

# WORKERS IN THE TIME OF COVID-19

Round II of the National Study  
on Informal Workers

National Factsheet



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ActionAid Association (India)

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## **Prepared by**

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# WORKERS IN THE TIME OF COVID-19

## Round II of the National Study on Informal Workers

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As part of its longitudinal study on the impact of COVID-19 and the lockdown on informal workers, ActionAid Association is conducting a series of national surveys. The current second round of the survey was carried out from 23rd August 2020 to 8th September 2020, across 23 states and five Union Territories. The survey took place during Unlock 3.0, the third phase of the government's phase-wise reopening of the post-coronavirus lockdown. More than 16,900 workers were interviewed in 402 districts, over half the number of districts in the country. Interactions covered a range of issues regarding the status of their livelihoods and wages, savings and expenditure, and access to social security schemes and other entitlements.

The first round of the national survey was conducted in the last phase of the lockdown between 14th May 2020 and 22nd May 2020. At the time, we had interviewed over 11,530 workers across 21 states in 293 source and 393 destination districts. The findings highlighted acute distress among informal workers, especially migrant workers, with extremely high levels of livelihood loss (78%) and indebtedness (53%). More than half of the migrant workers reported that they were stranded for over a month and nearly three-fifths said that they had to vacate their housing during the lockdown.

In order to comprehensively understand the level and nature of vulnerability which continues to shape the lives of informal workers, we revisited 4,504 respondents from the first round and included new respondents as well. We also expanded the scope of the survey both geographically and sectorally, adding many more states and types of occupations. Our broader objective is to capture snapshots of the informal sector at particular times, geographies, and contexts to feed into the bigger picture of the lives and livelihoods of informal workers during the ongoing pandemic and economic crisis. Hence, the survey attempts to collect detailed information on workers' living conditions, livelihoods, wages, consumption,

access to social security schemes, impact of natural calamities as well as their perceptions regarding the ongoing crisis.

The workers were interviewed through a mix of physical interviews, mainly during relief drives, and computer assisted personal interviewing (CAPI) method which was especially helpful in tracing and re-interviewing workers covered in the previous round. Our sample was randomly selected using the state level stratified sampling technique.

For the second round of the survey, we interviewed 72.17% respondents from rural areas and 27.83% from urban areas. Of the total sample respondents, 63.31% identified themselves as male, 36.52% as female and 17 respondents identified themselves as transgender.

## **Highlights of Survey Round II**

The data emerging from Survey Round II demonstrate the transitions on the ground with respect to unemployment, wages, savings, incidence of debt, and people's access to welfare schemes such as PDS and public healthcare (See Figure 1). The situation seems to have considerably improved in the unlock phase across most of these parameters as compared to the lockdown, but at the same time concerns about slow rate of recovery of jobs and rapidly diminishing savings are reinforced, as we will see in the following sections.

### **1. Comparisons with Survey Round I**

With the easing of national lockdown restrictions, people have started to return to their livelihoods, but a significant number remain unemployed. Around 48% workers reported that they were still unemployed, though the level has fallen from 78% workers who were unemployed during Round I (Figure 2). It is also important to note that amongst workers who have resumed employment nearly 42% are partially employed. The intensity of work figures provides a better understanding of the present scenario of work in the informal sector. Figure 3 gives a comparative analysis of weekly work hours during three different stages – pre-lockdown (January to March), lockdown (March to May) and unlock phase (June to August). The pre-lockdown and lockdown figures have been taken from Survey

Round I of our study while the unlock figures are from Survey Round II. As we can see, the intensity of work has gone up compared to the lockdown phase, but it is nowhere near the pre-lockdown conditions. As wages in the informal sector are extremely dependent on the hours worked, this has serious implications for the income security and consumption ability of workers.

**Figure 1: Key Findings from Survey Round II**



\* The significant increase in the percentage of respondents reporting non-payment of wages (due to them when lockdown was enforced) in unlock phase as compared to the lockdown can be attributed to the increase in the sample size.

