96	0.79	1.27	1.32	3.36	5.27	1.92	0.19	2.18
Jharkhand	0.21	1.08	0.15	0.45	0.42	1.62	3.88	0.69	0.02	1.47
Karnataka	3.44	1.67	0.39	0.91	0.99	1.59	3.79	1.06	0.24	1.84
Kerala	1.48	3.29	0.15	1.63	1.02	2.47	5.15	2.76	0.72	2.04
Madhya Pradesh	0.25	0.34	0.1	0.5	0.72	1.71	2.98	0.95	0.08	1.93
Maharashtra	1.47	1.84	0.25	1.5	1.56	1.95	3.29	1.53	0.42	2.07
NCT OF DELHI	2.98	3.53	0.61	3.15	4.22	4.69	4.3	4.35	1.01	4.88
Odisha	0.24	0.59	0.02	0.56	0.62	1.17	3.77	0.92	0.13	1.63
Punjab	1.02	1.2	0.35	0.81	0.63	2.06	5.23	1.68	0.49	3.35
Rajasthan	0.56	0.86	0.16	0.79	0.97	1.18	4	1.11	0.45	1.73
Tamil Nadu	2.47	1.57	0.27	1.13	1.81	1.74	3.81	1.3	0.51	1.77
Telangana	2.23	1	0.66	1.13	1.52	1.52	3.4	1.33	0.55	2.58
Tripura	0.55	0.27	0	1.12	1.92	5.32	7.78	1.27	0.34	3.84
Uttar Pradesh	0.32	0.78	0.13	0.69	0.69	1.05	3.46	0.7	0.28	1.85
Uttarakhand	0.78	0.47	0.6	1.78	1.02	2.14	7.19	2.56	0.24	1.54
West Bengal	0.61	0.85	0.1	0.66	1.19	1.34	4.33	1.15	0.39	2.41

Source: PLFS 2018-19



As seen from the appendix Table A1 among the rural to urban male migrants, employment, and among the females, marriage comprises a significant component. On the other hand, family moved is another important reason among all the streams. But some of these reasons are not mutually exclusive of each other as mentioned above: for example, employment and family moved both are overlapping. On the whole, economic reasons do play a major role in explaining the population movement. Even among the females when we say that social factor like marriage is an important reason of shift, it will not be possible to discard that subsequent to migration they may be participating in the labour market at the place of destination.

How the job seekers look for work opportunities in the labour migration is an important question though it falls outside the ambit of the present paper. However, it is pertinent to mention this much that the networks operating through the traditional or informal ties along the lines of caste kinship bonds facilitate the information flow from the urban to the rural based potential migrants. On the other hand, the role of labour contractors has become greatly significant in shifting people from one state to the other states, i.e., long distance interstate migration, which was otherwise quite less in the Indian context due to the social, cultural and linguistic differences. The labour migration through contractors comprise both rural to rural and rural to urban components though exploitation of the migrants by the contractors has been observed rampantly. Besides, the political factors have emerged as strong hindrances to population shift and beneficial effects associated with it. Particularly in large metropolitan cities the shrinking space for the low income households has resulted in exclusionary urbanisation which may be treated as a phenomenon quite opposite to the tenets of inclusive growth.

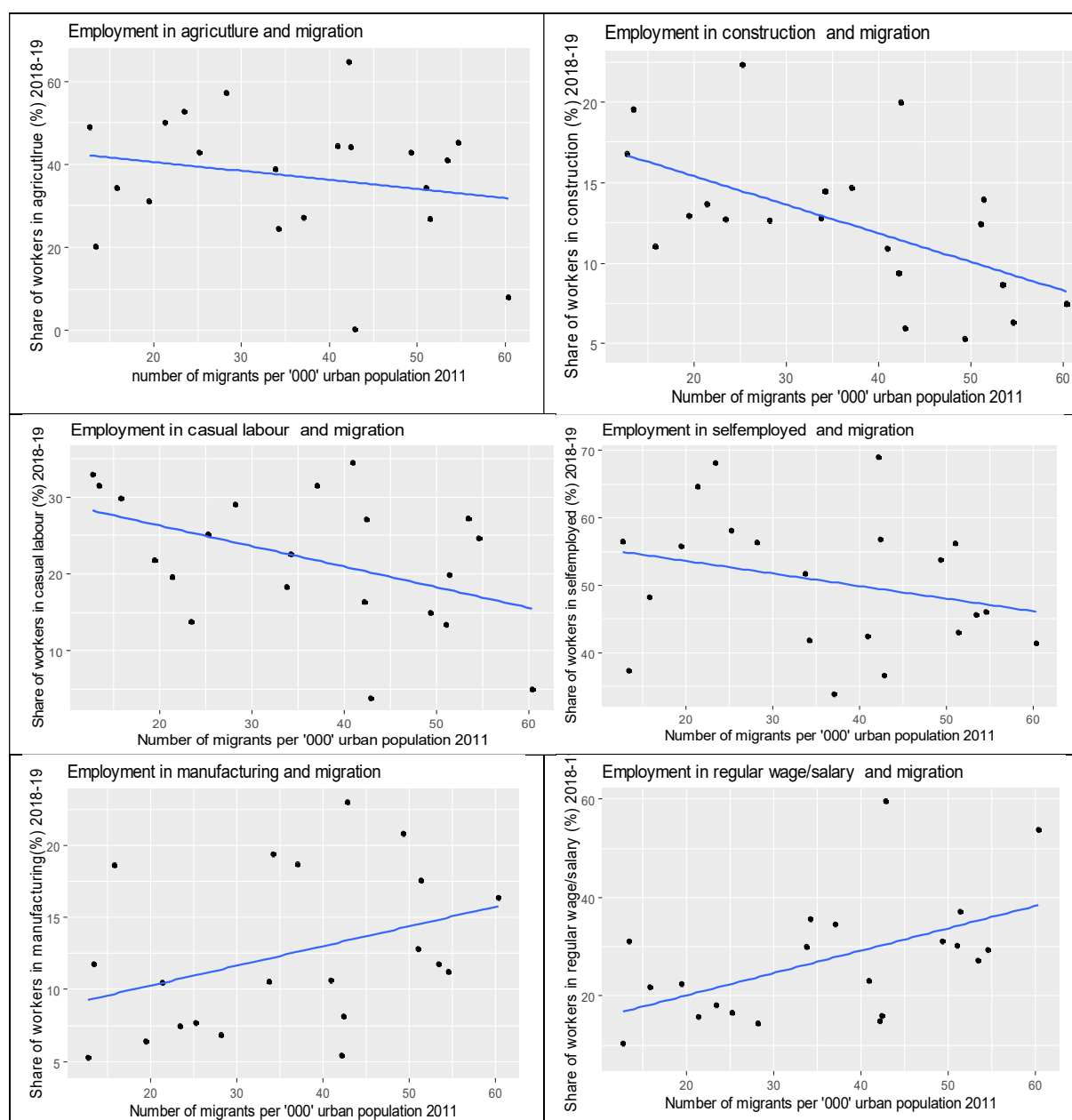
### **3. Employment Structure and Migration across States**

