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Impact of Covid-19 Crisis on Urban Poor in Industrial Clusters: A Gender Lens



Executive Summary

As work opportunities in agriculture shrink, the future lies in improving women's access to jobs in manufacturing and services. It is therefore, important to understand the demand and supply factors that determine their participation in these sectors, which has been stagnating. This project seeks to examine the profile and background of women workers in contemporary industrial and urban landscapes—types of opportunities available, barriers to participation, and aspirations and expectations from industrial employment. It further aims to situate the findings within the context of existing policy and regulatory frameworks, and the implications they hold for women's industrial employment.

When the Covid-19 pandemic hit and the lockdown imposed in March 2020, a phone survey of low-income households in industrial clusters of Delhi NCR (National Capital Region) was undertaken to assess the impact on livelihoods, and physical and emotional well-being, with a focus on the gendered experience of the crisis.

Introduction

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This project examines the profile and background of women workers in contemporary industrial and urban landscapes—types of opportunities available, barriers to participation, and aspirations and expectations from industrial employment. It further aims to situate the findings within the context of existing policy and regulatory frameworks, and their implications for women's industrial employment.

The study focuses on the following questions: (a) What kinds of industrial work opportunities are available to women? What is the profile and nature (formal/informal) of these jobs, and are there specific concentrations of women in specific jobs? (b) How do women get drawn into particular kinds of industrial work? What kind of information avenues and networks facilitate this? What are women's considerations in taking up industrial work? (c) What constrains women from taking up industrial work? What experiences at the shop-floor level and of the urban neighbourhood factor into this? (d) What does the policy and regulatory climate imply for women in industrial work? What policies enable/constrain women's participation in industrial work? The research is based in manufacturing

areas in Delhi NCR, which are characterised by small-scale industries like garment and footwear, and attract large numbers of ‘low-skilled’ migrants. The region’s industrialisation has been a contentious issue due to concerns around pollution, and the emergence and growth of manufacturing activity in residential areas. Given regulations on the operation of industrial units in ‘non-conforming areas’ and their relocation to peripheral estates, this employment landscape is perpetually in flux.

The Covid-19 pandemic has caused a major economic shock. A national lockdown was imposed on 24 March 2020, and restrictions of varying degrees are still in place in different parts of the country. What has been the impact on low-income families living in urban shanty towns? How effective have the policy responses, in the form of food and cash transfers, been in reaching households? Is the health communication strategy of the government effective in sustaining social distancing and hygiene practices? Are women and men more stressed following the extension of lockdown, relative to the initial days?

To understand the impact on livelihoods, and the physical and emotional well-being of low-income households in industrial clusters—as well as the gendered experience of the crisis—a phone survey was undertaken in April–May 2020.

Brief Description of the Study

The project first uses existing survey data (collected by researchers in previous

work on garment factory workers in Delhi NCR) to build a profile of a typical female worker. This is supplemented with more detailed information on current/aspiring workers obtained through focus group discussions and interviews with women workers, as well as interviews with factory owners and managers, labour contractors, etc. A quantitative survey of 1,613 households was also undertaken. Next, possible interventions to enhance women’s economic empowerment in manufacturing will be tested systematically. To assess the impact of the Covid-19 crisis, a phone survey of 1,424 households from the sample was undertaken over the period 12 April–9 May 2020.

Phase I: August–October 2018

The footwear manufacturing hubs of Udyog Nagar and Mangolpuri were chosen for case studies because of the large share of working women in this industry, as suggested by data from the Annual Survey of Industries (ASI). A series of scoping visits, qualitative interviews and focus groups in residential hubs around these industrial estates (Image 1) were conducted. Over 60 women and about 25 men participated in this phase. Additionally, the researchers interacted with 10 key informants including contractors, factory supervisors and factory owners in Peeragarhi and Sultanpur Mazra (industrial areas ‘notified for regularisation’).

