

FULL PAPER

# Covid-19 and its impact on livelihood: An Indian perspective

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Covid-19 has had adverse impact on various sectors of the economy. India's Corona epidemic started spreading at the fastest pace across the world, becoming the 3<sup>rd</sup> highest country with infected corona patients. If no further vaccines or measures are in place, it will be very difficult to stabilize the situation. The government is trying to manage the various challenges that are coming in their way through various economic packages and providing extra funds for healthcare sector. During the lockdown the informal sector suffered the maximum due to the job losses and food insecurity. The livelihood sector which includes agricultural, fishing, poultry, self-help groups and migrant workers are major sufferers in India. Unemployment level in India reached all-time high reaching 23.5 % in April after imposing nationwide lockdown to curb the spread of pandemic.

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**KEYWORDS**

Healthcare sector; informal sector; food insecurity; livelihood; unemployment; migrant workers; self-help groups.

## Introduction

Covid-19 pandemic was first witnessed on 31<sup>st</sup> of December 2019 in Wuhan, China and WHO (World Health Organization) declared it as Health Emergency of International Concern on 30<sup>th</sup> of January 2020 and a pandemic on 11<sup>th</sup> of March 2020. As of 28<sup>th</sup> July 2020 more than 16.4 million cases of Covid-19 were reported across the world and more than 1.4 million in India. The virus spreads during close contact, due to coughing, sneezing and talking. The droplets generally remain suspended in the air for a longer period of time rather than travelling long distance. The earliest symptoms of the virus are fever, cough, fatigue, loss of smell. The patients can also suffer from complications like acute respiratory problems and pneumonia. India has now the largest number of confirmed cases in Asia and the third highest number of cases after US and Brazil but the good news is

that India has the lowest death rate in the world with 2.41% as of 23<sup>rd</sup> of July 2020 and is slowly declining.

To curb the pandemic, the government declared the 21 days nationwide lockdown on 24<sup>th</sup> of March 2020 which affected the entire nation with a population of 1.3 billion. Further the lockdown went on extending in various phases and lasted till the month of May 2020. The effects of the lockdown have been quite disruptive for all the sectors of the economy. This lockdown phase and pandemic has led us into social and economic disruption across the world. It is considered that the world is going through one of the greatest depression in history. According to CRISIL (Credit Rating Information Services of India Limited), India is facing the worst recession since its Independence [12]. Every sector of the economy is going through a turmoil, starting from restaurants, entertainment centres, malls, religious events, sports, transportation,

tourism, education, stock market and above all the informal sector which comprises of migrant workers and street vendors.

As the lockdown began, all the migrant workers went jobless and street vendors suffered a huge loss due to unavailability of jobs and food insecurity. They were willing to come back to their native land, as without jobs they were going through starvation period and no shelter. Many schemes and packages have been announced by the government to provide assistance to the migrant workers, Finance Minister announced a relief fund of Rs. 1.7 lakh Crore with an aim to provide food security and direct cash transfer for migrant workers and daily wage earners. Prime Minister's national relief fund also received huge donations to provide some stability to these category of labourers and health care centres. Though these funds were of some help to those migrant workers and provided them with some food security and livelihood, due to unavailability of jobs their survival in the city became difficult as the lockdown extended which caused them to return to their places. This pandemic has claimed the lives of many migrant workers not only because of corona but also due to starvation and non-availability of basic needs of life.

#### *Objectives of the study*

- I. To study the impact of Covid-19 on life of migrant workers and labourers.
- II. To identify the factors that are affecting the various sectors like agriculture, fishing, poultry and self- help groups amidst the pandemic.

#### *Research methodology*

The data used here were of secondary in nature. Secondary data collected in this study were from various sources including government publications, technical and trade journal, reports and publications of various journals related to the impact of Covid-19. The inclusions of the article are also related to the

attributes of agricultural, fishing, poultry, self-help groups and migrant workers. Since there are limited studies done on this topic, the current inquiry was performed to explore more about it.