Looking at the employment structure it may be noted from Table 1 that casual and self-employment categories comprise a large majority of the work force except in Delhi where regular wage employment has a significant share in the total employment. The relationship between migration and the nature of employment indicates that regular wage employment share and migration unravel a positive relationship. On the other hand, casual and self-employment figures in percentages do not actually show any significant relationship with migration though the fitted lines are negatively sloped implying that migration tends to decline with a rise in casual employment or self-employment [Figure 1]. This is believable because these categories of employment are inferior to regular wage employment. Since migration involves a rational decision, without significant improvement in the possibility of quality employment population shift does not take place.

From the employment structure as described in Table 2 agriculture appears to be a dominant activity in a large number of states. Even after its share in value added has declined significantly more than 40 per cent of the work force is seen to be employed in a number of states including the advanced state like Maharashtra and poorer state like Odisha. Next to agriculture is the services sector which comprises a significant percentage of the total employment. The share of manufacturing is on the low side in most of the states: even in a industrialised state like Maharashtra the employment share of manufacturing is a little more than 10 percent. Only some of the states like Goa, Gujarat, Punjab, Haryana and West Bengal account for a one-fifth of the workforce in the manufacturing sector. The plot of migration against the share of agriculture actually holds no significant pattern though the fitted line slopes negatively, mildly

though (Figure1). On the other hand, the construction share and the migration for employment and business demonstrate a pronounced negative relationship, which comes as a surprise because urban construction is expected to pull migration from the rural areas. It must be noted here that Table 2 presents the share of different activities in the total work force in the state as a whole instead of bifurcating regionally (rural and urban distribution). If rural construction activities are undertaken on a large scale it is understandable that rural to urban migration in search of employment will be less. However, manufacturing which is mostly located in the urban areas, there is a positive association between the share of manufacturing and urban in-migration.

**Figure 1: Migration and Employment Characteristics**



Source: PLFS 2018-19 and Census 2011

## 4. Immediate fallouts of Covid-19 containment measures on labour market in India

### 4.1 Surge in Unemployment rate

In the backdrop of this scenario and the presence of a large number of migrants in the cities it will now be important to examine the unemployment situation subsequent to the lockdown. As Figure 2 indicates, the average unemployment increased suddenly in April and May 2020 compared to the previous year estimates. It is also important to note from Figure 2 that the dispersion of the distribution of unemployment increased enormously in April-May 2020, which implies that the effect is not homogeneous (Figure 2 &3).

Figure 2: Plot of Unemployment rates (%)

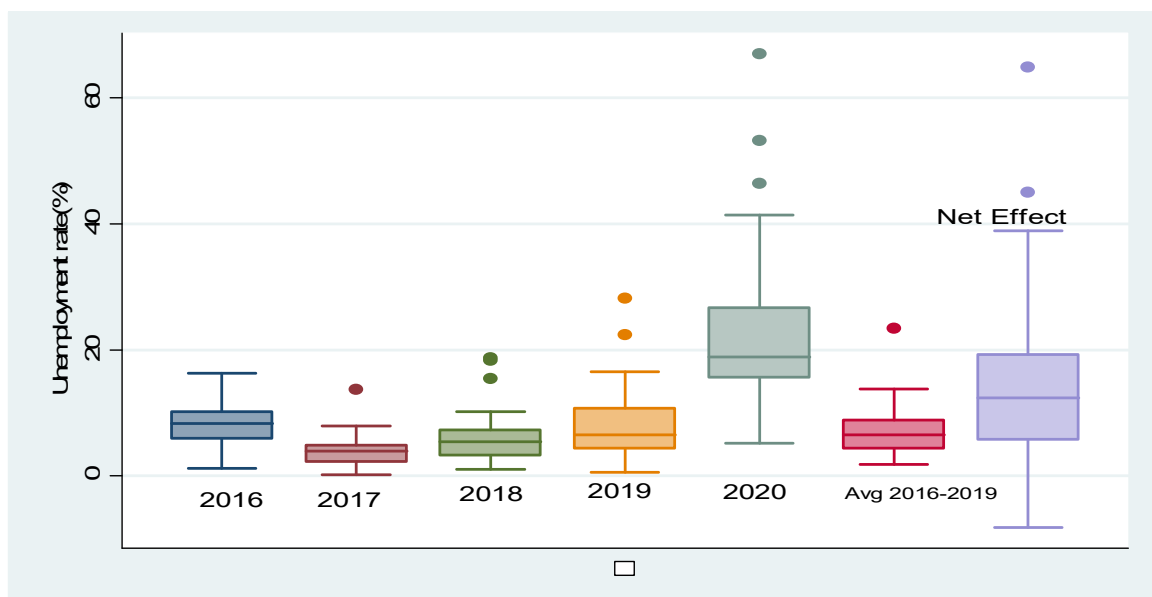
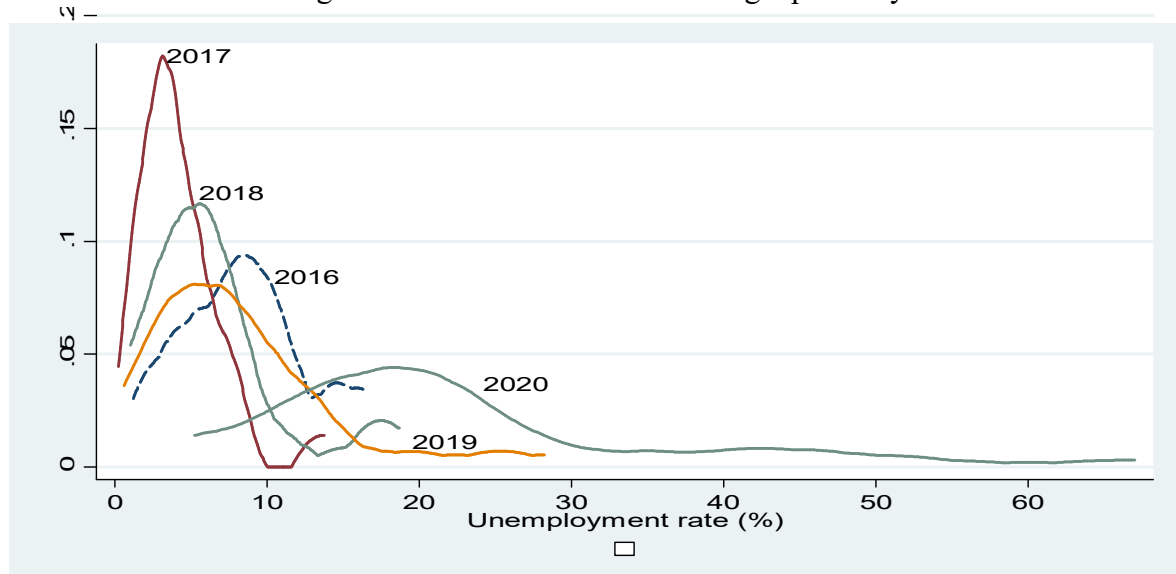


