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International Journal of Engineering Technology Research & Management
Published By:
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LABOUR MARKET DISRUPTIONS: UNDERSTATING THE IMPACT OF COVID-19 IN THE VIKAS NAGAR UTTARAKHAND – AN ETHNOGRAPHIC SURVEY

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ABSTRACT
The sudden rise and spread of the pandemic caught the globe, resulting in major lockdowns. The COVID-19 lockdown severely disrupted mobility, social interactions, and economic activities, leaving a profound impact on the labor market in the Vikas Nagar. This study, based on primary data, examines job losses and rising unemployment across social groups and occupations from April 2020 to February 2024.The findings reveal a widespread employment crisis, disproportionately affecting daily wage earners, migrant workers, and transporters—primarily from the informal sector. While Vikas Nagar's economy, reliant on agriculture and allied services, initially absorbed displaced laborers, fear of transmission and uncertainty over lockdown duration led to a steady decline in employment opportunities. Recovery in rural labor markets remains sluggish compared to urban areas, with minimal household income improvements. The economic fallout, marked by prolonged job insecurity, underscores the urgent need for targeted policies ensuring employment security and social protection. Strengthening labor-intensive enterprises, upskilling workers, and fostering micro and small businesses are crucial to mitigating post-pandemic challenges and stabilizing the workforce.

Keywords:
COVID-19; Lockdown; Labor market; Vikas Nagar

INTRODUCTION

The COVID-19 pandemic precipitated a global economic downturn, compelling downward revisions of economic growth projections for nearly 170 nations (Chundakkadan et al., 2020). This crisis, unparalleled in magnitude, disrupted almost every sector, resulting in profound socio-economic instability (Lee et al., 2020). According to World Bank estimates, over 40 million labourers were directly impacted by pandemic-induced lockdowns, with approximately 50,000 to 60,000 workers undertaking reverse migration from urban centres to rural areas within a remarkably brief timeframe (World Bank, 2020). Despite extensive anecdotal evidence highlighting the pandemic's toll on labour markets, a precise quantitative understanding of employment dynamics during this period remains elusive due to the paucity of structured data (Ranchhod et al., 2021).

This study critically examines the ramifications of the lockdown on the labor market in Vikas Nagar, a region nestled within the Himalayas, where agriculture and allied services form the backbone of the local economy (Asif et al., 2021). With the surge in COVID-19 cases and fatalities (Long, 2020), the Government of India enforced a nationwide lockdown on March 24, 2020, imposing stringent mobility restrictions (Irudaya et al., 2020). The abrupt cessation of economic activity triggered mass panic, prompting a large-scale exodus of migrant workers from metropolitan hubs, particularly Delhi, towards their native states such as Bihar and Uttar Pradesh. The initial suspension of public transportation compounded the crisis, compelling authorities to reverse the decision and facilitate transit to designated

relief points. However, logistical arrangements proved insufficient. In response, the central government directed state administrations to implement containment measures to mitigate the humanitarian crisis triggered by mass displacement.

To manage the unprecedented labour displacement, the government introduced the Migrant Worker Return Registration scheme, designed to document stranded workers and ensure their safe repatriation. State-level digital platforms were deployed to collect and organize migration data, enabling authorities to coordinate transportation logistics. The initiative included a large-scale deployment of buses and the introduction of Shramik Special trains by Indian Railways, offering transit support not only to labourers but also to students, pilgrims, and other stranded individuals. Nevertheless, the sheer scale of labour migration exposed critical gaps in policy preparedness (Irudaya et al., 2020).

Beyond the immediate mobility crisis, the lockdown also inflicted severe economic repercussions, cutting off labourers' primary income streams. While both waves of the pandemic proved devastating, the second wave exacerbated financial distress, intensifying governmental pressure to extend relief measures. Vikas Nagar, home to a diverse ethnic population heavily reliant on agricultural labour, experienced a pronounced labour deficit as migrants exited en masse. Concurrently, interstate migration surged, further destabilizing local employment structures (Singh et al., 2021).

