



(UN) EMPLOYMENT: A Covid Impact with a Global Perspective

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Abstract

The employment crisis is one of the most severe problems, that is faced by India today, affecting the economy to a great extent, especially with the covid pandemic situation getting worse. The novel coronavirus outbreak in late 2019 caused great uncertainty and fear of infection, following mandatory lockdowns, immediately produced a sharp contraction in economic activity and tested the resilience of labour markets and society.

The pandemic led to a major supply shock, as international supply chains were interrupted, and companies found themselves forbidden to operate. Due to increased uncertainty, and a decline in household incomes, it led to a drop in investment and consumption. Thus, turning the supply shock into a demand shock, putting further pressure on companies. Countries need to help young people maintain their links with the labour market and also support companies, thus promoting job creation.

In this article, we assess the impact of the COVID-19 crisis on the labour market and review the wide set of policy responses by various countries, The Coronavirus Aid, Relief, and Economic Security Act, Atal Bimit Vyakti Kalyan Yojana, Rajiv Gandhi Shramik Kalyan Yojna and the Employees' State Insurance Act, 1948, and see insights on what the future could be.

Keywords - Employment Crisis, Unemployment, Covid Impact, Labour Market, Recession

1. Introduction

Unemployment has been a major problem for most of countries in the world. It is much more aggravated especially in populous countries like India. In simple terms, it refers to people not having jobs when they are qualified, educated or in need of the same. It is directly linked with factors like lack of education, more population, lack of job opportunities, absence of resources, etc. However, in a nutshell, it is stated that unemployment is not solely dependent on one of these factors, it is rather always an amalgamation of the factors. The issue has gained more prominence recently due to the spread of the Coronavirus or Covid-19 as we say. As it was highly contagious, the governments throughout the world considered it necessary to impose a lockdown or a complete shutdown of all activities so that human-to-human contact is reduced and the spread of the virus is contained. This directly impacted the job sector and due to a lack of business or work prospects, many businesses were shut down and many people consequently lost their jobs.

The new coronavirus epidemic in late 2019 and its fast spread throughout the world has evolved into a public health emergency, plunging the global economy into its darkest slump since Great Depression. The COVID-19 Outbreak can be said to be the worst health crisis of the century, across the globe. The rapid spread of the disease forced almost all countries of the world to impose some kind of restrictions, and mitigation policies, effectively the world going into lockdowns, and affecting the people both socially and economically, thus driving the global economy into a fragile state looking at another recession. Some countries did roll out bailout packages for the corporates, while keeping in mind the interest of labour markets, and enacted social policies, with an aim at reducing the economic shock, while providing ample support to the workers and their families, both economically and health-wise. It is still unclear when this pandemic will truly end, with wave after wave coming, the virus becoming mutated, with new strains coming to light. As the countries around the world struggle to get their population fully vaccinated, even the efficacy of the vaccines is being put to the test, as the virus mutates itself. But so far it can be said the vaccines will provide protection and save from getting severely ill. But another crisis is unfolding in the middle of this pandemic, the 'JOB CRISIS'.

The countries across the globe, took unprecedented measures, to contain the spread of this deadly virus, imposing limitations on mobility and economic activities. The countries are enacting policies for the containment of the spread of the virus, to avoid any collapse of the health care system. The citizens started working from home, to avoid large public gatherings and public transportation was put to a halt, in-store shopping was restricted, all part of new policy enactments by the government. The pandemic also led to a major imbalance in the demand-supply worldwide, as the world got into lockdown, international supply chains were interrupted, the workers got sick, and the lockdowns were imposed, so the companies were unable to operate, this further resulted in increased uncertainty, the decline in household incomes. All this led to a drop in investments and consumption, thus resulting in a demand shock.

“As per IMF’s World Economic Outlook of July 2021, the global growth contraction for 2020 was at -3.2 percent and -4.6 percent in advanced economies. Even amid exceptional uncertainty, the projections show growth of 6 percent for 2021 and 5.6% for 2022, for the global economy, which will be very interesting to see whether such figures are achieved, under such circumstances.”¹

India is no exception to this economic depression, due to this pandemic. Primarily due to demand contraction coupled with supply chain disruptions, because of COVID-19 and the imposition of a national lockdown for many months. Many companies see declining revenues, thus causing them to default in servicing their debt obligations.

For India, the “IMF’s World Economic Outlook of July 2021”², held the contraction for 2020 was at -7.3 percent and the projections show growth of 9.5 percent for 2021 and 8.5% for 2022. “As per the Asian Development Bank’s, Asian Development Outlook 2021 Supplement for July 2021, India’s GDP for the whole fiscal year is estimated to have contracted by 7.3% for FY 2020, while the growth project for FY 2021 is kept at 10%, and for FY 2022 at 7.5%, on the positive side.”³

¹ “*Fault Lines Widen in the Global Recovery*, IMF (Mar. 20, 2022, 10:00 AM), <https://www.imf.org/-/media/Files/Publications/WEO/2021/Update/July/English/text.ashx>.

² *Ibid*

³ *ADO*, ADB (Mar. 21, 2022, 11:00 AM), <https://www.adb.org/sites/default/files/publication/715491/ado-supplement-july-2021.pdf>.”

