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# Lockdown and Beyond: Impact of COVID-19 pandemic on global employment sector with special reference to India

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## **COVID 19: Facts and Figures on Death and Infection**

COVID-19 or 2019-nCoV, the novel Coronavirus looms over the planet Earth as an imminent threat to mankind. It is a global public health emergency and a pandemic, as declared by World Health Organization. Until April 10, 2020; as we write this article, more than 1,615, 046 people have been infected by this deadly virus with over 96,791 deaths and 362,538 recoveries and the figures are accelerating worldwide.

## **Lockdown: Prevention better than cure is the philosophy behind**

Experts have suggested complete lockdown as the only measure to stop the exponential infectivity rates of the virus. Subsequently, on March 24, 2020, the Government of India ordered a nationwide lockdown for 21 days as a preventive measure against the spread of virus among more than 1.34 billion population of the subcontinent. This lockdown or complete safety restrictions imposed by the state ensure all services to close doors except emergency services such as drinking water, electricity, medical, police, fire, telecommunications, pharmacy, internet and other administrative sectors that have direct impact on sustenance of public life. This is in line with countries facing the pandemic and finding

lockdown as the only relevant prescription to combat the virus spread among the civilians. However, the countrywide lockdown though is the only safety measure to be adopted without question at the moment, but the effects for a developing economy such as India is intimidating.

## **Picture of Lockdown: Indian Scenario**

India's occupational structure and poverty is not well equipped with the luxury of complete self-isolation or social distancing or lockdown at the moment. It is not a choice of lives on one hand and economic production on another; it is a question of lives versus lives. As nation's economy is sinking and employments in both organized and unorganized sectors are going haywire with International Labor Organization (ILO) predicting the loss of more than 40 crore of jobs in India alone and more than 200 crore job loss globally. During the Great Depression which began in 1929, GDP plunged 50% from \$105 billion in 1929 to \$57 billion in 1932. One reason for GDP drop was deflation between 1929 and 1932 and average level of prices fell 30%. Nobody can predict the economic contraction to be caused by COVID-19 and its' rippling effects on global employment sectors. Goldman Sachs predicted COVID-19 would cut US GDP by 34% in the second quarter of 2020 and by 6.2% for all of 2020, according to

CNBC. Morningstar constructed several scenarios and its base case envisioned a 5% decline in 2020 US GDP- roughly in the middle of its optimistic and pessimistic scenarios. Morningstar expects global GDP to decline 1.4% in 2020 akin to what happened in 2008 recession and a big change from the global growth it had predicted for 2020. As per Mark Zandi, Moody's Chief economist, Wall Street Journal, April 5, 2020, 'This is a natural disaster. There's nothing in the Great Depression that is analogous to what we're experiencing now.' The Great Depression caused exceptionally high levels of joblessness. Between 1928 and 1932, the unemployment rate soared from 3.2% to 24.9%- the highest rate in the history of USA. By April 2, 2020, US jobless claims in the previous two weeks have totaled nearly 10 million.

According to (Ray, et al., 2020), the Indian experience highlights, in a visceral way, both the Scylla of widespread viral infection and the Charybdis of socio-economic lockdown. India's occupational structure is so diverse, and the base of the pyramid is so broad that it crumbles under the overwhelming population of fellow citizens below the poverty line. A comprehensive strategy of nationwide lockdown therefore must be accompanied with comprehensive State support for compensating welfare measures aimed at protecting the health, nutrition and psychological well-being of all households across the length and breadth of the country. This is undoubtedly a humongous job and impossible for any government across the globe taking into account the whopping population of 1.34 billion spanning over different geographies and

socio-economic-political strata of the vast nation. Viral outbreak has already exposed countless poor households (majorly in the urban peripheries and rural setups) to vulnerabilities of mortality and morbidity under the mercy of primary healthcare systems which neither have neither the manpower nor the expertise to combat a pandemic to the monstrosity of COVID-19. Adding to it is the lack of income and fear of employment loss giving ways to terrible food insecurity. The latest report published by Periodic Labour Force Survey paints a gloomy picture. Over 2017-18 FY, about 52% of rural households earned their bread through self-employment opportunities. Casual labor accounts for 25% of rural households while regular wage earners accounted for 12.7%. The urban picture demonstrates 32.4%, 11.8% and 41.4% figures for the above three parameters. We are reminded in our rural development lectures that urban poverty is more dangerous than rural poverty and India's current lockdown phase combined with COVID-19 threats reclaims this fact. One thing that has to be admitted is that Government of India did institute a nationwide lockdown fairly early in the cycle, when the reported cases and casualty numbers were relatively low and we were standing in the midway of Stage 2 of community infection. However, the disastrous picture of millions of migrant workers panicking and rushing to their hometowns defying lockdown claimed lives too as shelter-less people walked down hundreds of kms with no food and water. These out-of-job workers along with or preceding the lockdown announcement lacking any relief package would constitute a huge population in

the nation's unemployment graphs. It is a Catch 22 situation for the government. If it lifts the lockdown on April 14, we are certain to face a pandemic explosion with figures touching thousands and lakhs leading to complete collapse of healthcare systems as happened in USA and European countries, if not worse. On the other hand, extending the lockdown would call for a great economic depression and massive unemployment scenario with job losses and job cuts both in organized as well as unorganized sectors. In absence of comprehensive testing procedures for whooping population, countrywide lockdown or absence of it won't be faithful in stopping the pandemic with silent increase in the number of asymptomatic carriers in population. This would make the battle longer and draining; socially, emotionally and of course economically.

### **Solution in hand**

The pinpointed drug to prevent COVID-19 coronavirus is yet to see the light of accuracy. Rapid testing procedures in identified hotspots across the country along with state-imposed isolation and quarantine in state sponsored establishments while sealing the hotspot areas from rest of the country might bring a feasible alternative solution. Also door to door screening needs to be done with the support of unemployed local youths and healthcare professionals. This would not only make testing procedures loyal and free from local troubles but also ensure community cooperation. Local administration can play a key role in identifying the unemployed and eager youths in the process of door

to door screening and provide them PPE as and when required.

As per global estimates, the worst affected sectors of global economic distress and COVID-19 impacts would include food and accommodation (144 million workers), retail and wholesale (482 million); business services and administration (157 million) and manufacturing (463 million) together adding up-to 37.5% of global employment and this is where the 'sharp end' of the impact of the pandemic is being felt now. India shows no difference and the scenario would far exceed the financial crisis and unemployment waves of 2008-2009. Workers and businesses alike would face urgent catastrophe in absence of any alternative economic package and oxygen from respective governments, already crumbling under the ongoing stress of COVID-19. However, frontline workers must be kept safe and protected with medical professionals, healthcare workers, supporting staffs and allied sectors combatting head on with COVID-19 crisis.

We make and break governments. This is not a time to either socialize or politicize. We need to play our own safe roles while supporting our co-civilians with basic supports like food, drinking water and medical attention. COVID-19 knows no geographical boundaries, no caste, creed, color or religion. It knows no economic or political strata or social boundaries but impacts everyone on this planet. Therefore, we must combat this crisis together and play our individual leadership roles in guiding communities not only in this crucial public health emergency situation but also in coming out of the closet of economic depressions.

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