#### *Covid-19 and its impacts*

The GDP assessed by IMF for FY 21 represents negative figures at (-) 4.5% and with the quick spread of pandemic there is immense tension on medical services industry, too [4]. Agriculture Industry of India is one of the significant supporters of GDP and it was discovered that 10% of the farmers did not reap their yields in the previous few months and 60% of the farmers who had the option to collect needed to endure misfortunes. Significant effects were the result of the lockdown, low market cost and inaccessibility of transportation which ceased them from visiting their properties; 1 out of 4 farmers said that they were putting away the yields as opposed to selling it and few farmers were enduring more than the large farmers. It was additionally discovered that 56% of the farmers were not ready for the impending planting season, 50% detailed they can't manage the cost of the sources of info like manures, seeds and 38% were missing the mark regarding workers [5]. The fishing business was similarly influenced because the spread of Covid has influenced the storeroom and production network for fishers. The ladies fish merchants are significantly influenced as there is no fishing action or a few spots have restricted boats and time spent on fishing. Also, purchasers are additionally expecting costs as they are likewise enduring because of the pandemic causing their deficiency of pay [6]. Egg cost has collided with record-breaking low at being Rs. 1.95/ - per egg as there is the immense stock which is by and large left unsold [7]. Numerous daily-paid ladies laborers lost their positions in this lockdown period. Since they were talented with sewing and fitting, the self-improvement gatherings

met up to help these ladies in the towns [8]. Migrant workers have been found to suffer from poor health conditions, financial minimization and lack of basic income, housing and food. It has also led to increase in the concerns of tight border restrictions and state surveillance which is causing the migrant workers to be defenseless against their wellbeing [9].

## Literature review

### *Agriculture*

India has the second largest agricultural land in the world and a coastline of 7500 kms which makes up 58% of the population dependent on it and also 44% of the population employed in this sector. The impact of Covid-19 on agriculture is inevitable. The supply chain in this sector has been affected in several ways like liquidity crunch in rural areas of the country, no access to transportation and labour has further increased the problem. The onset of pandemic has affected the harvest of Rabi and sowing season of Kharif crops. Though there was a favourable winter season, due to unavailability and inaccessibility to labour, machinery, transport and restriction on movement damaged many crops which led to low profitability and due to these issues it may cause a disruption in upcoming Kharif season. The seed industry saw a drop of 15-20% due to disruption in supply chain. In agrochemical industry, many businesses are dependent on imports of raw material, finished products and technical support but these have been affected by the lockdown. Labour shortage has led the farmers to choose machinery, but due to financial crunch and limited dealers, the situation has been worsened. Unseasonal rainfall combined with lockdown has affected the agri-insurance companies resulting in increase in agri-claims and delay in pay-outs. Rice harvest has been highest in the last five years but due to restrictions in movement, the exports of rice

has been adversely affected. Many farmers also opted for selling their produce at low price because they were not able to use the facility of cold storage and preserve their harvest. It was also found that due to the closure of all the restaurants, hotels, sweet shops and tea stalls have a decline in the demand of milk produce [11]. The fertilizers industry has also suffered decline in manufacturing and sales due to unavailability of labourers and demand from farmers. It has been reported that they are operating at only 50-70% during 45 day lockdown phase [10]. Darjeeling Tea industry faced a significant fall in their revenue as it was reported 33% fall in March 2020 compared with March 2019 [12]. Perishable fruits and vegetables are getting spoiled during the lockdown. It has been estimated that harvested and unharvested perishables will face a loss of around 40000-50000 crores. The Cashew produced in Kerala sums up to 50% of the total production in India and it has suffered a loss of 4000 crores due to the lockdown. March and April are peak seasons for floriculture generating 50% of the total revenue in this season but due to lockdown, the framers are destroying their products, and the export is on standby causing their business to shrink by 50% [10].