Figure 2: Changes in Unemployment

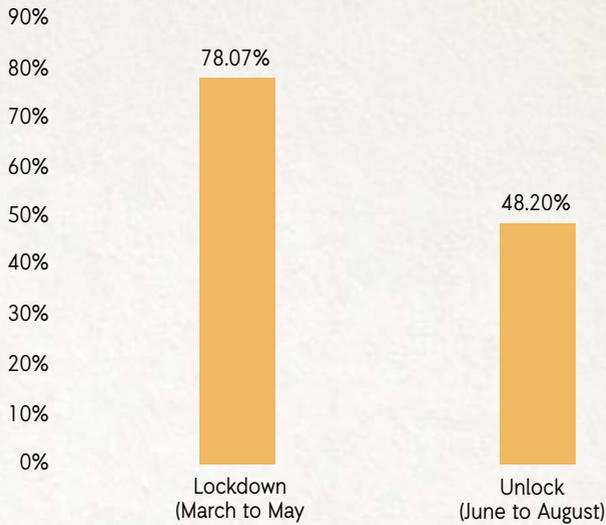
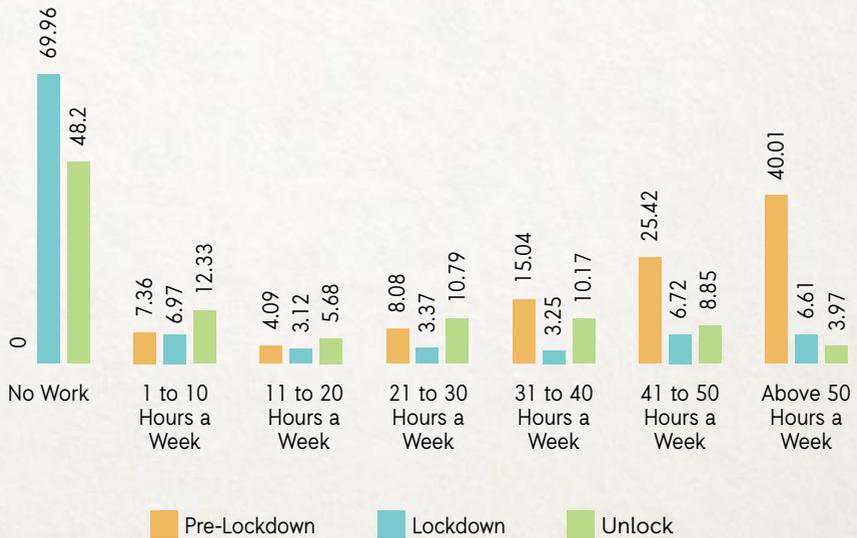


Figure 3: Comparative Analysis of Intensity of Work



In Table 1 we have tried to capture the changes in the world of work in the lockdown phase and the unlock phase as seen in a comparison of the findings in Survey Rounds I and II. Here “sufficiency” is a subjective estimate based on what each respondent reported as “sufficient” for their consumption. In terms of basic consumption, food sufficiency has gone up from 18.47% during lockdown to 32.06% during unlock. Water sufficiency has decreased marginally from 61.38% to 59.23% in the same time period.

Savings sufficiency has gone up with 12.22% reporting sufficient savings during unlock phase as compared to 5.29% during the lockdown phase. Around 39.38% of all respondents reported taking loans in the unlock phase as compared to 57.30% during lockdown phase. It is to be noted that the figures are for debt taken during these periods only. Total indebtedness can be much higher.

Access to food grains received through the public distribution system has increased, with 78.94% of respondents reporting to have received the

**Table 1: Changes in the world of work in Lockdown and Unlock 3.0 (in percentage)**

Variables	Rural	Urban	All India
Unemployment	-32.64 (Decrease)	-53.13 (Decrease)	-38.26 (Decrease)
Food Insufficiency	-14.86 (Decrease)	-19.54 (Decrease)	-16.65 (Decrease)
Less than 2 meals a day	-46.55 (Decrease)	-55.06 (Decrease)	-48.58 (Decrease)
Water Insufficiency	2.99 (Increase)	10.55 (Increase)	5.57 (Increase)
Savings Insufficiency	-8.99 (Decrease)	-2.81 (Decrease)	-7.32 (Decrease)
Additional Debt	-34.62 (Decrease)	-22.68 (Decrease)	-31.27 (Decrease)
Healthcare inaccessibility	-64.18 (Decrease)	-62.76 (Decrease)	-63.89 (Decrease)

\*Lockdown Phase (March 2020 to May 2020) data from round I of survey and unlock data from round II of survey (June 2020 to August 2020).