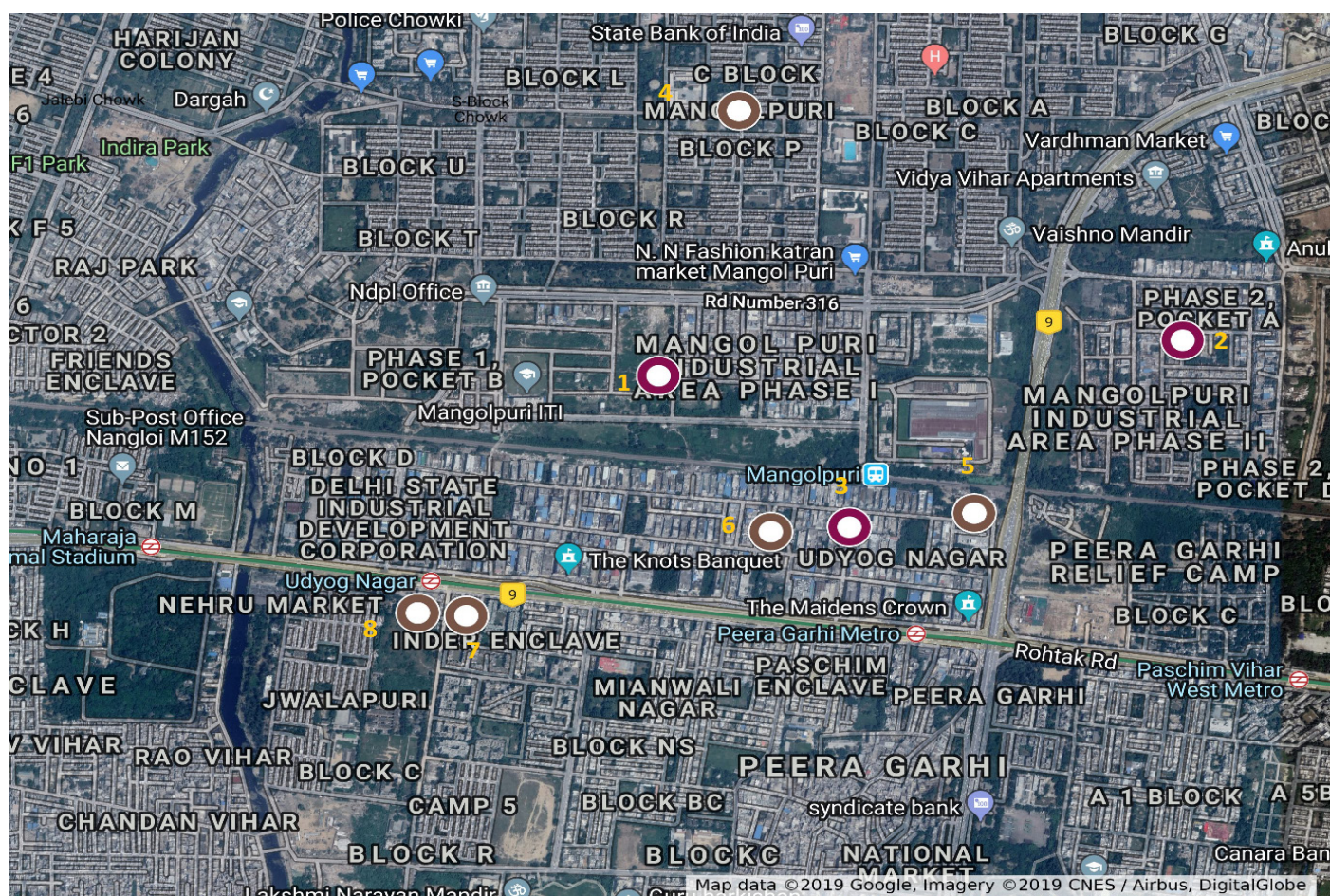
Phase II: November 2018–January 2019

This phase focused on interviews to understand the policy landscape for industrial work in Delhi. The researchers

interacted with officials of the Delhi State Industrial and Infrastructure Development Corporation (DSIIDC) and North Delhi Municipal Corporation. A cursory review of Industrial Policy for Delhi: 2010–2021 and Master Plan for Delhi 2021 was undertaken to foreground the information obtained through the interviews. The interviews revealed the complex landscape of

industries in Delhi, marked by tension with planning and zoning regulations. Ten factory owners were interviewed in the industrial areas of Mangolpuri (Phases I and II), facilitated by field engineers/officials of DSIIDC, on firms' production process, hiring practices (contractor-driven/firm-driven), worker availability, and the general industrial climate in Delhi.

Image 1. Industrial areas and residential hubs covered in fieldwork



Source: Google MyMaps.

Note: 1: Mangolpuri Industrial Area Phase I; 2: Mangolpuri Industrial Area Phase II; 3: Udyog Nagar Industrial Area; 4: Mangolpuri Resettlement Colony; 5: C-3 Udyog Nagar Basti; 6: Basti near Water Tank, Udyog Nagar; 7: Hans Raj Mulk Raj Bhatta Basti, Jwalapuri; 8: Jwalapuri Resettlement Colony. the industrial areas of Mangolpuri (Phases I and II), facilitated by field engineers/officials of DSIIDC, on firms' production process, hiring practices (contractor-driven/firm-driven), worker availability, and the general industrial climate in Delhi.