Figure 3: Distribution of URs during April-May

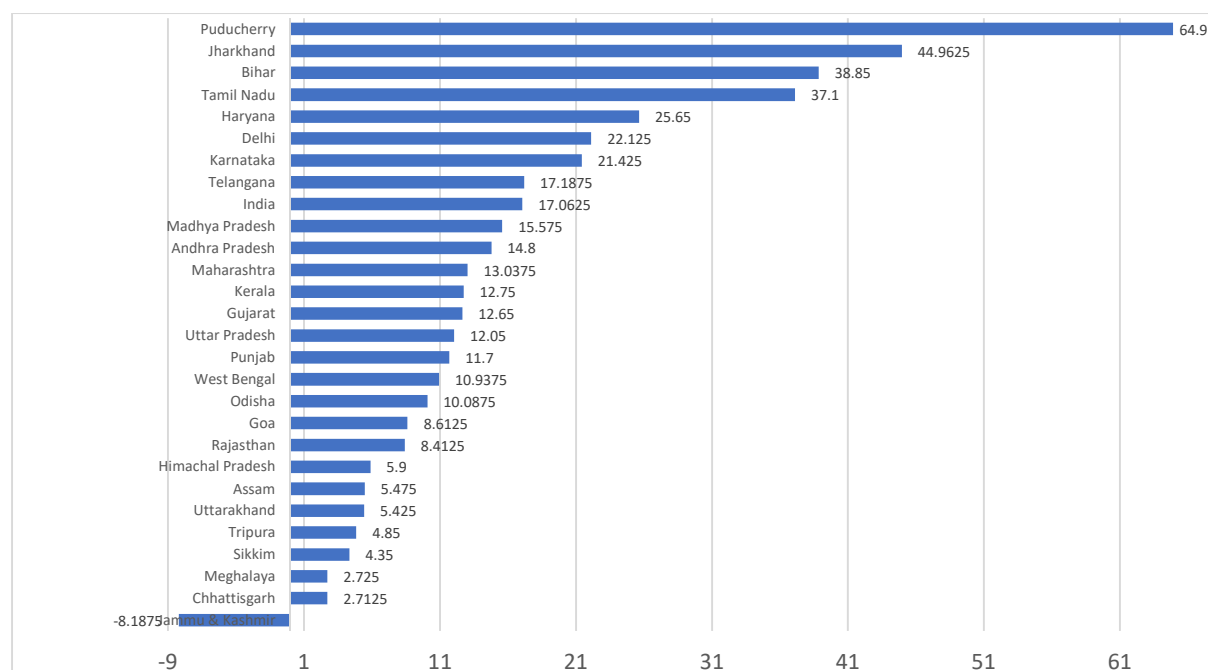


Source: Calculated using UR from CMIE. The data is state-wise URs for different years.

## 4.2. Heterogeneous impact on unemployment across states

As we compare the differences in the unemployment rate between April-May 2020 and the average rate that prevailed during April-May 2016-19, first of all we are able to notice from Figure 3 that a very large number of states recorded a figure in double digit. Secondly, states like Jharkhand and Bihar appear to be on the high side. These are some of the states from where population migrate to other parts of the country. It is understandable that lockdown resulted in return migration and a steady rise in the unemployment rate. Similarly some of the advanced states like Tamil Nadu and Delhi with its adjoining state Haryana are towards the top in the list. Several other states like Karnataka, Telangana, Madhya Pradesh, Andhra Pradesh and Maharashtra registered a massive rise in the unemployment rate in April-May 2020. On the other hand, states like Odisha in spite of facing the same intensity of lockdown experienced relatively lesser magnitude of increase in the unemployment rate. This could be possibly because the return migration to this state from other states took a while to reach the place of origin. Also, Odisha having a large percentage of workforce in the agriculture sector did not immediately receive a setback as the lockdown was prevalent mainly in the manufacturing and services sectors. Interestingly the north eastern states which hardly experienced any industrialisation over the years, also did not witness any significant rise in the unemployment rate in April-May 2020 compared to the same months in the previous years.