Considering these challenges, this study employs primary data collection to examine short-term labour market fluctuations. The research objectives are threefold: (1) to assess the scale and spatial dynamics of job losses across rural and urban environments; (2) to evaluate the differential impact of unemployment across ethnic communities; and (3) to analyze the consequences of labour displacement on household income. By scrutinizing these dimensions, the study aims to offer empirical insights into the socio-economic disruptions triggered by the pandemic and inform policy strategies for post-COVID labour market recovery.

METHODOLOGY

Data collection
Between 2020 and 2024, an extensive field survey was conducted to collect data and fulfil the objectives of this study. The lead author, accompanied by the second co-author, engaged directly with various ethnic communities—including Gujjar, Pahari, and Jaunsari—across the valley. Prior to each interview, the research team transparently communicated the study's purpose to participants. Ethical considerations were strictly adhered to, in alignment with the ICC/ESOMAR International Code of Ethics (https://esomar.org/uploads/attachments/ckqtawvjq00uukdtrhst5sk9u-iccesomar-international-code-english.pdf, accessed on 01/01/2021). Verbal consent was obtained from all respondents before proceeding with interviews.

Data collection was carried out through semi-structured interviews featuring open-ended questions, employing a stratified sampling approach as per the methodology outlined by Singh et al. (2021). The detailed sample characteristics are summarized in Table 1.

Data analysis
We employed Microsoft Excel to carry out the result interpretation, however statistical software Past 4.03 was employed to carry out the Comparative community analysis.

Table 1. Sample characteristics from Vikas Nagar, Uttarakhand India

Total Sample	Bio-geographic region	Ethnic groups		
		Jaunsari	Pahari	Gujjar
	Vikasnagar			
Houses	315	125	101	89
Gender				
Male	287	98	95	94
Female	28	5	11	12

Geographic area				
Rural	235	78	76	81
Urban	80	47	25	8
Original Language		Jaunsari	Pahari	Gujari
Age range of labourer of each Family		(18-67 years)	(18-67 years)	(18-67 years)
Livelihood activity		Farmer Wage laborer Craftsmen Fishmonger Transporters Street Vendors Shopkeepers	Farmer Wage laborer Craftsmen Transporters Street Vendors Shopkeepers	Shepherds Wage laborer Craftsmen

Socioeconomic Background of the Study Area

Vikas Nagar, located in Uttarakhand, exhibits a diverse socioeconomic landscape. While agriculture and allied services serve as the primary livelihoods for the local population, economic activities vary across communities. Some inhabitants are engaged in fisheries, while others rely solely on cattle rearing. Additionally, a significant portion of the workforce comprises daily wage laborers, craftsmen, and other skilled workers (Table 1).

RESULTS AND DISCUSSION

Dimension of job losses

Census data from 2011 indicates that labour migration in India predominantly occurs within districts or between districts of the same state (Khanna, 2020). According to Al-Jazeera (2020), the COVID-19 lockdown rendered tens of millions of migrant workers unemployed by the end of March 2020. In this study, we categorized respondent households into three groups based on employment status: (1) Completely lost jobs, (2) Partially lost jobs, and (3) Retained jobs. Our findings revealed that a vast majority (81%) of households reported complete job loss, followed by 16% experiencing partial job loss, while only 3% managed to retain employment (Figure 1a).

The primary reason some workers retained employment was their long-term association with employers, which provided a degree of job security. However, even among this group, wages were significantly reduced compared to pre-pandemic levels. Women comprised only 12.66% of the labour market, reflecting deep-rooted cultural restrictions. Among the 315 surveyed households, just 9% of women participated in wage labour, and all of them lost their jobs during the lockdown. Notably, women in the valley, upon losing formal employment, engaged in subsistence agriculture in their backyards, ensuring household food security.

The Economic Survey (2016–2017) estimated that approximately 100 million internal migrants contribute nearly 20% of India's workforce and support 10% of the country's economic output (Al-Jazeera, 2020). This underscores their critical role in national economic stability.

