

Reading between pandemic's economic shockwaves: Among worst hit are our teachers and small business owners

TOI timesofindia.indiatimes.com/blogs/toi-edit-page/reading-between-pandemics-economic-shockwaves-among-worst-hit-are-our-teachers-and-small-business-owners

Second Deck

July 16, 2021

By Mrinalini Jha and Rosa Abraham

How has the pandemic's economic shock hurt Indians across professions? We use Consumer Pyramids Household Survey (CPHS) released by the Centre for Monitoring Indian Economy (CMIE), to investigate what has happened to two classes, the salaried and the self-employed.

Granular data shows that in 2020, the salaried class took a big hit, with some professions impacted harder than others, and many self-employed, even some of those running bigger enterprises, sliding down the economic ladder into farming or daily wage work.

The salaried class

- Permanent salaried workers constituted about 11% of the total workforce in the pre-pandemic period, at the end of 2019.
- By the end of 2020, nearly 30% of them were now self-employed, engaged in some kind of petty trade or small-scale business activity, while 13% of them were forced to move out of the workforce altogether.
- Only 41% were able to remain salaried over the course of the year.

Within the salaried class, we look at teachers and IT professionals to see how these two different, yet prominent occupations were impacted. Teachers were the predominant job category amongst the permanent salaried in CMIE-CPHS, while IT professionals are commonly understood to be among the better-paid salaried occupations.

As schools have shut, or been forced to let go of their staff, many teachers have found themselves without a job, either forced to leave the labour market entirely, or resort to some other kind of work to make ends meet.

- Between 2020 and 2021, only 35% of permanent salaried teachers remained in the same occupation.
- For 14% of these teachers, the pandemic year has forced them out of the labour market.
- The remaining 50% are no longer salaried and instead now work either in some kind of self-employed activity or even in daily wage work.

The predominant occupation among these displaced workers has been in small/petty business or trade activities. As students grapple with severe learning losses, it is important to bring these teachers back into this work over the next few months.

IT professionals form another very visible share of India's workforce. For many such workers, the forced work from home that the pandemic mandated ought not to have affected their employment drastically.

- Not surprisingly, in contrast to teachers, about 67% of IT workers managed to remain salaried over the course of the year.
- A small share, predominantly women, of about 14% were forced to leave work altogether.

In contrast to teachers, the movement into other kinds of fallback employment is much smaller in the case of these workers, and so the majority of these workers have managed to remain in salaried employment.

Self-employed workers

CMIE-CPHS also collects information on self-employed workers, the largest constituent of India's workforce. We looked at what happened to owners in small, medium to big sized enterprises during this year.

- For about 12% of owners of small businesses including smaller shops or offices, the pandemic forced them to shut shop and move into more precarious daily wage or casual work.
- About 62% of these small businesses were able to remain self-employed, however, for many this entailed a transition to other kinds of self-employed with farming emerging as a predominant fallback employment.
- About 8% of the pre-pandemic small business owners were now working as street hawkers or vegetable vendors, or as auto rickshaw drivers.

For big to medium sized businessmen including owners of factories or big offices, industries, big hotels and big restaurants, the share having to move into daily wage work was much smaller.

- Only about 4% of medium to large business owners moved to casual work.
- But staying in self-employment came at a cost.
- Only 14 % of these businesses were still big/medium scale.
- Nearly half of these enterprises are now operating as small businesses working on their own account or employing only one or two workers.

Given the critical role that such medium to big enterprises play in employment generation, the collapse of such enterprises and the increased reliance on more precarious forms of work within self-employment has implications for the job-generation capacity of the economy in the future.

Mrinalini Jha is Research Fellow and Rosa Abraham, Senior Research Fellow, at the Centre for Sustainable Employment at Azim Premji University

END OF ARTICLE

WRITE FOR TOI BLOGS

Blogs by Second Deck

- [Doon over Davos for a green eco forum: India, G20 chair and fighting ecological challenges, should host a world sustainability meet on the lines of the World Economic Forum](#)
- [Fixing crypto: Can investors trust the business? Crypto exchanges need both governmental help – regulation, and self-help – transparency, to regain trust](#)
- [How free speech is little freer: Courts have since 1950s incrementally expanded the scope of this constitutional right and more clearly defined the restrictions. The test is whether ordinary citizens will get the same protection as ministers and artists](#)

More Blogs

TOP VOICES

•



[Bachi Karkaria](#)

Erratica, TOI Edit Page, Tracking Indian Communities

•



[Twinkle Khanna](#)

Mrs Funnybones

-



Chidanand Rajghatta

Ruminations, TOI News, Tracking Indian Communities

-



Arun Ram

Chennai Talkies

TOP EDITORIALS

- Newton's laws of marriage
- Master the art of being sel
- Bhagwad Gita's golden rules to perfect dhyan