Figure 3. Regional Effect of Lockdown on unemployment rate (%)



Source: CMIE

Note: Effect is calculated as average UR during April-May 2020 minus average UR during April-May 2016-2019

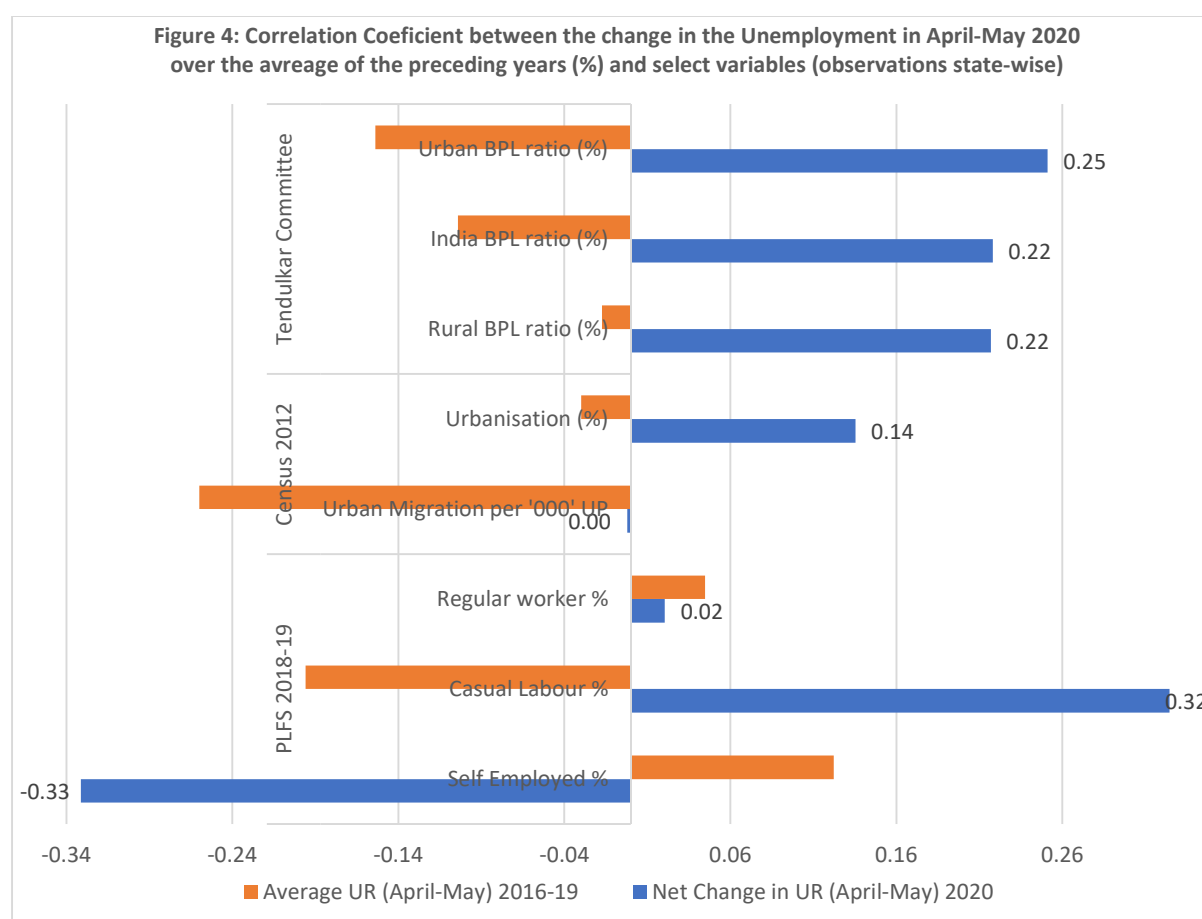
## 4.3 Whether unemployment effect is reinforcing?

The existing pattern of unemployment has been closely associated with just the preceding year. For example, the association between 2016 UR and 2017 UR is 0.54, and similarly between UR of 2018 and 2019 has been 0.90. These were all positive which means that the UR rate

pattern in India was reinforcing, that is, states witnessing higher UR are also likely to register higher UR next year, and vice versa. However, the previous year unemployment rate and the unemployment rate immediately after the lockdown are negatively associated (Table 3). This indicates that the states witnessing lower UR after the lockdown are also the states which witnessed higher UR, and vice versa. Bihar, Jharkhand, Tamil Nadu, Haryana, Delhi, Telangana, and Karnataka witnessed the change in their UR which was higher than the change at the national level. On the whole, it may be concluded that states which sent out migrant population on a large scale and the relatively better regions which received the migrant population both witnessed a rapid increase in the unemployment rate.

Table 3: Correlation coefficient between the URs in 2020 and the URs across states during April-May in preceding years

Years	UR in 2020	2016-19	2016	2017	2018
2016-19	-0.2242	1			
2016	-0.0753	0.7356	1		
2017	-0.4359	0.4854	0.5448	1	
2018	-0.0994	0.8207	0.2759	0.0946	1
2019	-0.1623	0.8706	0.4052	0.0818	0.9012



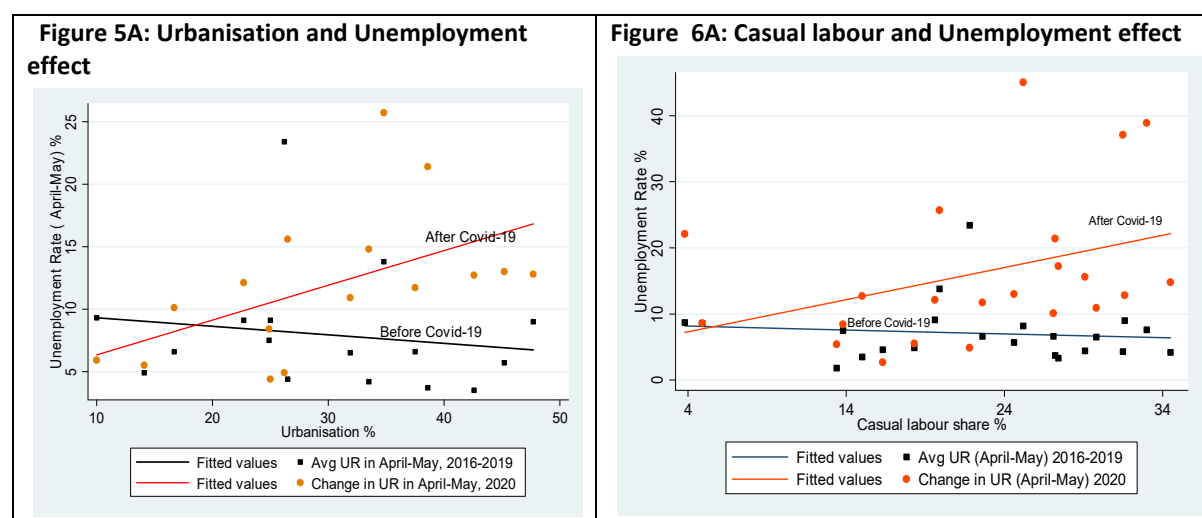
Source: Calculated using state-wise observations using various source. Source indicated in the figure.