A comparative analysis of job losses in rural and urban areas revealed that urban workers were more severely affected than their rural counterparts (Figure 1b). The stricter enforcement of municipal regulations in urban areas led to widespread employment disruptions, as violations resulted in penalties. In contrast, rural areas, with relatively lenient enforcement, provided greater flexibility for informal economic activities. These findings align with the results reported by Bhat et al. (2020) and Nilima et al. (2021).
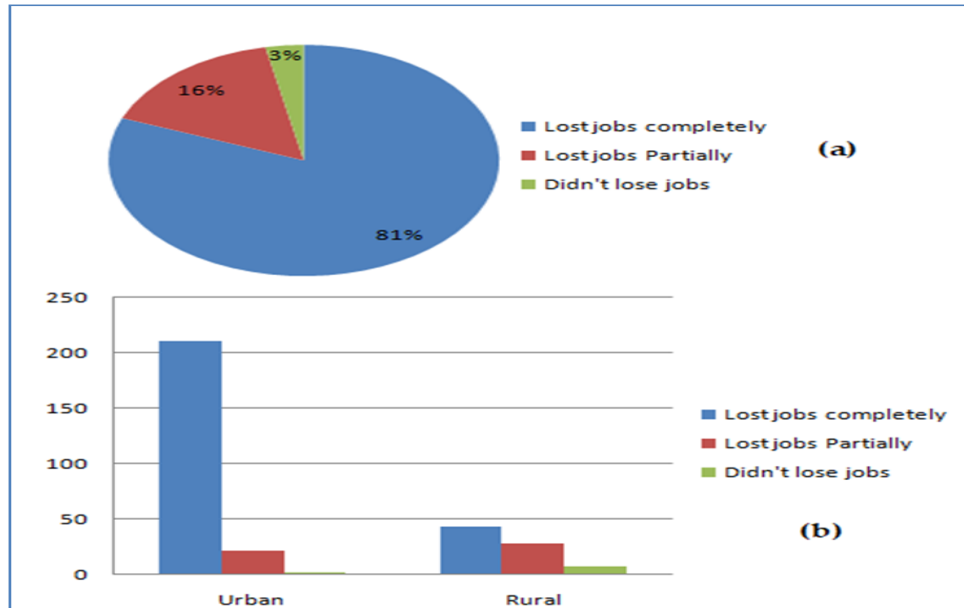
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Figure 1. (a) Percentage of jobs lost revealed by the laboures; (b) Job lost across rural and urban areas.

Comparative community analysis

In the study area, various ethnic communities employ diverse survival strategies (Table 1). Our research indicates that the Jaunsari community was the most adversely affected by the lockdown, followed by other groups (Figure 2). The Gujjar and Pahari communities, residing in remote valley regions, experienced less impact due to their reliance on natural resources such as forests and wildlife, which helped them mitigate lockdown challenges.

Conversely, individuals involved in the fishing industry faced significant hardships. The lockdown restrictions made fishing activities nearly impossible, severely affecting their livelihoods. Additionally, rumors suggesting that consuming non-vegetarian food could increase COVID-19 transmission further reduced demand, exacerbating job losses in this sector. Similar analyses of COVID-19's intersectional impacts have been reported by Gezici and Ozay (2020), as well as Thakur et al. (2020) and Blundell et al. (2020).
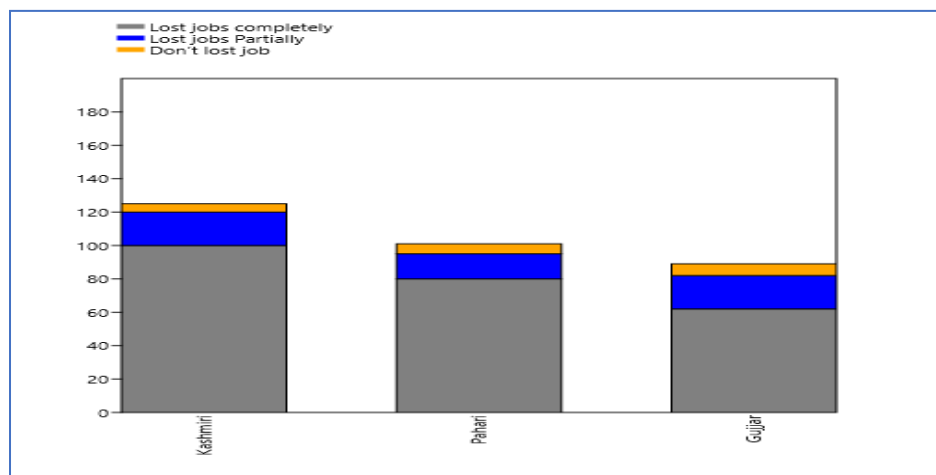