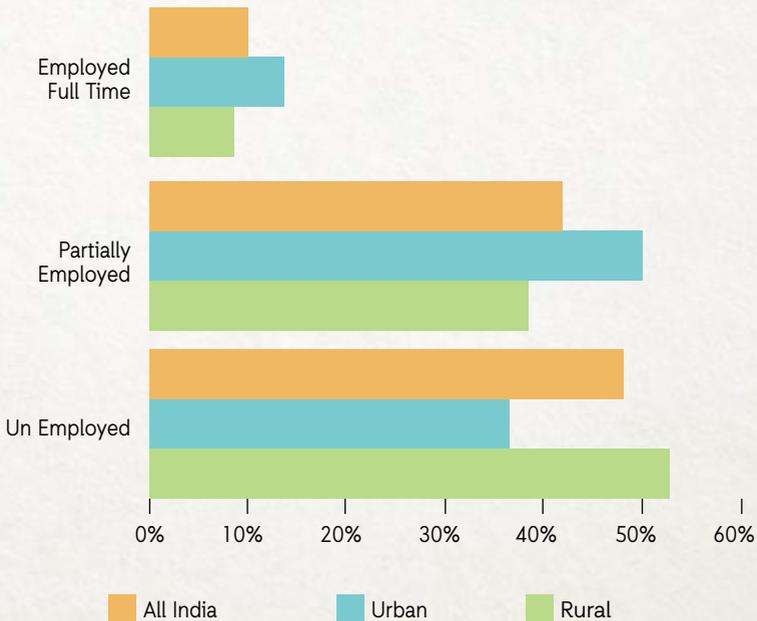
stipulated food grains during the unlock phase as compared to 45.3% in the lockdown phase.

Access to public primary healthcare has increased significantly with 73.74% of those requiring healthcare facilities reporting to have been able to access such facilities during unlock phase as compared to 27.28% during the lockdown phase.

## 2. Slow Recovery of Livelihoods and Wages

In our sample, only around 10% of workers reported to be employed on a full-time basis, while 42% are either employed part-time or have worked occasionally since the process of unlocking began. Close to 48% of workers said that they were unemployed at the time of the interview. (See Figure 4) Hence, although unemployment level has fallen as compared to the lockdown, it is still considerably high, while underemployment seems to be an ascendant phenomenon.

**Figure 4: Employment Status in Survey Round II**



The unemployment rate in rural areas of 53% is 1.5 times that in the urban areas at 36%. Of those respondents who reported to have resumed employment, either fully or partially, 60% are casual workers, 22% are regular workers, 4% are own-account workers (engaged in household-based production) and 14% are self-employed (in non-household-based production).

Notably, the level of monthly wages received by workers is precariously low. Almost 24% of respondents reported to have zero income in the unlock phase. Around 19% of workers said that their wages were less than Rs 2,000 per month, 30% received wages between Rs 2,000 and Rs 5,000 per month and about 19% received wages between Rs 5,000 and Rs 10,000 per month. Moreover, over 64% of the respondents said that they had not received the wages which were due to them at the time of the lockdown.

### 3. Low Consumption and High Debts

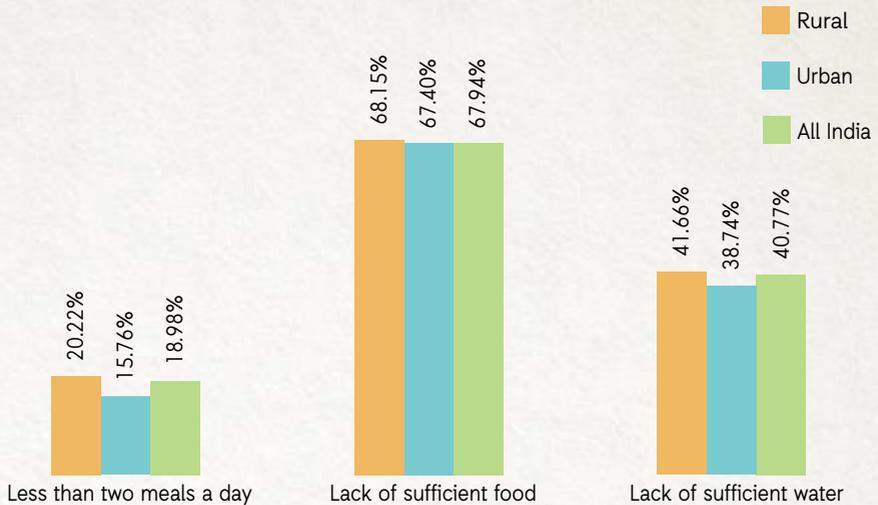
Given the low levels of employment and income, the stress on consumption levels is clearly visible and hardly surprising. Around 68% of respondents said that their food consumption was not sufficient. More than 67% of workers in urban areas and 68% in rural areas reported that being the case. (See Figure 5)