“According to the Organisation for Economic Co-operation and Development, the initial impact of the COVID-19 crisis on the labour market is estimated to be ten times greater than that of the global financial crisis of 2008, which saw both a reduction in employment and a reduction in the hours of those who remained in work, with total hours falling by close to 12 percent in the current pandemic, versus 1.2 percent in 2008. This demonstrates the gravity of the COVID-19 problem since several countries were compelled to put their whole economies on pause or halt to stop the virus from spreading. The world lost an estimated 8.8% of total working hours in 2020 due to the epidemic, which severely impacted virtually all nations.”⁴

Various nations’ responses to the COVID-19 issue in terms of unemployment were varied. In some places, the unemployment rate skyrocketed, while in others, it climbed slowly or not at all. The young people, this year’s graduates, looking at almost no chance of securing a deserving job, or poor chances at internships, in the short run, as well as those, who are still young in their careers. Women also stand to lose a lot, experiencing higher declines in employment than their male counterparts, as well as an increased burden at home, with the closure of childcare facilities and school closures.

Various countries have responded to the need of the hour, by taking unprecedented measures, to do damage control while supporting their workforce along with their families, in these tough times. By providing - direct and indirect financial support to companies, the countries strengthen income support to workers, introduced or extended job retention schemes for the preservation of jobs, especially at firms suffering from a temporary decline in business activities, placed stricter regulations on dismissal, facilitated hiring or renewal of workers, on temporary contracts. Work from the Home concept is being promoted, as to curb the risk of exposure to COVID-19 while providing greater flexibility of not being physically present. Even paid sick leave was strengthened, including for those workers under quarantine.

⁴ “*World Employment and Social Outlook Trends 2021*, ILO (Mar. 21, 2022, 10:00 AM), <https://www.ilo.org/global/research/global-reports/weso/trends2021/lang--en/index.htm>.”

“The measures taken, appear to have fairly succeeded at limiting the spread, but resulted in great uncertainty, with fear of infections, and restraint through public guidelines as well as mandatory lockdowns, resultantly produced very sharp contraction of economic activities and put a test to the resilience of labour markets, social-protection systems and societies at large, across the world.

Unlike during the global financial crisis of 2008, governments responded quickly this time to put in place an unprecedented combination of fiscal and monetary measures. These were required to limit the crisis’s employment and social consequences while simultaneously giving individuals and businesses the help they needed to comply with the restrictions imposed by different governments.

As countries loosen their containment policies and move toward a more ‘new normal,’ policymakers face the Herculean task of transitioning their economies from ‘intensive care’ to ‘long-term care,’ requiring differentiated support based on the needs and conditions of various sectors, firms, and workers.”⁵

Since mid-2020, worldwide economic growth has outperformed forecasts, with production in most nations now near to or above pre-pandemic levels. This is due to the swift and widespread legislative assistance for businesses and families from the beginning of the epidemic, as well as effective public health efforts to restrict COVID-19 transmission and vaccine rollout.

Global GDP growth is forecast to decline over time, from 5.6 percent in 2021 to 4.5 percent in 2022 and slightly over 3 percent in 2023⁶. By 2023, most advanced countries are expected to recover to pre-pandemic production levels, but with higher debt levels and lower growth potential.

Through 2022-23, employment and participation rates are predicted to gradually improve, with unemployment in the OECD falling to just over 5%⁷, significantly below pre-pandemic levels.

⁵ “*OECD Policy Responses to Coronavirus*, OCEd (Mar. 22, 2022, 10:00 AM), <https://www.oecd.org/coronavirus/policy-responses/the-territorial-impact-of-covid-19-managing-the-crisis-and-recovery-across-levels-of-government-a2c6abaf/>.

⁶ *World Economic Outlook*, IMF (May 15, 2022, 10:00 AM), <https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022>

⁷ *Unemployment Rates*, OECD (Apr. 20, 2022, 10:00 AM), <https://www.oecd.org/newsroom/unemployment-rates-oecd-update-march-2022.htm>”

Inflation is anticipated to grow in several countries. However, recovery is still uneven throughout the world, with emerging-market countries and low-income developing countries facing the brunt of the crisis's long-term economic consequences.

2. Coronavirus

“More than 200 million cases have been verified, with more than 4 million fatalities from coronavirus illness 2019 (COVID-19), and it's spread to practically every country on the planet. It all started in late 2019 in Wuhan, a city in China's Hubei province when a pneumonia epidemic was reported for the first time.”⁸

On March 11, 2020, the WHO declared a pandemic, and governments started implementing what was viewed as an extraordinary set of measures. “At the onset of the epidemic, 90% of all nations imposed some type of restriction on transportation and economic activity. Containment and mitigation tactics ranged from increased attempts to discover patients as soon as feasible to drastic physical separation.”⁹

“The strategies of Containment and Mitigation had an immediate impact on movement patterns in practically all nations. The individual movement started to dwindle as many governments imposed forced limitations, as individuals went into lockdown.”¹⁰ “Only Korea has implemented a swift and extensive testing, tracking, and tracing (TTT) approach to control the virus's spread without disrupting economic activities.”¹¹ Only a portion of the drop in global mobility can be attributed to required measures. But according to Maloney and Taskin, “the majority of the decrease in mobility is due to increased knowledge and/or fear of social responsibility as a consequence of local and national COVID-19 case incidents.”¹²

⁸ “JHU (Mar. 22, 2022, 10:00 AM), <https://coronavirus.jhu.edu/map.html>.

⁹ *Flattening the COVID-19 peak*, OCED (Oct. 22, 2021, 10:00 AM), <https://www.oecd.org/coronavirus/policy-responses/flattening-the-covid-19-peak-containment-and-mitigation-policies-e96a4226/>.

¹⁰ *Community Mobility Reports*, Google (Oct. 23, 2021, 10:00 AM), <https://www.google.com/covid19/mobility/> (Visited on 22 August 2021).