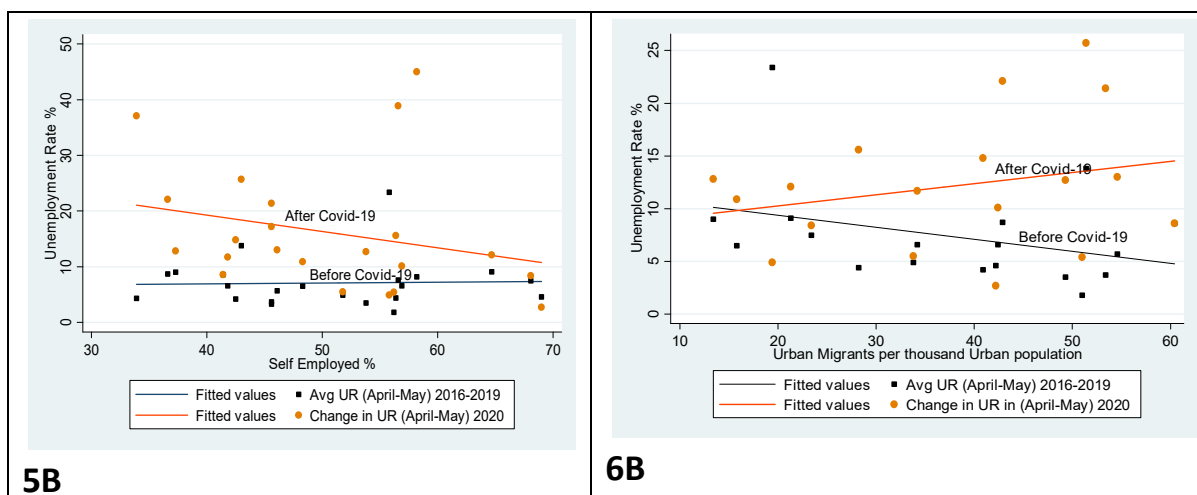
## 4.4 Urbanisation and Unemployment

The change in the unemployment rate in 2020 over the average of 2016-19 is positively associated with the urbanisation rate in the states (Figure 4). In other words, the jump in the unemployment rate in 2020 after the implementation of Covid-19 containment measures is higher, over average UR during April-May in 2016-19, in the highly-urbanised states, and vice versa (Figure 4 and Figure 5A). The association between average UR during April-May 2016-19 and urbanisation rate was in fact negative, indicating that higher the urbanisation rate, the lower was the UR during these months in the years before Covid-19 response measures. However, the direction of the UR has changed. This brings us closer to the view that employment in the urban areas of the relatively urbanised states, has been hit hardest due to the measures taken to contain the spread of Covid-19. While the lockdown has been nationwide, the impact on livelihood loss bears variations, the consequences being faced in the most urbanised states. Further, as a corollary to this, the states with a large incidence of urban migration have also witnessed a greater increase in the unemployment rate after the measures were implemented by the States to contain Covid-19 (Figure 6B). This tends to suggest that a targeted containment measure in the affected urban areas, particularly in the large cities, could have helped reduce the adverse effects on livelihood.

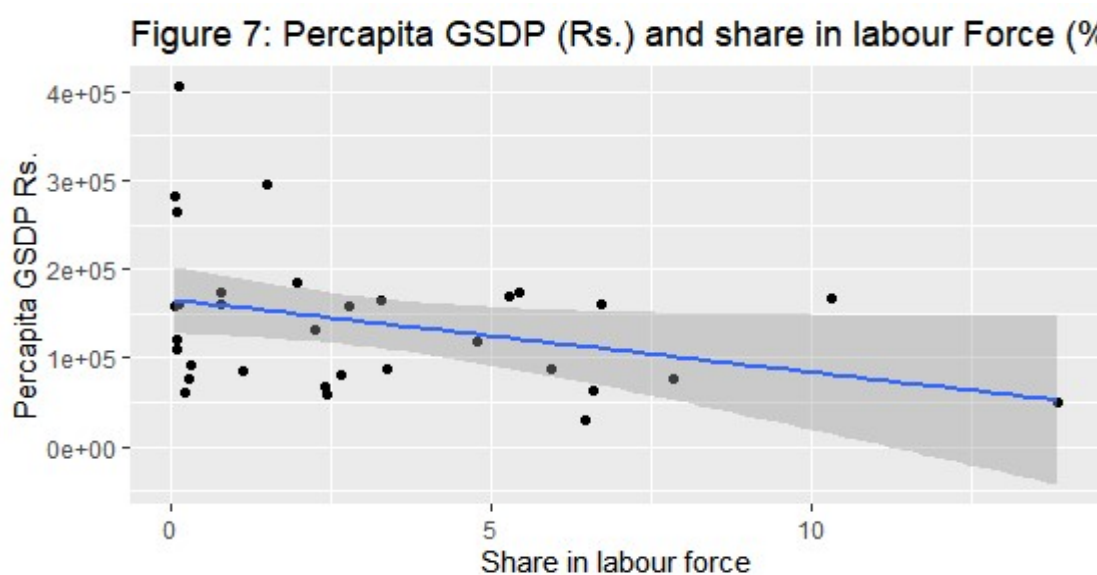
## 4.5 Casual labour and Unemployment

The category of casual labour - the least secure in terms of social security, job contract, and earnings - is seen to have become the most vulnerable lot due to the containment measures. The states having larger share of these workers are likely to be affected adversely. The negative association between the unemployment rate (average of April-May 2016-19) and the share of casual labour across states was reversed to positive after the implementation of the containment measures (Figure 6A). This change in the direction of association shows that the states having larger share of casual labour are also the ones, which witnessed large increases in the unemployment after the measures taken to contain Covid-19. However, the case with the share of self-employed is just the reverse maybe because a large chunk of the self-employed workers are in agriculture and they were not affected as directly as the casual labour (Figure 5B) who have to depend on the labour market for wage jobs.