Phase III: February–April 2019

Based on insights from earlier phases, this phase focused on pilot surveys and enumerator training. Eight pilot visits were undertaken in Jahangirpuri, Bhalswa Dairy and Khichripur, based on which the questionnaire was continually revised. This was followed by training of survey enumerators in April, including detailed discussions over the questionnaires and experiences from the pilot. The researchers also presented on the spatial profile, planning landscape, and categories of settlements in Delhi to orient field surveyors to the typologies of study areas.

Phase IV: May–July 2019

Data collection was undertaken during this phase, spanning over five districts of Delhi—north Delhi, north-east Delhi, north-west Delhi, Shahdara and west Delhi. From these districts, 10 assembly constituencies were chosen, from which 108 polling station units were chosen to constitute the primary sampling unit (PSU). From each PSU, 15 households were randomly selected for the survey. One married couple from each household was interviewed. The couple to be interviewed was selected using the following criteria: (i) age of both individuals must be between 18 and 40; and (ii) if there are multiple couples who satisfy this criterion, the youngest couple is selected. Between end-May and mid-October, a phone survey was conducted with those who have been listed as friends/relatives of the couples. For each individual in the main survey, the target was to call two friends/relatives from their network and collect

data. This was conditional on the individual sharing the phone numbers of their friends/relatives—hence, there are several attritions.

Covid-19 Survey: April–May 2020

Relatively large-scale phone surveys are one possible method for understanding the condition of workers in urban India during the Covid-19 pandemic. But a phone survey that is representative, and hence reliable, is a challenge even in normal times in India where the poor either have limited access to phones, and/or change phone numbers frequently. An existing database of respondents can potentially address some of the issues related to representativeness.

A phone survey was undertaken with 1,424 households from the study sample during 12 April–9 May. The survey was conducted in two phases: 458 households were surveyed between 12–19 April, which was the initial, more stringent, period of the lockdown; 966 households were surveyed between 20 April and 12 May, when there was some easing of restrictions.

Respondents were randomly selected, and hence, those interviewed in Phase I are mostly similar in socio-economic characteristics to those interviewed in Phase II. Therefore, their experiences can be compared and any differences in responses can be attributed to the length of time that they were exposed to the lockdown.

Although the main respondent is male, the women too are directly asked a subset of the survey questions, giving an insight into the gendered experience of this crisis.

The majority of the sample comprises daily-wage workers in factories, construction or self-employed in the informal sector (for example, petty business, small retail shops). This demographic is particularly vulnerable to economic and health shocks which would need significant support through public transfers to tide over loss of livelihoods.

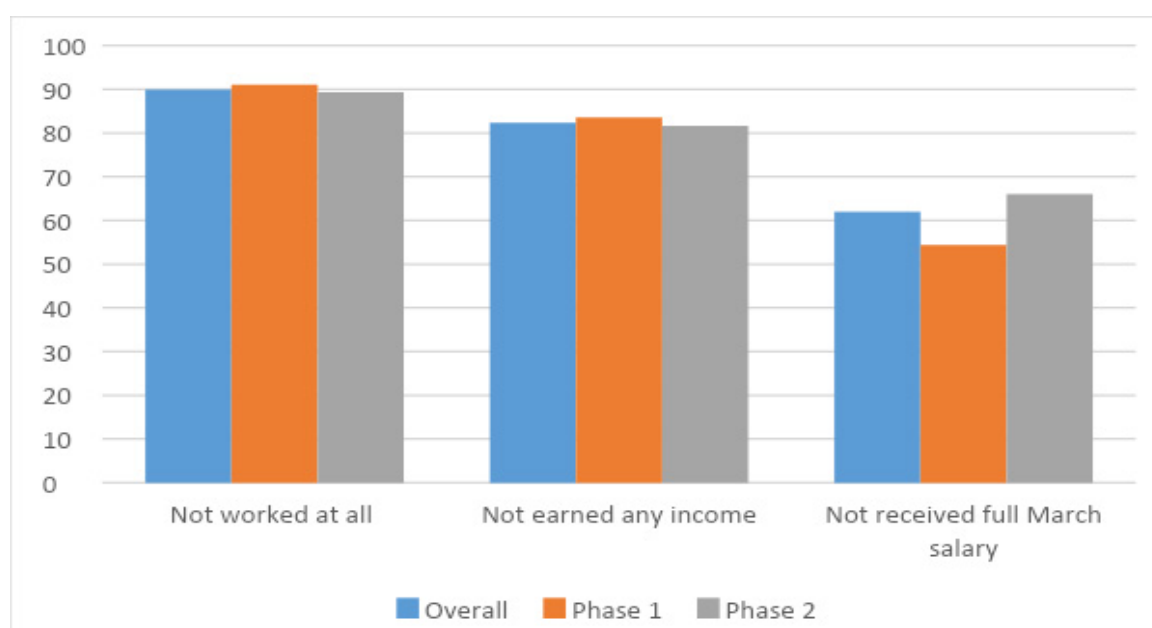
As they live in high-density household clusters, social distancing is challenging. Furthermore, assessments by the Central Pollution Control Board (CPCB) show that these clusters are critically polluted and do not meet safety parameters in terms of air, water or soil pollution, making the residents especially vulnerable to the Coronavirus (Wu et al. 2020). Although the respondents are not short-term or seasonal migrants but have been residing in Delhi for over 28 years on average, the original state of residence of over 65 per cent is outside Delhi—primarily Uttar Pradesh (UP) (over 40 per cent) and

