

Standing Committee Report Summary

Impact of COVID-19 on rising unemployment and loss of jobs/livelihoods in organised and unorganised sectors

- The Standing Committee on Labour (Chair: Mr. Bhartruhari Mahtab) submitted its report on the subject 'Impact of COVID-19 on Rising Unemployment and Loss of Jobs/ Livelihood in Organised and Unorganised Sectors' on August 3, 2021. Key observations and recommendations by the Committee include:
- **Workers in informal sector:** The Committee noted that 90% of workers in India are from the informal sector. These workers include: (i) migrant workers, (ii) contract labours, (iii) construction workers, and (iv) street vendors. The Committee observed that these workers were worst impacted by the pandemic due to seasonality of employment and lack of employer-employee relationship in unorganised sectors. The Committee recommended the central and state governments to undertake measures to: (i) encourage entrepreneurial opportunities, (ii) attract investment in traditional manufacturing sectors and developing industrial clusters, (iii) strengthen social security measures, (iv) maintain a database of workers in the informal sector, and (v) promote vocational training. It also recommended the central government to explore establishing cess funds for the benefit of workers in the informal sector.
- **National database for unorganised workers:** The Committee noted that the development of a comprehensive National Database for Unorganised Workers (NDUW) has been delayed. The unorganised workers need to register in the database for availing benefits of various welfare schemes. However, the registration of the workers is voluntary, which may deprive illiterate or unaware workers of various benefits. The Committee recommended that the central and state governments should facilitate the registration process of unorganised workers on the NDUW portal.
- **Availability of data:** The Committee observed that accurate and timely data must be available to address the impact of the pandemic. It noted that various reports are not released on timely manner. For instance, the Periodic Labour Force Survey has not been released since 2018-19. The Committee recommended the central government to ensure timely collection and release of such data.
- **Implementation of schemes:** The Committee reviewed the progress of schemes launched during the pandemic for the benefit of workers, and recommended measures to maximise their impact. Key recommendations on such schemes include: (i) following up with the state governments of four states (Delhi, Chhattisgarh, Assam, and West Bengal) for integrating the One Nation One Ration Card plan, (ii) converting loan credit amounts under PM-SVANidhi scheme to direct cash grants for street vendors, (iii) extending the work allocation under the Mahatma Gandhi National Rural Employment Guarantee Scheme, and (iii) extending the validity of the Aatma Nirbhar Bharat Rojgar Yojana and Atal Beemit Vyakti Kalyan Yojana.
- Further, it recommended disbursing funds under the schemes in a timely manner, and launching publicity campaigns for schemes which require registration on a voluntary basis (such as the Pradhan Mantri Shram Yogi Maan-Dhan scheme).
- **Healthcare:** The Committee recommended the central government to make access to healthcare a legal right and obligation.
- **Female workers:** The Committee noted that the pandemic led to large-scale unemployment for female workers. It recommended: (i) increasing government procurement from women-led enterprises, (ii) training women in new technologies, (iii) providing women with access to capital, and (iv) investing in childcare and linked infrastructure.
- **Urban poor:** The Committee recommended implementing schemes which provide shelter, access to business spaces, institutional credit, and cash grants to urban poor. It also recommended building public works (such as schools, hospitals, and internal roads) to generate employment in urban areas.
- **Restrictions on termination of casual workers:** The Committee noted that the central government had issued advisories to state governments seeking restrictions on termination of employment or a reduction in wages, especially for casual workers. It recommended carrying out periodic studies to evaluate the impact of these measures. It suggested taking suo-moto action based to prevent and address wrongful termination.

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