Despite a marked improvement in the widespread food scarcity which was observed during the months of the lockdown, close to 19% of respondents reported not being able to get two meals in a day. Around 20% of workers in rural areas and 16% of workers in urban areas said that they were unable to get two meals in a day.

Further, close to 41% of workers said that their water consumption was insufficient. While 38% of respondents in urban areas reported water consumption to be insufficient, 42% in rural areas reported the same.

Savings sufficiency among informal workers remains extremely low, presumably because people have had to resume or increase expenditure on healthcare, transport, and sanitation, while their incomes have not recovered substantially. Almost 88% of workers said that their savings

Figure 5: Consumption Status as per Survey Round II



were insufficient. This includes 93% of respondents in urban areas and 86% of respondents in rural areas.

With the persistently low wages and decline in savings, workers continue to heavily depend on loans. Nearly 39% of workers reported that they have had to borrow to support themselves in the unlock phase. This includes 47% of workers in urban areas and 36% of workers in rural areas

#### 4. Uneven Coverage of Social Security Schemes

While there has been a marked improvement in the coverage of certain schemes such as the PDS, most welfare schemes continue to lack in implementation, either in terms of access or enrolment or both.

Overall, close to 79% of respondents reported to have received the stipulated amount of food grains through PDS during the unlock phase. Of the 49% workers whose children were enrolled in the public schools, 73% reported that they had received Mid-Day Meals. Around 41% of workers reported that their children were enrolled in the ICDS, out of which 69% could access it.

Only around 7% of workers reported to be registered with workers welfare board. Out of them, less than half said that they had received relief amount through the board.

With respect to healthcare, only 13% of workers reported being enrolled under Ayushman Bharat Scheme, of whom 81% said that they could access it during the unlock phase. But there has been a massive improvement in access to public healthcare during the unlock phase over what was reported during the lockdown. Close to three-fourths of workers said that they could access public healthcare when they needed to, including 71% of workers based in urban areas and 75% of workers in rural areas.

## 5. Pervasive Sense of Uncertainty

Despite their inability to resume livelihoods, close to 42% of respondents who are still unemployed said that they would not consider shifting to another source of livelihood. This could be attributed to multiple, interlinked factors such as not having access to the means of shifting to another livelihood, unavailability of alternate jobs, lack of appropriate jobs matching their skills or wage expectation, and expectation of recovery of livelihoods in the near future. However, more than 23% of workers said that they are considering shifting to another source of livelihood, while nearly a quarter of workers said they did not know.

Nearly 57% of workers who migrated for work before lockdown said that they wanted to continue staying in their source districts instead of migrating out for work. Out of these workers, 61% said that they wanted to stay back due to the fear of catching Covid-19 in the destination place, 20% said that they were concerned about the lack of job opportunities in the destination, and 19% were deterred by the uncertainty of when and whether things would be 'normalised' in the destination.

This sense of uncertainty and fear underscores the challenge of creating appropriate jobs which match the skills, interests, and expectations of workers in their source districts or states, while devising protective mechanisms and policies for migrant workers.

## **Conclusion**

The major findings from the second round of the national survey give us a sense of the vulnerability and insecurity that informal workers continue to face. With the resumption of economic activity, workers have started regaining their livelihoods and wages, but the levels are much lower than before the national lockdown was announced and nearly not enough to keep millions from falling into deprivation, indebtedness, and poverty. Certain schemes such as PDS and MNREGA have provided some relief in the immediate aftermath of the crisis, but there are many who are still out of their ambit. Moreover, the severity and the extent of the impacts of the pandemic, the economic shock of the lockdown, and the massive reverse migration necessitate longer-term policy measures, which have not been too forthcoming.

We hope that these findings are useful in plugging some of the data gaps which have been revealed over the past few months, drawing attention to areas which require interventions both in the near future and in the long term, and in forming a base for evidence-based policymaking to ensure the rights of informal workers and marginalised communities.

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