Mobility of labour from rural to urban, across states, across occupations, across firms/industries is crucial for rapid economic growth, particularly in the context of inclusiveness in a country like India with significant development diversities. The state-wise plot of per capita GSDP, as an indicator of location of production activities, and the share of labour force, as an indicator of labour location, portrays a negative association (Fig. 7). It shows that states having larger production base may not be the same as having large share in labour force. Therefore, mobility of labour for economic growth is inevitable. The recent data from National Career Service portal of Ministry of Labour and Employment on location of jobseekers and vacancies and location of jobseekers and employers also highlights this fact that jobseekers are disproportionately higher in states other than the states where vacancies and employers are located. These facts necessitate that labour market policies need to recognise the requirement of labour mobility and enable the phenomenon of labour mobility, reduce the cost of mobility and laydown the structure to facilitate and incentivise labour mobility. Portability of the identity, and benefits such as food, social security should be part of labour market policies.



Source: PLFS 2018-19 used for labour force participation and population projection is used by Census of India 2011, National Commission on Population to calculate state-wise share in labour force. GSDP per capita is calculated from GSDP at constant prices for 2018-19 from MOSPI and population as per Census of India projections

## **Measures taken by the Government**

Designing policies and implementing a new policy in a short span of time in response to spread of Covid-19 is difficult and not wise. Instead, leveraging on the existing policies/schemes becomes crucial to reduce sufferings of those affected by containment measures. In its fight against poverty government has developed networks and institutions under various schemes, such as Pradhan Mantri Jandhan Yojana, Mahatma Gandhi National Rural Employment Guarantee (MGNREGS), Public Distribution System, Building and Other Construction Welfare Fund, Self Help Group and the EPFO, which were handy in reaching out to the poor and affected. Immediately after the nationwide lockdown, on March 26 2020, 'Pradhan Mantri Garib Kalyan package', with a total outlay of Rs 1.7 lakh crore under the scheme, was rolled-out. Subsequently, Atmanirbhar Bharat package of about 20 lakh crore (about 10% of India's GDP) was announced in May, 2020 which included measures to contain the adverse impact on livelihood.

Migrants workers without having ration cards were made eligible to get 5 kg of food grains per month and 1 kg of pulses, apart from the PDS beneficiaries. To support income, female Jandhan account holders were paid Rs. 500 per month for three months and funds collected under BOCW's cess were utilised by the states for cash benefits for the construction workers. Government increased allocation of MGNREGS to Rs. 40000 crore along with an increase in wages under the Scheme. Moreover, more focused 'Garib Kalyan Rojgar Abhiyan' was launched in 116 most affected districts of selected states to boost employment for migrants. Besides, government will make payment on behalf of the employers' and employees' contributions, 12% each, under EPF, for the establishments with up to 100 employees and with 90% of employees earning less than Rs. 15,000 monthly wage. EPF subscribers have been allowed to withdraw non-recoverable advance of 75% of the amount or three months of the wages, whichever is lower, from their accounts.

## **5. Way Forward**

On the whole, the paper notes significant variations in the rise in the unemployment rate across regions though the nationwide lockdown was implemented without any discrimination. It explores the reasons of such disparities and notes that migration is an important factor. States with higher rates of migration and urbanisation rate, greater dependency on casual wage employment and non-agricultural employment witnessed huger, adverse impact on livelihood. In fact, states which had lower rates of unemployment prior to the outbreak of COVID-19 pandemic and the subsequent lockdown strategy adopted to contain the virus, are the ones which witnessed a surge in the unemployment rate after the implementation of the lockdown. In the context of growth and development the paper indirectly brings out the importance of the large cities which with agglomeration benefits are able to offer livelihood to natives as well as millions of migrants coming from far and wide in search of jobs. The return migration to the rural areas poses new challenges for the government though in a positive sense it also provides scope to rethink about developing the rural non-farm sector in a major way. Should the migrant population travel back to the cities, the preparation needs to be made in a more tangible way to strengthen the functioning of the urban informal economy and slum living which would comprise considerable overlaps among housing, employment and health interventions.



Migrants returning to the rural areas from the cities are largely engaged in agriculture which was already overcrowded and the push factors had forced some to migrate to the cities in search of jobs. The rural non-farm sector in the Indian context had not emerged as a vibrant component except in a few districts. This further exposes the labour to vulnerability, forcing them to accept petty activities and share the agricultural work along with other family members, resulting in significant disguised unemployment. In order to retain the labour in the rural areas it is important that rural industrialisation, construction and services grow rapidly. Further, for productivity to rise in these activities skill imparting interventions have to take place in a significant manner. Strategies for livelihood diversification need to be adopted as the rural areas are confronted with a number of challenges. The health and education infrastructure in the rural areas will have to be revamped to contain the population and secure their future wellbeing. The rural-urban development disparities need to be reduced for balanced regional development.

The urban areas on the other hand, will have to take this crisis as a scope to strengthen the functioning of the informal economy. The challenges faced by the workers will have to be mitigated by looking into their social-security needs, work conditions and wage outcomes largely determined by the employers and the labour intermediaries, legalities associated with housing and rent and several other factors including skill upgradation, on the job-training, dissemination of job market information and reduction in asymmetries in the labour market. The informal economy strategy will have to be prioritised in order to enhance the productivity and earnings of the workers so that the future urban growth becomes more inclusive and sustainable.

Policies which incentivise labour mobility, and reduce mobility cost should be in place. The portability of ration card, 'One Nation One Ration Card' is already in operation to be completed by March 2021 which is an important step in this direction. However, the portability of social security schemes should be promoted.