Figure 2: Job lost across the selected ethnic communities in the Vikasnagar

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Job losses and house income

The COVID-19 lockdown had a profound impact on household incomes in the study area. Prior to the lockdown, respondents reported sufficient earnings to meet daily needs. However, post-lockdown, a significant 77% of respondents reported a complete loss of income, 17% experienced a 50% reduction, and only 6% maintained their pre-lockdown earnings levels (Figure 3a). The central region was particularly affected (Figure 3b), likely due to stricter law enforcement within municipal boundaries, as observed in other regions. This trend mirrors findings from Ingle (2020), who reported less severe pandemic-related crises in rural areas of South Africa. Additionally, heightened health concerns have led individuals to prioritize saving overspending, further delaying economic normalization.
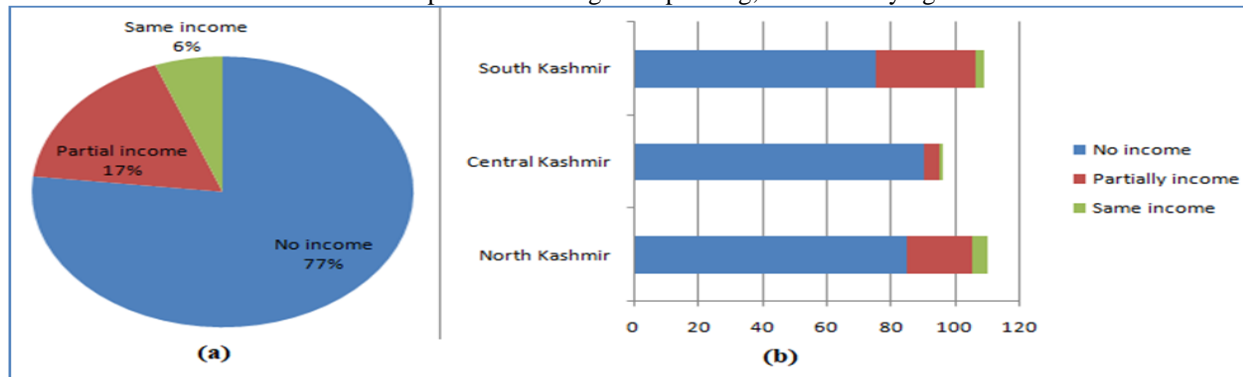

Figure 3. (a) Percentage of job losses across the selected respondents; (b) Percentage of job losses

Impact on occupation

Contemporary migration theories posit that individuals' decisions to relocate or remain are closely linked to economic conditions at both their origin and destination, as well as to social ties and prior experiences in potential destinations. In our study, we observed that daily wage labourers and craftsmen were the most affected occupational groups, each comprising 21% of those impacted, followed by transporters and street vendors, each at 11% (Figure 4). These workers typically have low incomes and lack alternative revenue streams, making them particularly vulnerable during crises like lockdowns. Their earnings often depend on local middle-class households, which, due to government-imposed lockdowns and fears of COVID-19 transmission, became hesitant to employ these individuals, further exacerbating their economic hardships.
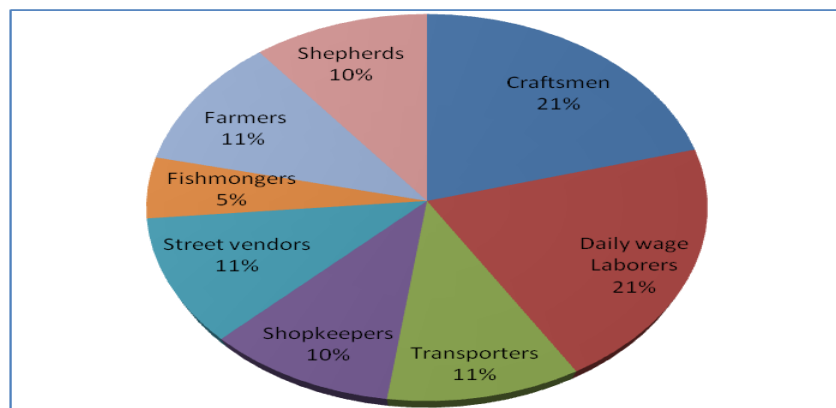