Bihar (9 per cent). Hence, their earnings may have implications not just for their own welfare, but also farther away through remittances to relatives in rural UP and Bihar.

Major Findings

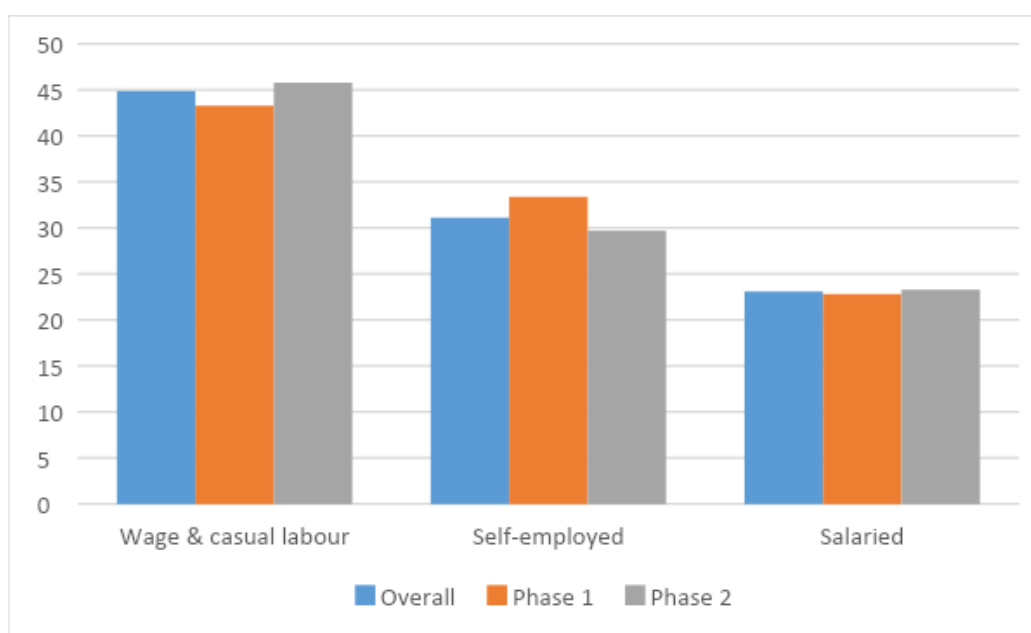
- The lockdown necessitated by Covid-19 has caused a massive shock to livelihoods and wage earnings: About 90 per cent of men in the sample have been completely without work over the survey period (Figure 1a). The majority (45 per cent) of those reporting unemployment are wage labourers (employed in factories, construction, domestic work) and casual labourers (daily wagers not attached to one specific sector) (45 per cent), followed by the self-employed (31 per cent) (Figure 1b). For those who were gainfully employed before 24 March and reported some days of work post-lockdown, the daily earnings have declined by 77 per cent—from an average of ₹373 to ₹88.

Figure 1a. Livelihood and employment



Note: The vertical axis in all figures shows the percentage of respondents for each category.