¹¹ *Testing for COVID-19*, OCED (Mar. 23, 2022, 11:00 AM), <https://www.oecd.org/coronavirus/policy-responses/testing-for-covid-19-a-way-to-lift-confinement-restrictions-89756248/>.

¹² Maloney, W., T. Taskin, *Determinants of Social Distancing and Economic Activity during COVID-19 A Global View*, Policy research working paper, No. 9242, World Bank, Washington, DC (2020).”

3. Effect on the world economy

Things are still unclear a year and a half after the economic crisis triggered by the COVID-19 outbreak started. Even while some economic activity improves across the board, labour markets continue to confront significant problems. Many people have suffered the most, especially those in low-wage jobs, the uneducated, and the young. They saw a significant fall in the number of hours they worked, although this was more likely due to joblessness.

Since the pandemic began in early 2020, governments have been unprepared for the virus's rapid spread, as well as the enormity of its damage and the time it would take to combat and control it. Even the recuperation period is beset by turbulence as the fatal infection spreads in waves. The long-term effects of this epidemic on the planet, its economy, and its people are yet unknown.

The sheer scale of the pandemic's spread sent the world's economy into a severe recession in March 2020. Various containment measures were used to slow the spread of the virus, resulting in temporary economic losses. The spread began as a worldwide supply shock, with employees becoming ill or quarantined, being prohibited from commuting, and businesses being forced to halt operations. This quickly turned into a demand shock as family incomes plummeted and uncertainty grew, decreasing consumption and investment.

There was optimism for a quick comeback. Many nations reduced social distance rules in the third quarter of 2020, for example. The combination of this and the reopening of economies resulted in a significant GDP comeback in Q3. "However, by the end of 2020, this hope had vanished. New varieties were identified all across the globe, and cases started to increase again, prompting several nations to resume strict containment measures, including lockdowns. In Q1 and Q2 of 2020, however, the second wave had a less consistent influence. Recovery slowed in most areas of the globe, with severe containment measures reinstated, although recovery continued elsewhere, including Australia, Japan, Canada, and the United States, even into the second half of 2020."¹³

¹³ "Labour Market and Wage Developments in Europe 2020, EC (Mar. 23, 2022, 12:00 PM), <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&furtherNews=yes&newsId=9873>."

The lockdowns became increasingly targeted as the epidemic developed and scientific knowledge of the transmission grew. Even during the second and third rounds of limitations, activity contractions were significantly smaller and less uniform than before. As the crisis has progressed, it has become more difficult, with policymakers recognizing the hazards of easing restrictions too early, while many people remain sceptical after more than a year of extreme caution and apprehension about returning to economic activity. Even though bankruptcy proceedings were halted and government assistance was provided, the protracted duration of the crisis has had a significant effect on many enterprises, and more layoffs may be forthcoming as corporate support begins to dwindle.

The employment crisis is India's most pressing issue today, and it is having a significant impact on the economy, particularly as the COVID-19 epidemic exacerbates the situation. The epidemic generated a market supply shock. The virus's spread disrupted worldwide supply lines, initially in China and subsequently throughout most nations and regions, and caused workers to be quarantined, ill, or subjected to lockdowns, resulting in shortened working hours. Companies were forced to slow down working activities due to mandatory shutdowns, and demand fell as individuals sought refuge at home or because they couldn't secure the safety and health of their personnel. Because of the uncertainty surrounding the virus's spread, consumers and businesses have reduced their investment and consumption while increasing their savings. The 'supply shock' has been transformed into a 'demand shock.'

“Widespread limits on social connections, as well as worries of getting the virus, put a halt to job search efforts since many people who lost their jobs were unable to find new ones right away. With the rising number of jobless, many people continue to work fewer hours or are on temporary layoff. For a number of pandemic-related reasons, many people who are now unemployed have put their job hunt on hold. As these people return to work (along with others who are now working reduced hours or on a temporary layoff and discover their jobs are no longer available), current levels of labour market tightness — the ratio of job vacancies to those looking for work — are likely to worsen.

This might result in reduced job-search rates and longer periods of unemployment. Long-term unemployment is becoming an increasingly pressing worry over a year after the crisis sparked by the COVID-19 outbreak. As many stores and restaurants reopened and employees returned to

work, working hours were extended later as people learned to live with it, and there was an exploitation of labour in the majority of nations. As a consequence, many firms are experiencing cash issues, and small enterprises are closing down. Allowing businesses to cut labour expenses, with no incentive systems in place to help with acute liquidity issues.”¹⁴

This year’s grads will have a difficult time obtaining jobs or gaining experience after graduation. Meanwhile, their senior classmates are dealing with their second severe economic downturn in as many years. Early work experiences have a significant impact on future working lives. Long-term employment and salary prospects may be harmed by a crisis. The first evidence from the current crises’ labour market statistics suggests that young people have been particularly severely hit since they tend to have less secure positions and are overrepresented among employees in badly-hit areas like hospitality and food services. Between February and May, the jobless rate among teenagers more than quadrupled. It took a decade after the global financial crisis, until 2017, for the young unemployment rate to return to pre-2008 levels. Nonetheless, the work prospects of young people have deteriorated, with a rise in the prevalence of non-employment, low-paying jobs, and underemployment.

Many people have yet to return to full-time work after a year and a half of the crisis. There are a variety of occupations that do not provide full-time employment but allow employers to work from home. The government is supporting the work-from-home idea in response to the epidemic and to create social distancing.

Those who lost their jobs at the outset of the epidemic may be in much worse shape, and the labour market is still susceptible to a dramatic rise in long-term unemployment. Because demand for the product has decreased and consumers are afraid of infection, workers have been unable to find work.