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## Appendix

Table- A1: Reasons for Migration across States/UTs in India

State	Employment				Business			
	R to U M	R to U F	U to U M	U to U F	R to U M	R to U F	U to U M	U to U F
JAMMU & KASHMIR	29.8	4.7	18.5	2.7	3.3	0.6	2.5	0.6
HIMACHAL PRADESH	54.3	9.3	41.9	8.2	1.2	0.3	1.8	0.4
PUNJAB	45.2	4.5	26	3.6	0.9	0.4	1.2	0.5
CHANDIGARH	60.7	4.3	39	5.8	0.9	0.2	2.4	0.3
UTTARAKHAND	44.7	4	35.6	4.1	0.8	0.2	1.3	0.4
HARYANA	48.2	4.9	32.8	4.6	0.8	0.3	1.5	0.5
NCT OF DELHI	55.8	3.9	39.1	4.7	0.5	0.2	1.4	0.4
RAJASTHAN	43	3.3	32.5	2.5	1	0.2	1.4	0.4
Uttar Pradesh	40.5	3.4	24.9	2.9	1.3	0.5	1.8	0.8
BIHAR	31.5	2.3	19.7	2	1.8	0.3	1.5	0.5
SIKKIM	54.4	13.8	45.4	12	4.7	1	4.8	0.9
ARUNACHAL PRADESH	39.6	13	40.7	12.6	7.7	1.9	6.3	2.4
NAGALAND	35.7	8.8	34.5	10.6	7.9	2.6	6.6	1.7
MANIPUR	18	2.6	11.1	1.9	7.1	1.4	4.7	0.8
MIZORAM	35.6	14.2	32.2	11.8	3.3	2.5	3.5	1.8
TRIPURA	32.5	4.4	25.1	3.3	4.8	0.3	4.2	0.3
MEGHALAYA	29.8	12.3	20.9	6.6	3.5	0.7	3	0.6
ASSAM	38.2	4.7	27.6	3.6	13.3	0.8	9.7	0.8
WEST BENGAL	32.7	3.3	17.1	2.3	4.9	0.5	3.7	0.7
JHARKHAND	40	3.2	31.5	2.8	1.3	0.2	1.5	0.4
ODISHA	37.2	4.9	29.3	4.5	8.6	0.7	5.9	0.9
CHHATTISGARH	46.5	4.8	40.4	4.3	0.8	0.2	1.6	0.3
MADHYA PRADESH	41.6	4.3	31.5	3.3	1	0.4	1.4	0.6
GUJARAT	43.4	4.1	26.4	3	5.3	0.9	6.1	1.2
DAMAN & DIU	83.7	10.4	60.4	5.1	0.9	0.2	2.9	0.4
DADRA & NAGAR HAVELI	69.9	6	51.3	3.9	3.1	0.5	4.9	0.7
MAHARASHTRA	52.1	6.2	30.7	4.8	1	0.5	1.6	0.9
ANDHRA PRADESH	41.8	7.5	32.7	6.2	3.3	0.6	3.4	0.8
KARNATAKA	45.1	9.5	38.2	8.4	2.5	0.6	2.6	0.8
GOA	41.2	5.9	25.5	3.7	2.9	0.6	3.6	0.8
LAKSHADWEEP	63.2	13	42.7	10.7	0.1	0.3	0.4	0.4
KERALA	14.2	2.6	12.5	3	0.9	0.1	1	0.2
TAMIL NADU	36.9	8.3	29.9	6.9	1.2	0.4	1.2	0.4
PUDUCHERRY	33.1	4.3	21.3	3.5	1.6	0.4	1.3	0.5
ANDAMAN & NICOBAR ISLANDS	56.4	8.3	37.8	4	2.9	0.3	3	0.4
All India	43.2	5.2	29.6	4.7	2.3	0.5	2.3	0.7

Source: Census 2011

Table- A1: continue

State	Education				Marriage			
	R to U M	R to U F	U to U M	U to U F	R to U M	R to U F	U to U M	U to U F
JAMMU & KASHMIR	11.9	5.3	4.2	2.7	2	44.3	1.4	37.9
HIMACHAL PRADESH	12.5	12.4	9.4	8	0.4	24	0.4	23.1
PUNJAB	2.1	1.6	2.3	1.5	1.1	39.3	1.1	36
CHANDIGARH	6	3.4	11.9	9.5	0.3	31.1	0.4	27.2
UTTARAKHAND	9.5	5.4	9.4	4.7	0.4	30	0.5	32.7
HARYANA	3	1.5	2.3	1.4	0.8	37.2	0.9	34
NCT OF DELHI	3.6	0.9	5.3	2.2	0.4	33.3	0.5	33.3
RAJASTHAN	7.3	2.1	6.2	2.8	0.9	47.7	1.1	50.6
Uttar Pradesh	6.3	2.1	3.5	1.5	1.2	49.2	1.1	40.5
BIHAR	10	2.8	4.4	1.8	2.6	62.7	1.9	49
SIKKIM	10.9	11	7.3	8	0.8	34	0.6	27.3
ARUNACHAL PRADESH	16.9	16.7	8.9	9.9	0.3	17.8	0.2	12.3
NAGALAND	20.5	19.5	14.1	14.9	0.8	22.3	0.9	17.8
MANIPUR	10.8	4.9	5.1	2.2	2.2	57.2	1.9	59.1
MIZORAM	14	13.5	6.6	7.4	1.9	17.6	1.9	15.2
TRIPURA	7.3	3.2	3.1	1.5	1.9	57.9	1.4	49.9
MEGHALAYA	22.7	25	11.8	11.1	10.5	19.6	8.4	18.1
ASSAM	5.8	3.1	4.1	2.5	0.9	53.9	0.7	44.5
WEST BENGAL	6	1.6	2.8	1.1	2.1	56.5	1.4	37.6
JHARKHAND	8.4	3.8	3.8	1.9	1.9	50.3	1.4	41.6
ODISHA	13.7	7.9	8.3	5.9	1.1	39.8	0.7	26.9
CHHATTISGARH	8.2	5.4	3.5	2.2	1	41.6	0.9	39.1
MADHYA PRADESH	10.4	5	5.2	2.2	1.3	44.9	1.4	44.1
GUJARAT	3	2.6	2.6	1.5	0.7	31.6	0.8	29.8
DAMAN & DIU	0.3	0.6	1.8	2.1	0.2	21.9	0.4	21.7
DADRA & NAGAR HAVELI	1	1	0.6	0.4	0.4	24.2	0.4	20.8
MAHARASHTRA	5.1	2.9	3.6	2.1	1.1	37.4	1.1	28.2
ANDHRA PRADESH	10.1	8	5.8	4.4	1.8	31.8	1.4	25.1
KARNATAKA	7.8	5.7	6.2	4.1	1.5	36.3	1.2	30.6
GOA	1.9	1.2	1.8	1.2	1.1	33.3	1	25.3
LAKSHADWEEP	3.5	5.1	5.9	8.4	0.9	1.8	0.6	1.7
KERALA	2.1	1.2	1.5	1.3	5.3	44.1	2.8	24
TAMIL NADU	5.5	3.9	4.6	3.5	3.4	36	2.4	27
PUDUCHERRY	4.9	2.7	3.1	2.1	8.5	38.9	4.1	22.7
ANDAMAN & NICOBAR ISLANDS	4.8	6.1	4.3	2.7	0.8	30.6	0.6	16
All India	6.2	3.6	4.3	2.6	1.5	40.8	1.3	32.8