Figure 1b. Distribution of unemployment

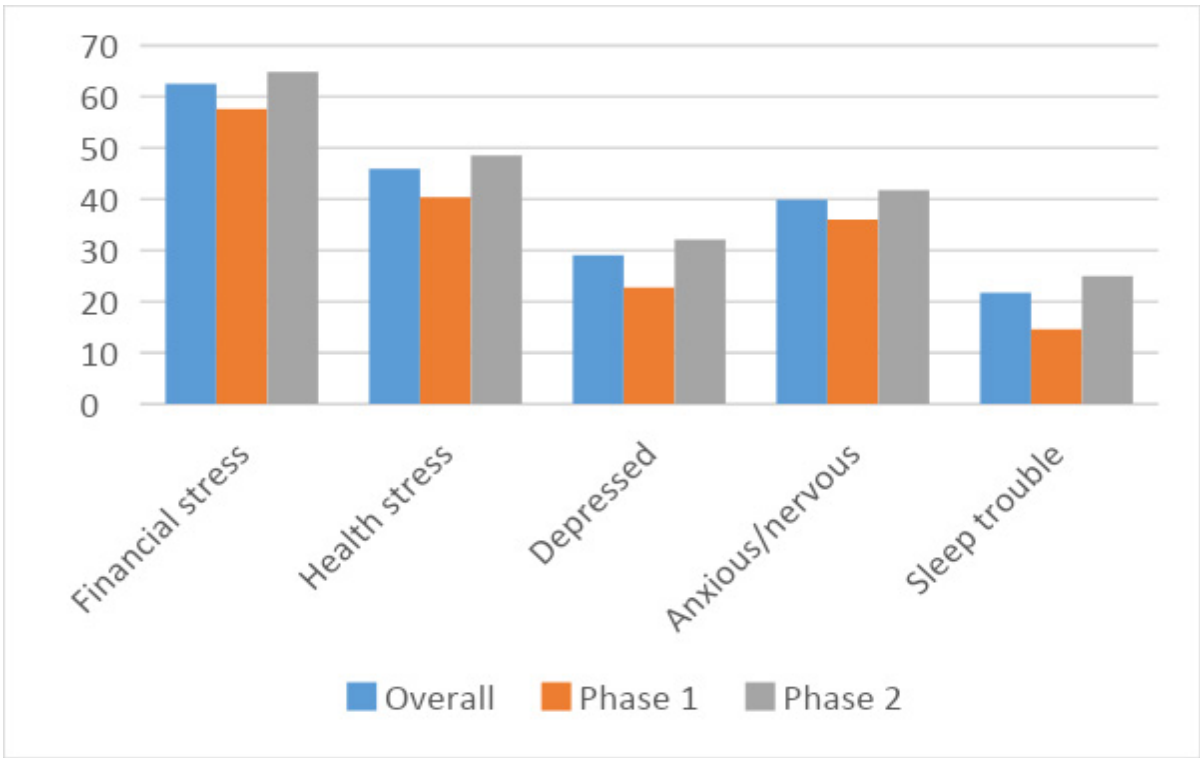


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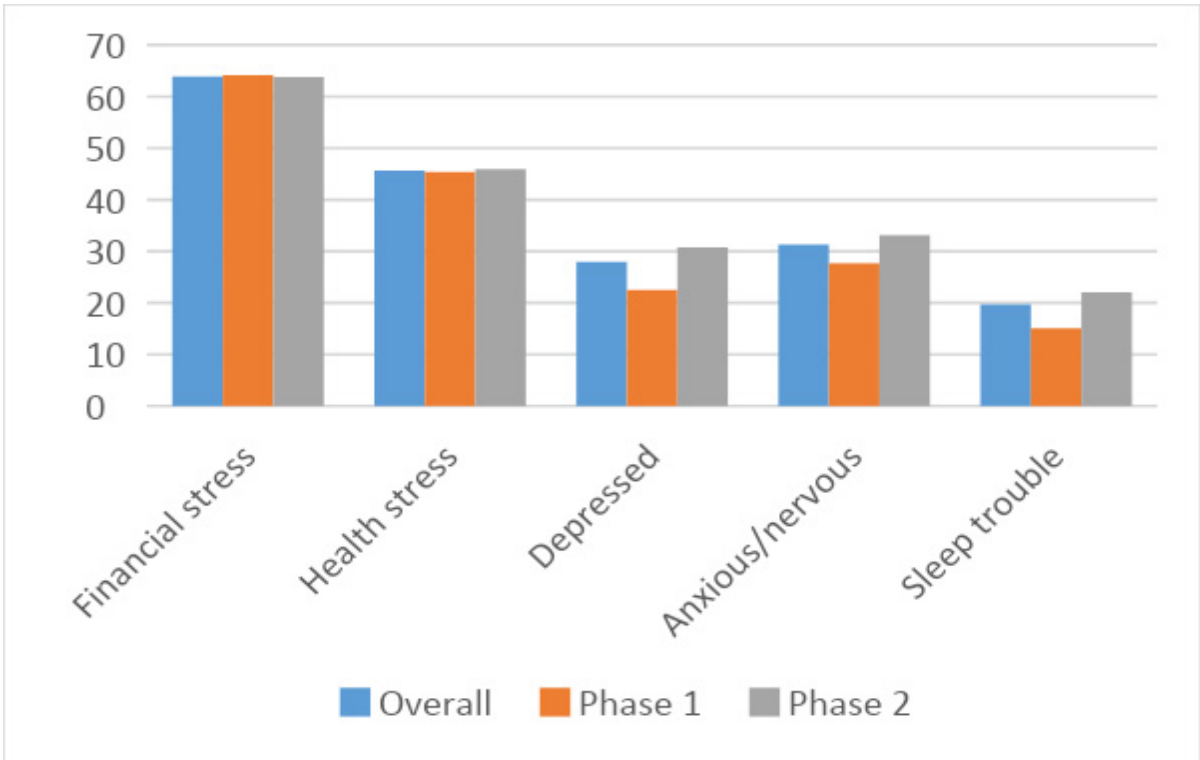
Many of the respondents rely on friends and family to tide over temporary setbacks, so job losses among their social networks would presumably lead to higher levels of stress than otherwise. More respondents report loss of jobs within their social network (family, relatives and friends) in Phase II (74 per cent) compared to Phase I (66 per cent). A majority of respondents perceive the job losses as temporary, but there is an increase in the proportion who perceive the job losses in their social network as permanent—from 14 per cent in Phase I to 27 per cent in Phase II, suggesting that as the duration of the lockdown increased, more workers see unemployment as a permanent job loss.