Increased joblessness had a significant part in the adjustment among the less educated, those in low-paying professions, and young people, despite the widespread provision of job retention help.

¹⁴ “*OxCGRT*, BSG (Mar. 23, 2022, 12:00 PM), <https://www.bsg.ox.ac.uk/research/research-projects/covid-19-government-response-tracker>.”

The ratio of job vacancies to those looking for work may worsen. This might result in decreased job-search rates and, in the worst-case scenario, long-term unemployment. Long-term unemployment is becoming an increasingly pressing worry over a year after the crisis sparked by the COVID-19 outbreak.

4. Unprecedented Response :

By India –

“Employees will be covered by the government’s ‘Atal Beemit Vyakti Kalyan Yojana,’ which offers unemployment insurance to employees who have signed up with the Employees State Insurance Corporation during the epidemic. The Employees State Insurance Corporation manages the ESIC, a self-financing health insurance scheme for formal sector employees. It has authority under Section 19 of the Act, which allows it to take additional steps to help insured people find work outside of the Act’s benefit framework.

Workers who lose their jobs as a result of the system are compensated in cash for up to three months of unemployment. This is, nevertheless, a once-in-a-lifetime chance. Under this scheme, workers may receive up to 25% of their average annual salary in the last two years of their employment.”¹⁵

“As per ILO, COVID-19 might result in the unemployment of up to 25 million people over the globe. It predicted a range of employment losses, ranging from 5.3 million in the ‘low scenario’ to 24.7 million in the ‘high scenario.’ The ILO, in ILO Monitor: COVID-19 and the world of work, Seventh edition, January 2021, held in 2020, In comparison to the fourth quarter of 2019, 8.8% of worldwide working hours were lost, equating to 255 million full-time jobs. In the fourth quarter, global working hours decreased by 4.6 percent, resulting in 130 million full-time jobs. The global labour income loss was 8.3 percent, or US\$3.7 trillion, or 4.4 percent of global GDP.

¹⁵ “*Employee’s State Insurance Act, 1948* (Mar. 24, 2022, 9:00 AM), <https://www.esic.in/en/web/esic/esi-act>.

Inactivity, rather than unemployment, increased in 2020 as a result of 81 million people not in the labour force and job losses.”¹⁶

“If the insured individual is unable to work as a result of being afflicted with the fatal virus, he or she may be eligible for sickness benefits. Sickness benefits are provided at 70% of average daily income for a period of 91 days. Similarly, if an insured individual loses their job, they may get assistance under the Atal Beemit Vyakti Kalyan Yojana for up to 90 days at 50% of their average daily earnings. The insured individual may apply for this relief by submitting a claim online via the corporation’s website.”¹⁷

“The ESIC has also announced that if an insured person loses their job, they can apply for unemployment benefits for two years, subject to qualifying conditions, under the Rajiv Gandhi Shramik Kalyan Yojana, which aims to provide a Social Security net to insured people who lose their jobs due to retrenchment, disablement, or shutdown. The application must be filed within six months of the date of job loss. Unemployment payments are paid under Section 61 of the ESIC Act, which says that receiving any of the Act’s benefits disqualifies you from receiving equivalent benefits under other laws. Unemployed benefits are paid for a maximum of twelve months and are equal to the Standard Benefit rate, which corresponds to the insured person’s average daily salary for the four most recent contribution periods immediately preceding the date of unemployment.”¹⁸

The Employee State Insurance Corporation is responsible for two key unemployment benefits. The number of people who are taking advantage of these programs is unknown, and the approval-based procedure may provide challenges for certain persons who find it difficult to prove that they have been laid off.

By the U.S.A.–

¹⁶ *ILO Monitor*, ILO (Mar. 24, 2022, 9:00 AM), https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/briefingnote/wcms_767028.pdf.”

¹⁷ “*Covid-19 Pandemic*, NDTV (Mar. 24, 2022, 10:00 AM), <https://www.ndtv.com/business/covid-19-pandemic-esic-offers-free-treatment-to-beneficiaries-announces-relief-measures-2424631>.

¹⁸ *Ibid.*”

In March 2020, The CARES Act was enacted to help some businesses with additional financing options to mitigate risk. It is one of the largest economic and emergency aid packages in US history, with roughly \$2 trillion expenditure by the Federal government, providing economic relief to have more protections for American families, workers as well as businesses affected by the crisis. It includes stimulus payments to individuals, student loan changes, unemployment coverage, revised retirement account rules and more. The act even expanded the debt limit from \$2,725, 625 in SBRA to \$7.5 million¹⁹ for a year, to enable small business debtors to realign their affairs and get a fresh start. Taxpayers with income up to \$75,000 per year, received \$1,200 in direct payment. Qualifying families will also receive an additional sum of \$ 500 per child²⁰.

The government's loan program for struggling enterprises was permitted to utilize a \$500 billion fund overseen by the Federal Reserve. A total of \$670 billion was also allocated to help small companies via the Small Business Administration's (SBA) lending program and the Paycheck Protection Program (PPP). Unemployment insurance was extended for another 13 weeks, with benefits increased by four months. Individuals who are not eligible for unemployment benefits, such as independent contractors, may be eligible. In addition, a new \$100 billion grant would be established to assist healthcare professionals.²¹

In these challenging times, these stimulus packages provide an opportunity for enterprises to explore new options for getting money and finding solutions. To effectively execute the distribution of money in the most impactful way, it is essential to create a comprehensive restriction strategy. Companies must devise a plan and strategize how to incorporate these stimulus reliefs into a long-term strategy that will help them emerge successful in order to reap the greatest advantage and avoid losses.