### *Fishing*

This pandemic and lockdown has adversely affected the lives of fishing community all over the country. Fish plays an important role in food and nutritional security in India. More than 9 million fishers depend on fisheries for their earning and 80% of them are small fishers. It also generates employment for 14 million people and contributes to around 1.1% of the total GDP. Small scale fishers are mainly facing three issues: Pricing, marketing and organization which result from coronavirus. Complete lockdown in boatyard and landing centres has affected the daily earnings of fishers in all those coastal districts. This has affected various communities in the coastal

region as fish is an important part of their diet and lack of it can lead them to have nutritional deficiency. Women vendors also suffer from lockdown since there are only few boats for fishing and even if they purchase fish from landing centres, still they are not able to sell it because customers avoid buying it. Labourers engaged in this sector are not able to meet their family expenses, there are various people who migrated from Tamil Nadu to another states like Kerala and Karnataka but due to the lockdown, they had no option but to return to their homeland and going through financial crunch to meet their basic needs. There has been no export of fishes in this lockdown which has caused loss to many fish traders [6].



**FIGURE 1** Different sectors being affected by the COVID-19 Pandemic

### *Poultry*

The poultry farm was also adversely affected due to the misleading information floating in social media that chicken can increase the chances of spreading the corona virus, resulting in declined the sales of poultry farmers [11]. The corona outbreak followed by lockdown has led the poultry sector to suffer a projected loss of Rs. 22500 crore. Poultry generates direct and indirect employment to five crore Indian citizens

involved in poultry production, trading, feed manufacturing, agricultural crops, logistics, export and others. According to AIPBA (All India Poultry Breeders Association), it employs more than 10 lakh poultry farmers and contributes Rs. 1.3 lakh crore to national GDP directly [14]. The consumption of chicken was heavily reduced which led to decrease in the prices of farm gate chicken from rs. 95 to rs 42 in March [13]. The poultry industry is currently operating at a capacity of 30-35% as there is low demand from household and negligible demand from hotels and restaurants. The cost of production rose by 15% due to low utilisation of stocks and inaccessibility to labour and logistics [10].

### *Self-help groups*

With spread of pandemic, the government has started facing challenges to boost the economy and self-help groups has come together to create a positive impact and uplift the community by manufacturing masks, operating community kitchens and running dry ration shops [18]. Different states are working in different ways and contributing to improve the situation; 200 women of Lakkavaram Village are producing masks, shoe covers, and lab coats in bulks and supplying it to the government. Everyday 15000 masks, 6000 shoe covers and 5000 lab coats are being produced by them and they are running their families' expenses as their husbands and fathers are jobless and 80 % are of BPL category and they are making rs. 500 daily in this lockdown. They are offering food security to their families, becoming prime bread winners during the crisis [9]. Across the country, SHG have sewn 54 million masks and produced 28 trillion litres of sanitizers in 13 states [16]. The women of these SHG's are also involved in spreading awareness and provide relevant information to their community as they are managing social media accounts [15].