- Financial concerns are the key source of psychological stress, with women exhibiting more stress than men overall: Close to 46 per cent of the respondents' report feeling worried about their physical health and that of their families. Twenty-eight per cent of men report feeling depressed about their situation, while 29.1 per cent of women do so (Figure 2). Strikingly, both women and men worry more about their family's financial adequacy than about their health. Almost 40 per cent of the women feel anxious or nervous about the current situation, compared to 31.3 per cent of men. And 19.7 per cent of men and 21.7 per cent of women report having sleeping troubles. There is an increase in all of these indicators in Phase II, for both women and men.

Figure 2. Emotional well-being



Women

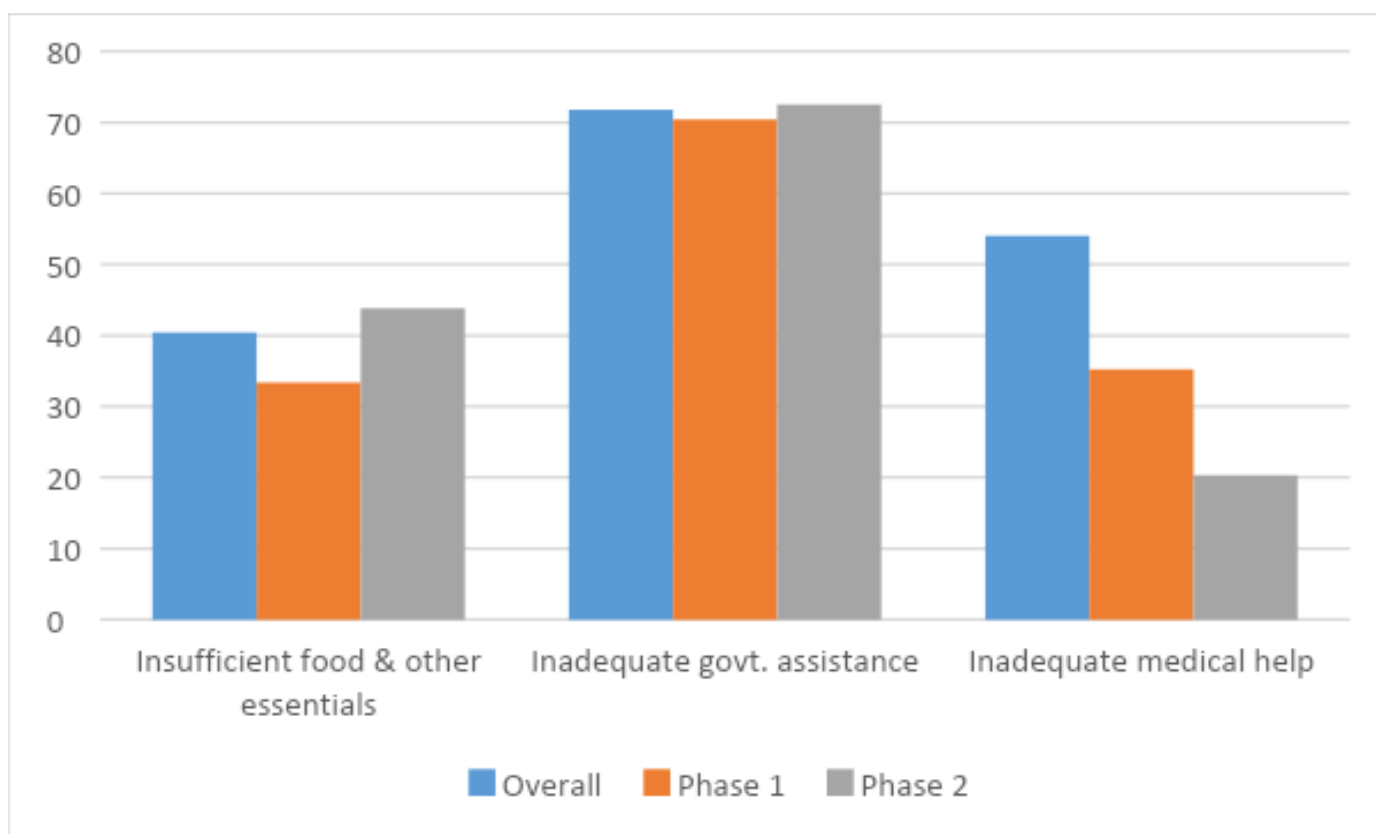


Men

- A large proportion of respondents believe that they did not receive adequate assistance from the government: Overall, about 56 per cent of the respondents report receiving some kind of assistance or help during the lockdown. Government assistance—primarily in the form of food and groceries—is the leading source of assistance received by the households, amounting to almost 91 per cent. The other sources of assistance are friends and relatives (11.7 per cent), and local