By Australia –

Owing to COVID-19, around 800,000 Australian jobs have been eliminated from February 2020. On March 30, the Australian government introduced JobKeeper, a wage subsidy programme for

¹⁹ “Lexology (Apr. 25, 2022, 1:00 PM), <https://www.lexology.com/library/detail.aspx?g=6f321f87-34f2-4209-87e0-49fd7ee0a67b>.

²⁰ Ibid.

²¹ CARES Act (Mar. 25, 2022, 1:00 PM), <https://www.congress.gov/bill/116th-congress/house-bill/748>.”

businesses that experienced a 30 to 50 percent decline in turnover as a result of the recession. The JobKeeper payout is only available to permanent full-time, part-time, and casual employees who have worked for the company for more than a year, which is a fixed amount of \$1500 given to companies per employee every fortnight. Additionally, the government established a \$550 JobSeeker Payment for short-term temporary workers who lost their jobs. Around 1 million casual workers in Australia have worked for their present company for less than a year as of August 2019. 26% of Young adults between the ages of 15 and 24 are more likely to be casual employees who have been with their present company for fewer than 12 months. This is 4 times the percentage of casual workers who are above 25.²²

By Brazil –

The Brazilian economy was negatively impacted by the coronavirus epidemic (COVID-19), which also resulted in a large number of fatalities in 2020. Brazil had 6.9 million cases and 181,000 fatalities from the time the first case was verified in February 2020 until early December, one of the highest totals and proportions of mortality among the pandemic-affected nations. Brazil's unemployment rate for 2021 was 14.40%, a 0.70% increase from 2020. The rate of GDP growth in 2021 through strong recovery was 4.6%. Brazil's GDP is expected to increase by 1.7 percent in 2022.

The COVID-19 epidemic sparked a social and economic catastrophe that made 83.5 percent of the Brazilian labour market vulnerable²³. And even with emergency measures, we project that at least 26 million employees (more than 25% of the economically active population) won't have access to any form of compensation, including unemployment benefits, emergency basic income, or the entitlement to a sizable withdrawal from their workers' fund. They are only left with bankruptcy, layoffs, or the emergency aid programme for those who are officially listed.

²² "COVID-19 and the immediate impact on young people and employment in Australia: A gendered analysis, NCBI (Apr. 24, 2022, 1:00 PM), <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7675267>.

²³ Rogério Jerônimo Barbosa, Pedro Herculano Guimarães Ferreira de Souza, and Sergei Soares, *Income Distribution During the 2010s: A Lost Decade in the Struggle Against Inequality and Poverty*, Working Paper [mimeo]. Sao Paulo, Brazil (2020).

Brazil had a 12.6 percent unemployment rate, 5 percent hidden unemployment as a result of discouragement, 40 percent informality, and inequality was expanding quickly²⁴. The 2015 crisis never ended for those at the bottom of the socioeconomic scale. Ever since the group with the lowest incomes has endured yearly income decreases. Programs for targeted transfers have not had a countercyclical impact²⁵. The Bolsa Familia Program has seen systematic budget cuts, which have decreased both the average amount given and the number of recipients. As a result, there is now a longer line to enter the programme (people who meet the eligibility criteria but are not incorporated). The failure of social policies after 2015 is largely to blame for the continuance of poverty.²⁶

The United Kingdom²⁷ –

“Job Retention Scheme (JRS) (applies in England, Northern Ireland, Scotland and Wales)”

- The JRS was created to assist employers that are unable to retain their present employees due to the COVID-19 outbreak’s effects on their business operations.

Employers who qualify may submit an application to HMRC for a grant to help with the employment costs of those who are temporarily unemployed or only working for a reduced number of hours due to the epidemic and who consent to be “furloughed.”

The government will cover 80% of a furloughed worker’s pay (up to a monthly limit of £2,500 that is reduced by the number of hours actually worked during the claim period).

“Kickstart Scheme (applies in England, Scotland and Wales only)” - Those aged 16 to 24 who’ve been claiming Universal Credit and are in danger of long-term unemployment are the focus of an employment support programme.

²⁴ *The Impact of COVID-19 in Brazil: Labour Market and Social Protection Responses*, NCBI (Apr. 26, 2022, 1:00 PM), <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7675267>.”

²⁵ “Rogério Jerônimo Barbosa, Pedro Herculano Guimarães Ferreira de Souza, and Sergei Soares, *Income Distribution During the 2010s: A Lost Decade in the Struggle Against Inequality and Poverty*, Working Paper [mimeo]. Sao Paulo, Brazil (2020).

²⁶ *Ibid.*

²⁷ *Plan for Jobs*, GOV.UK (Apr. 26, 2022, 1:00 PM), https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1016764/Plan_for_Jobs_FINAL.pdf.”

The government will pay for the first six months of an employee's salary, at 25 hours per week, at the appropriate minimum wage, for each kickstarter placement. The linked employer National Insurance contributions and the required minimum auto-enrolment pension contributions will also be paid for by the government.

Around 20,000 individuals were hired on the programme after the program's inaugural placements.

Applications must be for at least 30 placements, however, organisations who are unable to meet this requirement alone can collaborate to do so.

“Apprentice Scheme (applies in England only)” - Any company that employs a new apprentice between the ages of 16 and 24 will get £2,000, while any company that hires a new apprentice between the ages of 25 and older will get £1,500.

The government will continue to offer a £1,000 incentive for new 16–18-year-old apprentices in addition to this payment.