Table- A1: continued

State	Moved after birth				Moved with hh				Others			
	R to U M	R to U F	U to U M	U to U F	R to U M	R to U F	U to U M	U to U F	R to U M	R to U F	U to U M	U to U F
JAMMU & KASHMIR	2.7	1.8	5.9	3.9	34	33.1	37.5	31.8	16.3	10.2	29.9	20.3
HIMACHAL PRADESH	2.6	2.7	9.9	9.1	24.1	46.9	28.1	45.2	4.9	4.5	8.4	6
PUNJAB	8.3	6.1	12.8	8.5	32.4	40.6	33.3	33.4	10.1	7.6	23.3	16.4
CHANDIGARH	8.4	8.7	9.8	7.5	19.6	46.6	26.3	41.4	4.2	5.8	10.1	8.3
UTTARAKHAND	2.3	1.9	7.6	5.7	36.5	53.5	35.5	45.5	5.8	4.9	10.3	6.9
HARYANA	4.6	3.4	12.3	8.2	36.3	48.3	37.3	43.2	6.3	4.3	12.8	8.1
NCT OF DELHI	4	3.8	6.4	5.1	27.6	54.4	33.5	47.6	8	3.4	13.7	6.9
RAJASTHAN	5.7	3.6	14.7	7.6	35.2	39.3	33.4	30.5	6.9	3.7	10.7	5.5
Uttar Pradesh	3.8	2.4	12.1	7.6	36.2	36.5	38.7	35.6	10.7	6	17.8	11.1
BIHAR	4	1.8	15.5	8.5	36.9	24.7	36.1	27	13.2	5.5	21	11.3
SIKKIM	3.3	2.9	6.7	6.4	17.8	26.6	20.6	28.6	8.1	10.8	14.7	16.9
ARUNACHAL PRADESH	3.7	3.3	4.8	5.2	23.3	38.7	25.4	43	8.6	8.5	13.7	14.7
NAGALAND	2.5	2.5	3.2	3.2	21.4	33.8	24.5	37.2	11.1	10.5	16.2	14.7
MANIPUR	3.2	1.6	19.1	7.6	40.1	22.3	27.8	13.7	18.6	10	30.3	14.6
MIZORAM	2.1	2	5.3	5.5	31.6	38.7	31.3	40.1	11.5	11.5	19.3	18.2
TRIPURA	1.6	0.8	5.5	3	32.9	26.1	34.2	29.7	19	7.2	26.5	12.2
MEGHALAYA	3.5	3	8.3	7.8	20.7	29	25.7	33.7	9.2	10.4	21.9	22.1
ASSAM	4.2	2.8	8	5.6	24.7	26.1	27.2	26.8	12.8	8.6	22.6	16.2
WEST BENGAL	9.6	5.3	19.3	13.1	28.1	23.3	30.7	28.6	16.6	9.5	25.1	16.6
JHARKHAND	5.2	3.1	11.6	7.6	34.5	34.6	38.5	38.9	8.8	4.7	11.7	6.8
ODISHA	3.3	2.4	6.6	5.3	27	36.3	31.7	42.2	9.2	7.9	17.4	14.3
CHHATTISGARH	6.3	4.5	11.4	7.9	29.8	39.4	33.3	41.4	7.4	4	8.8	4.9
MADHYA PRADESH	6.1	4.2	15.7	9.8	32.2	37.2	32.8	33.4	7.5	4	11.9	6.7
GUJARAT	9.2	8.8	16.4	12.6	25.3	42.8	31.4	39.3	13.1	9.4	16.2	12.5
DAMAN & DIU	2.9	8	12	14.7	9.9	55.6	18.7	51.6	2	3.4	3.6	4.3
DADRA & NAGAR HAVELI	3	5.1	7	7.8	17.9	59.6	29.7	62.3	4.7	3.7	6	4
MAHARASHTRA	12	11.7	16.9	14.1	22.2	35.1	32.8	39.4	6.5	6.2	13.4	10.6
ANDHRA PRADESH	8.3	6.8	12.5	10.5	25.7	37.2	27.3	37.7	9	8.1	17	15.1
KARNATAKA	9.5	8.4	13	11.4	22.1	32	23.9	33.3	11.5	7.5	15	11.4
GOA	18	16.5	32.5	28	24.5	35.2	25.4	33.7	10.4	7.3	10.2	7.2
LAKSHADWEEP	0.5	1	7	9.2	27.3	75.8	23.4	57.7	4.5	3	20.1	11.9
KERALA	33.1	19.6	45.7	36.3	35.8	26.2	28.1	29.1	8.7	6.2	8.3	6.2
TAMIL NADU	12.6	9.7	18.1	14.9	30.9	33.7	31.6	36.6	9.5	8.1	12.3	10.7
PUDUCHERRY	7.4	5.4	26.8	22.8	35.1	42	33.2	41.4	9.4	6.3	10.1	7.1
ANDAMAN & NICOBAR ISLANDS	4.4	4.9	6.5	6.3	22.5	41.9	36.2	61.3	8.2	7.9	11.7	9.3
All India	9.2	7.2	15.7	11.9	28.2	36.1	31.7	36.3	9.4	6.7	15.1	11

Source: Census 2011

R=Rural; U=Urban; M=male; F= Female

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Email: [system@iegindia.org](mailto:system@iegindia.org)