political leaders, NGOs, etc. (1.8 per cent). The proportion of respondents reporting insufficient food and essentials increased in Phase II (Figure 3). This may indicate an increase in respondents' expectations or their awareness about the availability of assistance, as the outreach of the government perceptibly improved over time. The silver lining is that the reporting of inadequacy of medical help declined from 35.2 per cent in Phase I to 20.3 per cent in Phase II (Figure 3).

Figure 3. Public transfers and other assistance



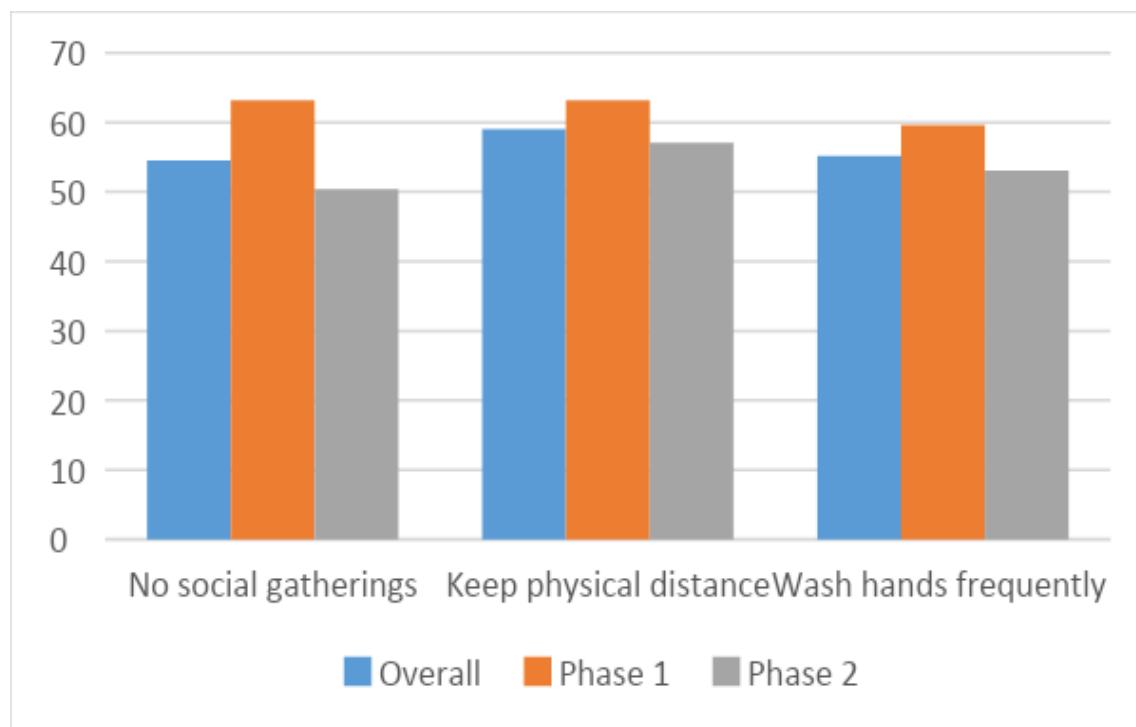
- Community health practices have not gone up and may have gone down over time: Among both genders, 50–60 per cent strongly agree with the statement that people living near them are not attending social gatherings, are practicing social

distancing and washing hands frequently (Figure 4). However, about 80 per cent of the respondents report that they did venture outside their home in the past week, the main reason (94.2 per cent) being to purchase groceries and other