“Traineeship Scheme (applies in England only)” - The government will provide money for about 30,000 more training positions, and businesses will earn £1,000 for each new traineeship post they establish.

“Statutory Sick Pay (SSP) refunds for smaller businesses” - Businesses having less than 250 employees in their organization on February 28, 2020, may apply to the government for reimbursement of the SSP they paid for up to two weeks of COVID-19-related absence.

This also includes absences resulting from self-isolating in accordance with public health recommendations (i.e., when an employee may not be ill or exhibit symptoms of COVID-19 but has been advised to do so and is unable to work as a result) and, when an employee has received a self-isolation notification from the NHS before surgery.

From the first day of an absence owing to COVID-19, employees may file for SSP (rather than from day four, which would otherwise be the case)

Through the online service of HMRC, employers can request the reimbursement of the pertinent SSP.

Businesses requesting compensation must have a PAYE payroll system that was established and put into operation on or before February 28, 2020.

The programme supports people with various kinds of work contracts (including full-time employees, part-time employees, employees on agency contracts, and employees on flexible or zero-hour contracts).

The aggregate amount of PAYE employees for associated organisations is the basis for the 250 employee test.

Till the third anniversary of the date on which they obtain the applicable SSP reimbursement, employers are required to maintain records of the following information:

(i) the dates the employee missed work as a result of COVID-19; (ii) the days that made up those missed workdays; (iii) if they experienced COVID-19 symptoms, a family member did, or whether they were shielding; and (iv) the person's National Insurance Number.

If an employee is self-isolating, an isolation letter will suffice as proof of being unable to work rather than a fit note from a physician.

When coupled with any other state assistance claimed under the EU Commission's State Aid Temporary Framework, an employer's claim under this programme cannot cross the appropriate cap, which is €800,000 or the lesser limit that applies to agriculture, aquaculture, and fisheries.

“Available measures to support people employed by corporations”

“Relaxation of annual leave rules”²⁸ - Employees with unused statutory yearly leave entitlement due to coronavirus may carry it over into the next two leave years. With this modification, employees will be able to participate in the fight against COVID-19 without forfeiting their right to yearly leave.

²⁸ “*Rules on carrying over annual leave to be relaxed to support key industries during COVID-19*, GOV.UK (Apr. 27, 2022, 1:00 PM), <https://www.gov.uk/government/news/rules-on-carrying-over-annual-leave-to-be-relaxed-to-support-key-industries-during-covid-19>.”

The rules provide the carrying over of up to 4 weeks of unused leave for a period of two years. The regulation, which is largely directed at ‘key workers’, is not now mandatory for all firms.

The Working Time Regulations, which include practically all employees, including those employed by agencies, those who work irregular hours, and those with zero-hour contracts, are amended to implement the new requirements.

Almost all employees currently have access to 28 days of vacation time per year, including bank holidays. The majority of this entitlement, however, cannot be carried over from one leave year to the next, thus employees lose their vacation time if they do not use it. Additionally, companies must make sure that their employees make use of their statutory entitlements in a given year or risk paying a fine.

“Start-ups” - Job Retention Scheme: Employers are eligible to request reimbursement for a portion of the regular monthly wages of furloughed workers, subject to a reducing monthly cap.

Allow SMEs and employers to recoup Statutory Sick Provide (SSP) paid for illness absence owing to COVID-19 as support for enterprises who pay sick leave to employees.

5. Striking the Balance between Income Security and Work Incentives

We can observe how unemployment benefits offer financial stability and work incentives for those who have had periods of non-standard dependent employment in their recent work history. Wage and salary employees who work part-time or on an irregular basis are classified as having non-standard dependant employment. Unemployment benefits are often based on the qualities of the job they had before being jobless (e.g., number of months they were working, wage, working hours). This chapter evaluates non-standard dependent employment in terms of trajectories rather than contract one since such features correspond to a time rather than simply the instant before being jobless. This enables a more complex and thorough examination of the relationships between unemployment insurance and non-standard work.

- Non-standard dependent work paths account for a significant portion of dependent employment.
- In recent years, non-traditional dependent employment, particularly part-time labour, has gained favour, particularly among the young. Non-standard dependent employment increased by 5% on average among workers aged 20 to 29 in the decade running up to 2016-18. The bulk of the increase was due to a rise in part-time employment. However, there is a great deal of variation across countries. Despite the drop in fixed-term contracts in Spain, the percentage of youngsters in insecure dependent employment increased by 8%. Part-time employment is more than twice as common among women as it is among men. Over a quarter of women – frequently mothers – work part-time on average, but figures vary greatly among nations. In all OECD nations, part-time workers earn lower hourly salaries, have more job instability, and get less training. However, in a few nations, many part-time workers choose to work fewer hours in order to attain a work-life balance.²⁹

Workers with non-standard dependent work paths are more likely to be poor than those with regular jobs. In European OECD countries, 10% of part-time workers and 19% of precarious workers live in households with an annual disposable income of less than 50% of the national median. Regular employees make up just 3% of the workforce³⁰.

- Unemployment benefit laws have a direct influence on the length of benefits rights and the number of benefits paid to employees with both standard and non-standard dependant employment paths. Persons with unstable or part-time professions have a harder difficulty meeting minimum employment lengths, working hours, or salaries. Some nations provide 2nd jobless benefits with fewer job tasks, making it more accessible to job searchers with unusual career paths.
- For benefit claimants who have worked part-time in the past, the number of their benefits is usually calculated based on the number of hours they worked at their previous employment. Job

²⁹ “*OECD Employment Outlook 2019*, OCED (Apr. 24, 2022, 10:00 AM), https://www.oecd-ilibrary.org/employment/oecd-employment-outlook-2019_9ee00155-en.