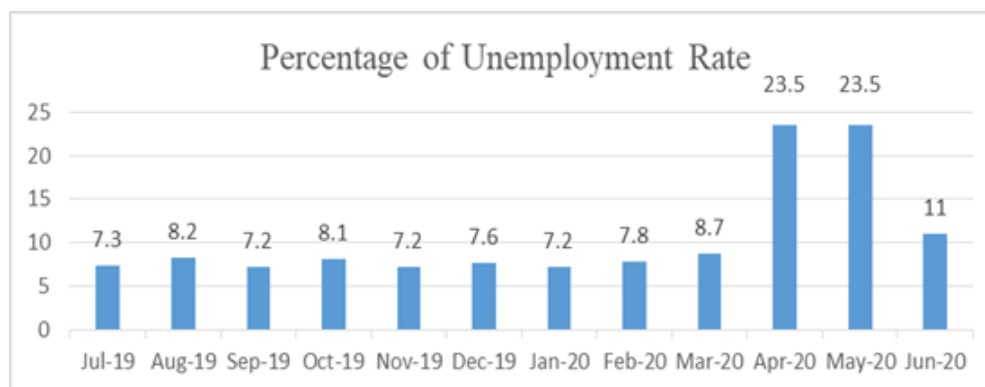
### Migrant workers

Indian migrant workers have been facing multiple challenges due to lockdown imposed in the country. As the factories and workplaces are shut, they have to deal with loss of income, food insecurity and uncertainty about their future. It has been estimated that there are 10.55 million migrant workers in India. It has also been estimated that 500000-600000 people walked on foot to reach their villages. Those people were generally the workers in agriculture, domestic work, rickshaw pulling, security service, automobile work, and food processing and construction work [17]. They generally used to eat and live where they were working, due to lockdown they were left with no food and shelter. These migrant workers were mainly stuck in Delhi and Mumbai and major migrant workers belonged from UP, Rajasthan, Jharkhand, Bihar and Orissa. There were many migrant who were beaten up by the police authorities and many of them died while returning to their native place on foot due to exhaustion and hunger [19]. Government took initiatives to provide relief through various distribution system as they were holding the ration card for specific areas and fair price shops were inaccessible [20]. In fact the labor camps which was set up by the government for these migrant workers also became one of the reasons leading to the

increase in the spread of Covid amongst them affecting their mortality rate. [22].

### Discussion

There are a lot of similarities between Covid-19 scenario and the events of 2007-2008. In 2020 people assumed that the impact of early recession would largely be localized on an assumption that subprime mortgage crisis would only be affecting US but it created global crisis and the same is the case with Covid-19. The sudden disruption has caused economic instability around the world which no one was expecting in the beginning of the pandemic. The lockdown could spell ruin for countless little and medium undertakings of the nation leading to loss of jobs, decrease in demand and production and further causing economic downturn [1]. It can be inferred from Figure 1 that the unemployment rate in India rose significantly in the month of April reaching 23.5 %, as lots of people lost their jobs during the lockdown phase and the current data shows that the jobless people have dropped down to 11 % in urban and 10.5 % in rural once the unlock phase began [2]. Government revenue has been severely affected as the tax collection has gone down and they are trying to provide fund relief for poor and marginalized people. It has been estimated to be rs 1.7 trillion for people who are suffering in this pandemic and need for emergency funds [3].



**FIGURE 1** India unemployment rate from 2019-2020

Note: This figure shows the data of Unemployment Rate in India, the data has been taken from [tradingeconomics.com](https://tradingeconomics.com/india/unemployment-rate), <https://tradingeconomics.com/india/unemployment-rate>

## Conclusion

The spread of the pandemic has created a panic situation in India which has disrupted all the sectors of the economy. The farmers have to ignore their profits and manage themselves for the upcoming kharif season. The government has also allocated funds for farmers to improve their condition so that they will be able to return to their business. Problem of storage needs to be taken care of as the perishable fruits and vegetable are getting wasted and farmers are forced to experience huge losses. With the government warehouses overflowing 17 million tons of rice and wheat, the government should come up with better distribution system so that the problem of food insecurity can be minimised [11]. Nutrition programs should be continued which include Anganwadis, mid-day meals and child development services. Eggs can be added to improve the nutritional value of the food provided to women and children. This will also improve the situation of poultry farmers who are also suffering from losses due to weak demand. Cash transfers can be done to informal workers who are in need of income support though government has taken the initiative but the amount is very low which is not sustainable. It should therefore be increased from rs.500 to rs.3000 per month. Migrant workers should be provided with both cash transfers and nutritious food as most of them have opened their account in banks using Jan Dhan Yojana Schemes. The government has allocated rs. 1.7 lakh crore for poor and needy ones but this also needs proper execution of the funds. The government has also launched Garib Kalyan Rojgar Abhiyaan initiative to improve the situation of migrant workers and has allocated rs.50000 crore for various districts in 6 states [21]. These programs will definitely help to improve the pandemic situation in India along with expectation of Covid Vaccine by end of the year.

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