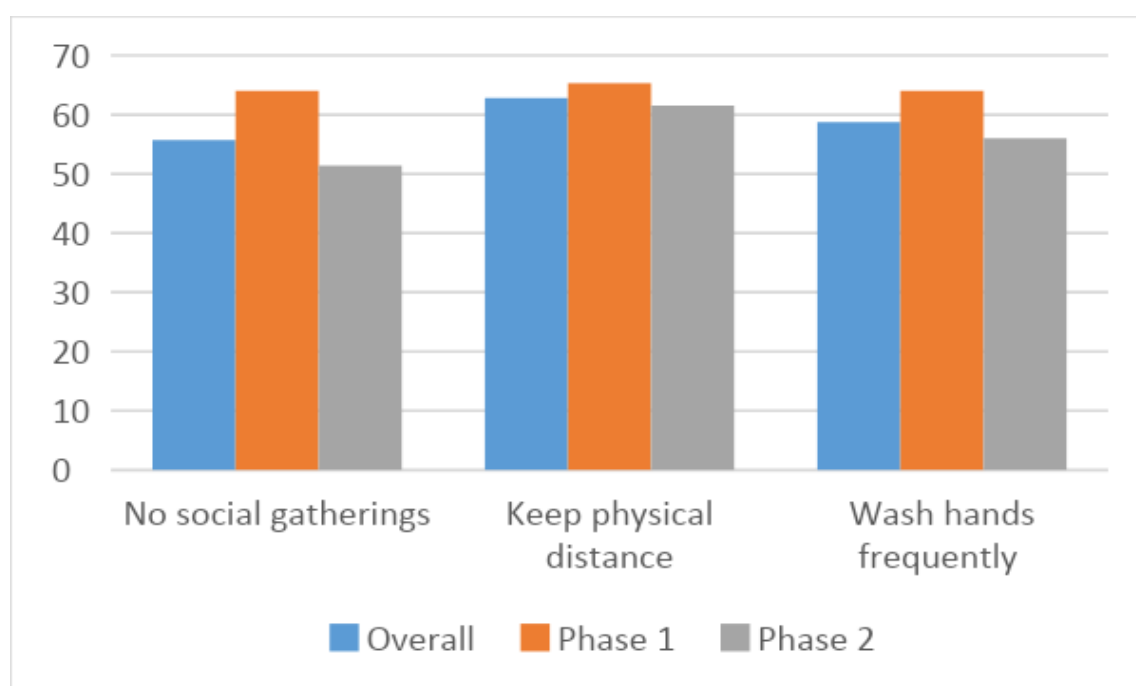
essential items. Worryingly, community health practices have not gone up and may have come down over time. This is particularly true for social gatherings, which seem more likely to occur in Phase II. On the positive side, the reported physical impact (in terms of poor health)

of Covid-19 among the sample appears to be low, and rose only marginally from 11 per cent to 14.7 per cent between the two phases. About 3 per cent knew of Covid-19 positive cases in their locality (some of the study areas are designated containment zones for Covid-19).

Figure 4. Community health practices



Women



Men

Policy Recommendations

- The emerging picture is disturbing and underlines the need for a large injection of public spending and transfers, both in cash and in kind, to address this humanitarian crisis as we go into recovery mode. While job losses among urban workers seem to be temporary in the early phases of the pandemic in India, the majority do not appear to have received their full pay, and it is not clear how social distancing norms will continue to affect their ability to earn in the future. The long-term impact on urban employment and earnings will depend to a large extent on government measures to kick-start businesses and manufacturing in the private sector.
- The findings suggest relatively low rates of health shocks but high levels of financial hardship, anxiety and psychological distress, which are likely to persist even as restrictions on social and economic activities ease. In the trade-off between health and economic well-being, the survey suggests that the latter figures more prominently among the urban poor. Today, alleviation of the financial hardships faced by these households through substantive public transfers is necessary to prevent continued economic and psychological distress in the longer term.
- The numbers indicate that as the shutdown in social and economic activity stretches out, mental distress is likely to increase. This is a deeply neglected aspect of the ongoing pandemic that ought to be addressed since it can have repercussions on productivity of workers, and may worsen if economic distress continues or gets exacerbated.
- A decline in reported social distancing practices is seen over time in this survey, and is consistent with the surge in Covid-19 cases witnessed in Delhi and elsewhere across the country. It is natural, given the exigencies of high population density in these residential locations, that maintaining physical distance over long periods of time is going to be difficult and is likely to wane as the pandemic continues. With an expected increase in infection rates as the lockdown continues to ease and social and economic activities resume, there is an urgent need to continue educating and sensitising this population on health and distancing practices.
- In spite of the fact that the majority of the respondents are long-term residents of Delhi, some of them (7 per cent) were not located in Delhi at the time of the survey. They were either in their native village or waiting for some form of transportation on a highway to make their way to their native state—primarily casual labourers or self-employed in manufacturing. However, they also include those who previously held a salaried job in the private sector. Hence, the perception that it is only seasonal or short-term migrants who are moving back to their villages may not be entirely correct, and reflects the extent of the economic and financial losses the urban poor have been subjected to.

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