³⁰ *OECD Employment Outlook 2020*, OCED (Mar. 24, 2022, 10:00 AM), https://www.oecd-ilibrary.org/employment/oecd-employment-outlook-2020_301e052a-en.”

candidates who previously worked part-time are paid the same as those who previously worked full-time in Australia, Poland, and the United Kingdom.

- Many nations have part-time unemployment regimes, which combine unemployment benefits with part-time work. The amount of assistance is reduced in the majority of the countries analysed under such situations, while there is substantial variation in the rules among countries. Job seekers in Latvia and Poland who work for any length of time do not get unemployment benefits.

- “All of the nations studied, with exception of Latvia and Poland, enabling job seekers to maintain unused entitlements for potential lawsuits if they find full-time employment before their benefits expire. Countries have a variety of legislation governing the capacity of job searchers to maintain and utilize unused benefits. In Canada, Netherlands, and UK, if benefits are saved for future periods of unemployment, rigorous rules govern whether they are maintained. In Spain, a job seeker with an unused right who receives a new one from more recent work must choose among two, but in France, she may utilize both, first using up previous entitlement and then claiming current one.”³¹

- Benefits vary wildly depending on the type of job and series of in-work and out-of-work periods, according to simulations consisting of a collection of typical job paths for 4 countries. Even when employees have the same personal attributes, wages, and working hours, significant disparities persist. These discrepancies raise the issue of whether benefit richness is enough for all workers.

- “The rights of job searchers with relatively stable employment histories and those with more unpredictable career trajectories are not significantly different in Australia and France. In France, a planned change would reduce benefit payments for employees with insecure employment histories, because the calculation will factor in the months she has not worked. In Latvia and Spain, where contribution requirements are more stringent, jobseekers with more insecure work histories are eligible for fewer months of assistance.”³²

³¹ “*OECD Employment Outlook 2020*, OCEd (Mar. 24, 2022, 10:00 AM), https://www.oecd-ilibrary.org/employment/oecd-employment-outlook-2020_301e052a-en.

³² *Ibid.*”

- Workers on part-time unemployment have fewer rights in all four nations. Earnings from employment lower the benefit amount in Australia, France, and Spain. Benefits are discontinued in Latvia as soon as the job seeker earns any money through work.
- “Different financial incentives to work are created by unemployment benefits across nations and job paths. Work incentives are lower in France, Australia, Spain, and Latvia on average. Work incentives are greater in Latvia and Spain in certain situations since some job paths do not lead to any eligibility for unemployment benefits.
- A variety of policy options might be examined to address the major challenges of entitlement and access on the one hand, and work incentives on the other, for employees in non-standard jobs.”³³
- “Benefit payments are reduced when jobseekers earn money via part-time unemployment programmes, which helps to level out income fluctuations and avoid benefit fraud. However, they have an impact on the system’s neutrality and lessen the incentives to use part-time casual labour as a stepping stone to a better position. Earnings disregards and withdrawal rates may assist in achieving these goals. Earnings disregards are the earnings that aren’t taken into account for calculating benefits during times of part-time employment. In such instances, the withdrawal rate is the proportion of earnings (over and above any disregard) by which the benefit is lowered.
- Ease of access to benefits, as well as the ability to save unused payments for future times of unemployment, may promote numerous periods of insecure employment or lengthen the duration of unemployment benefits. Waiting periods, reasonably lengthy work requirements, decreases in the case of frequent reclaiming, and restrictions on the accumulation of old and new entitlements may all assist to avoid such inconsistencies. Employment criteria, while providing work incentives, preventing benefit misuse, and ensuring the system’s financial viability, also penalize people with a history of insecure employment. Customized extensions of reference periods for workers who are more prone to job insecurity may help to mitigate these detrimental consequences. Unemployment insurance contribution rates that differ might be used to

³³ *Ibid.*

incentivize companies and workers to pick more stable employment contracts and prevent cooperation.”³⁴

- Improved coordination of in-work and out-of-work assistance may boost work incentives. Extending the ability to accumulate earnings and unemployment benefits to full-time employees with low income; using in-work benefits, or combining in- and out-of-work benefits are all possible strategies.

- “Unemployment benefit mechanisms may be changed to reflect changes in labour market conditions during economic downturns. Many nations enhanced the maximum length and amount of unemployment benefits during the current COVID-19 crisis. A number of nations have also taken steps to make benefit access easier, such as lowering minimum employment criteria or extending reference periods, which are expected to boost benefit coverage for non-standard employees during the crisis.”³⁵

6. Way Forward

Most economies throughout the globe were placed on pause after the first shock of the COVID-19 crisis, and stringent limitations such as social separation and fear of infection. The majority of nations have now been hit by numerous waves of COVID-19 cases. And now that governments and people have adjusted to the “new normal,” limitations have been relaxed. As a result, many people have been able to return to work. For the time being, as things begin to calm down, it is critical to identify individuals who have been impacted the hardest by the epidemic, as well as those who will have the most difficult time recovering.

The length of the health emergency; the economic crisis further destroying jobs, resulting in a new surge in job losses; the speed with which the labour force can be re-engaged; and, most importantly, the extent to which new job opportunities can emerge to accommodate the growing number of those currently unemployed will all influence the speed with which the labour market recovers.