Figure 4: Percentage of job loss across different labour forces in Vikas Nagar

Impact on migrant labour force

Asian Financial Crisis and Global Economic Crisis revealed the evidence that indicates the migrant's cumulative experiences and shared migrant associations might influence the propensity for migrant labourers to return to origin after economic tremor (Curran et al, 2016). Across the globe, COVID-19 has crept deeper into the labour market causing widespread disruptions across the world affecting supply chain and demand causing the markets to shrink (Gelter et al, 2020). All the businesses irrespective of the volume were forced to stop resulting in job losses across most of the sectors. A lot of individuals (laborers) come into the Vikas Nagar per year for earning. These individuals are mostly daily wage labourers and a few are craftsmen. These labourers (daily wage) are mostly absorbed in agricultural services like paddy farming, apple orchids, and daily household works. Due to COVID-19 lockdown which came into effect on 2nd March 2020 prevented these laborers from getting the jobs, creating a sudden wrath on the said people. Without knowing how much time will be required to overcome the pandemic, the local people used to work themselves instead employing the migrant labourers especially in peak seasons (i.e. paddy cultivation, paddy harvesting, apple harvesting) to save their earnings for future to meet the catastrophic consequences.

Role of Government in Social Protection

The pandemic (COVID-19) tested the ability of the nations to effectively protect its people, to reduce human loss, to protect the economy with rapid recovery (Rachaniotis et al, 2012). The debate on social protection across the globe was a major concern, governments used to announce a variety of schemes to uplift the economy and to meet the vitals of the people facing lockdown. In the study area the central government provided the free ration to the National Food Security beneficiaries (NFSA 2013) to mitigate the Covid induced harder ship. Along with this, the people also got the benefit from cash transfer or Direct Benefit Transfers (DBT) to Jan Dhan Yojana account holders by the government. With the loss of jobs, due to pandemic (COVID- 19) the purchasing power of the people came down, but the benefits provided by the government as mentioned above became a ray of hope among the poor people and the consumption power of the people was boosted. Meanwhile, the government announced the scheme as *PM Garib Kalyan Rojgar Yojana* for migrant workers as they will get employment in their respective places. Further, the availability of basic facilities like masks, sanitizers, and protection kits reflects the seriousness of the government.

CONCLUSION

The COVID-19 pandemic has profoundly impacted the global labour market, leading to widespread unemployment and economic hardship. In the study area, the labour force has been significantly affected, resulting in increased unemployment and poverty levels. During the lockdown, a substantial portion of the workforce lost their jobs, with the adverse effects extending to households both directly and indirectly connected to these individuals.

The findings indicate a rapid decline in household income during the lockdown period. This downturn was observed across all ethnic communities and occupations, with urban areas experiencing more pronounced effects compared to rural regions. The stricter law enforcement in urban areas during the lockdown may have contributed to the heightened impact in these communities.

In response to the crisis, the government implemented various social protection measures, such as Direct Benefit Transfers (DBT) and the Pradhan Mantri Garib Kalyan Rojgar Abhiyaan (PMGKY) in 2020, to support the labour class. These initiatives aimed to provide financial assistance and employment opportunities to those affected by the pandemic.

To effectively address the long-term consequences of the pandemic, it is essential to promote labour-intensive economic activities, particularly in micro and small enterprises. This approach will help reintegrate the labour force and mitigate the challenges posed by the post-COVID economic landscape.

Declaration of Competing Interest
The authors declare that they have no known competing financial interests.

Informed Consent Statement
All the participants provided prior informed consent before the interviews. The ISE code of ethics was followed.
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