³⁴ *Ibid.*”

³⁵ *Ibid.*

“With increasing immunization, more assurance is being offered, and several nations are re-opening. Along with this, more focused steps to control the virus’s spread, as well as massive monetary assistance in many nations, have reawakened hope that the end is near. In the OECD region, GDP growth is expected to exceed 5% in 2021 and 4% in 2022, according to OECD. Though GDP per capita is unlikely to return to pre-pandemic levels in the majority of OECD nations before 2022, complete recovery may take much longer in a few of them.”³⁶

“Though looking ahead, the International Labour Organization, in *World Employment and Social Outlook: Trends 2021*, June 2021, has projected employment growth, might still be insufficient to close the gaps created by the crisis. Progress in immunization and large-scale fiscal investment by governments are likely to kickstart global economic recovery in the second half of 2021. Without coordinated international policy action on vaccination distribution and monetary assistance, these good impacts may be restricted in geographical reach. The rebound is expected to result in the net creation of 100 million employment in 2021 and another 80 million jobs in 2022 globally. However, employment in 2021 is expected to be lower than it was before the crisis. The worldwide employment shortage caused by the problem is expected to reach 75 million in 2021 and 23 million in 2022.”³⁷

“For India, the IMF’s *Outlook of July 2021*, held the projections growth of 9.5 percent for 2021 and 8.5% for 2022.”³⁸ “As per the ADB’s, *Outlook Supplement for July 2021*, India’s GDP for the whole fiscal year is estimated to grow for FY 2021 at 10%, and for FY 2022 at 7.5%, on the positive side.”³⁹

“According to the World Bank, the MNREGA, which guarantees 100 days of work per year to adult members of every rural household, has 149 million active workers. A record budgetary commitment of Rs 61,500 crore (\$8.4 billion) for MGNREGS (2020-21) must be augmented

³⁶ “*OECD Economic Outlook 2021*, OECD (Mar. 25, 2022, 10:00 AM), <https://dx.doi.org/10.1787/4229901e-en>.

³⁷ *World Employment and Social Outlook*, ILO (Mar. 26, 2022, 11:00 AM), https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_795453.pdf.

³⁸ *Fault Lines Widen in the Global Recovery*, IMF (Mar. 25, 2022, 10:00 AM), <https://www.imf.org/en/Publications/WEO/Issues/2021/07/27/world-economic-outlook-update-july-2021>.

³⁹ *ADO*, ADB (Mar. 26, 2022, 11:00 AM), <https://www.adb.org/publications/ado-supplement-july-2021>.

with an additional Rs 40,000 crore (\$5.5 billion) in June 2020 to deal with the pandemic-driven employment challenge.”⁴⁰

“The vaccine distribution has hit a snag in a number of nations due to a lack of doses, logistical difficulties, and scepticism among key stakeholders, further delaying deployment in the first half of 2021. As a result, in many nations, severe containment measures remained in place during the first and second quarters of 2021, potentially weighing on the recovery in the short term”. This, along with the virus’s mutation, which introduces new strains and types, leads the globe to be careful in their future planning, particularly when it comes to the complete reopening of their economy. The level of financial difficulties encountered by employers, particularly small and medium-sized businesses, is yet unknown. While there is some optimism in the labour markets throughout the globe, with unemployment rates decreasing, it will be fascinating to observe how things go, since there may be long-term consequences that must be addressed.

7. Conclusion

“As the pandemic started to recede, countries have now started loosening their containment policies, but still only solving the health crisis, will help solve the economic and jobs crisis. Vaccine rollout, its production and distribution remain low, with only 39.6% of the world population receiving at least one dose, a total of 5 Billion dosages administered till now, and in India, only 10% being fully vaccinated. Future waves may be prevented by upscaling testing, tracking, and tracing (TTT), as well as improving personal hygiene standards, while maintaining physical-distance laws such as prohibiting big gatherings and encouraging individuals to work from home. Some of the measures implemented in the early months of the crisis will need to be revised for the long term during this post-confinement phase.”⁴¹

⁴⁰ MNREGA (Mar. 26, 2022, 10:00 AM), http://mnregaweb4.nic.in/netnrega/all_lv1_details_dashboard_new.aspx?Fin_Year=2020-2021&Digest=ueg/HtV54GGJ8ZQ6GUB2ew.”

⁴¹ “Our World in Data (Mar. 26, 2022, 10:00 AM), https://ourworldindata.org/covid-vaccinations?country=OWID_WRL.”

As countries begin to moderate mitigation programs, they may be able to alter the measures enacted in response to the crisis. As if having -

- Because nearly half of all workers work in jobs that require significant physical interactions and thus pose a higher risk of infection, public authorities should continue to enforce strong occupational safety and health standards.
- Paid sick leave helps to prevent the spread of the virus by preserving ill employees' wages, employment, and health, as well as the health of their families. Countries should also rethink paid sick-leave policies, focusing on job incentives and employment assistance to help people get back to work.
- Personalized Job retention programs should be implemented, particularly for those jobs that are in jeopardy but are still viable in the long run. Incentives to search for a job and take up training, as well as a need for businesses to cover a portion of the cost, and tougher time limitations.
- Another essential consideration is that as the crisis progresses, the coverage and appropriateness of income assistance will need to be evaluated. If the crisis continues, unemployment benefits should be extended to discourage job searchers from looking for low-wage positions.
- Digital services must be used by both public and private employment services. Job searchers and employees participating in job retention programs might benefit from online and offline training. Subsidies for hire may also help to create jobs.
- Countries must assist young people in maintaining their employment connections. Extending assistance to businesses, hence fostering employment generation.

In short, the pandemic has made us all understand how huge the problem of unemployment is. The world is slowly recovering from the pandemic – but it is important to note that the same will take a lot of time and the governments have to be much more alert in combating the problem.