

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 hence, 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 lockdown was imposed in March 2020, a phone survey of low-income households in industrial clusters of Delhi NCR 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 – context and rationale

As work opportunities in agriculture shrink, the future lies in improving women's access to jobs in manufacturing and services. It is hence, important to understand the demand and supply factors that determine their participation in these sectors, which has been stagnating.

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 the implications they hold 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 (National Capital Region), 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 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.

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 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 the researchers in previous work on garment factory workers in Delhi NCR) to build a profile of a typical female worker. This is supplemented by more detailed information on current/aspiring workers obtained through focus group discussions and interviews with women workers, and 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 would 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 taken up as case studies given the presence of large shares of working women in this industry, as suggested by Annual Survey of Industries (ASI) data.

A series of scoping visits, qualitative interviews, and focus groups in residential hubs around these industrial estates (map in 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').

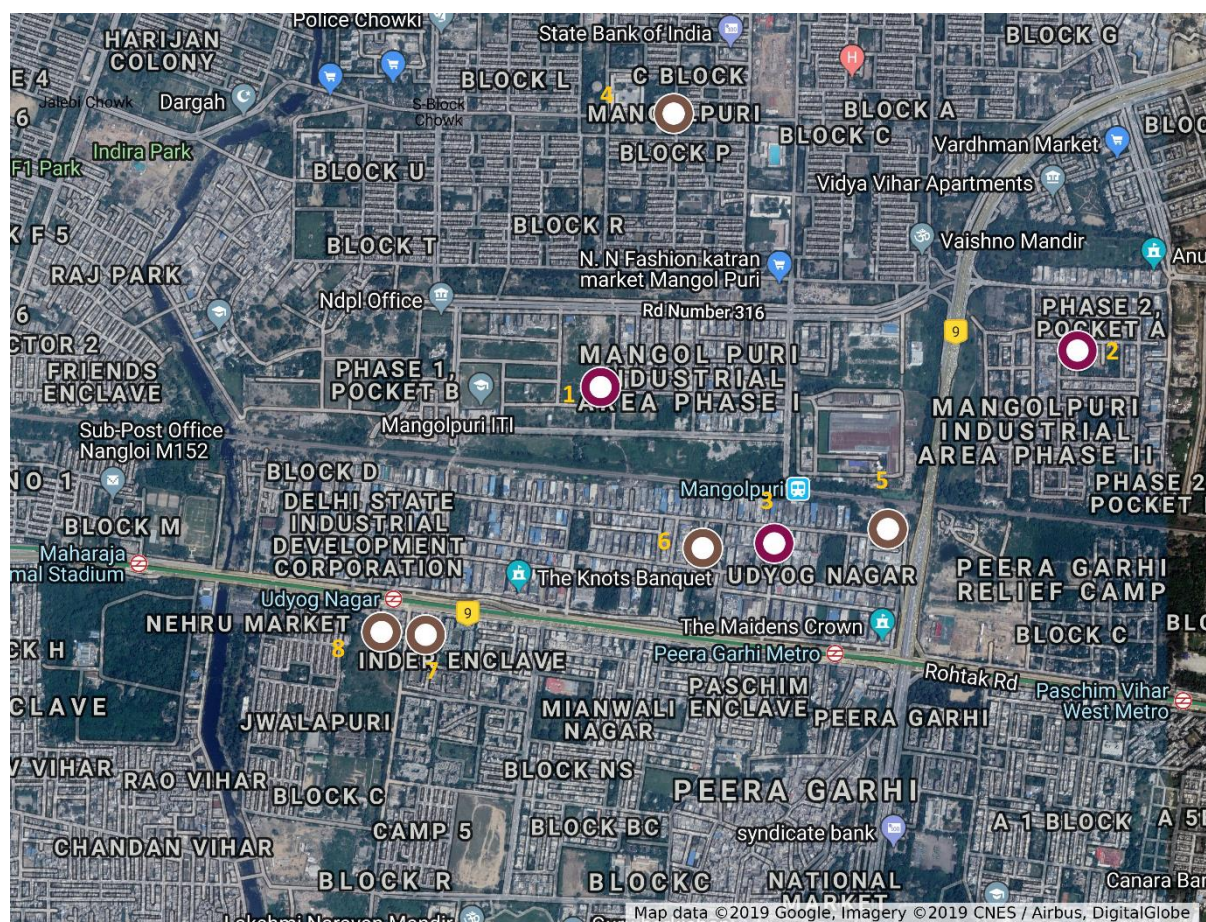
Phase II: November 2018-January 2019

This phase focused on interviews to understand the policy landscape for industrial work in Delhi. The researchers interacted with officials of 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 interviews. The interviews revealed the

complex landscape for industries in Delhi, marked by tension with planning and zoning regulations.

Ten factory owners were interviewed in 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 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.

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, and from the 10 assembly constituencies 108 polling station units were chosen to constitute the primary sampling unit (PSU). From each PSU, 15 households were randomly selected for the survey. From each household one married couple was interviewed. The couple to be interviewed was selected using the following criteria: one, age of both individuals must be between 18 and 40; and second, if there are multiple couples for whom this criterion is satisfied, the youngest couple is selected.

A phone survey was conducted between end May and mid-October, for those that 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 done conditional on the sharing of phone numbers of friends/relatives by the individual; hence, there are several attritions.

Covid 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 in 12-19 April, which was the initial, more stringent period of lockdown; 966 households were surveyed in 20 April-12 May, when there was some easing of restrictions.

Respondents were randomly selected and hence, those interviewed in Phase 1 are mostly similar in socioeconomic characteristics to those interviewed in Phase 2. Hence, their experiences can be compared and any differences in responses can be attributed to the length of time that they have been exposed to the lockdown.

Although the main respondent is male, the wives are directly asked a subset of the survey questions as well, giving an insight into the gendered experiences of this crisis.

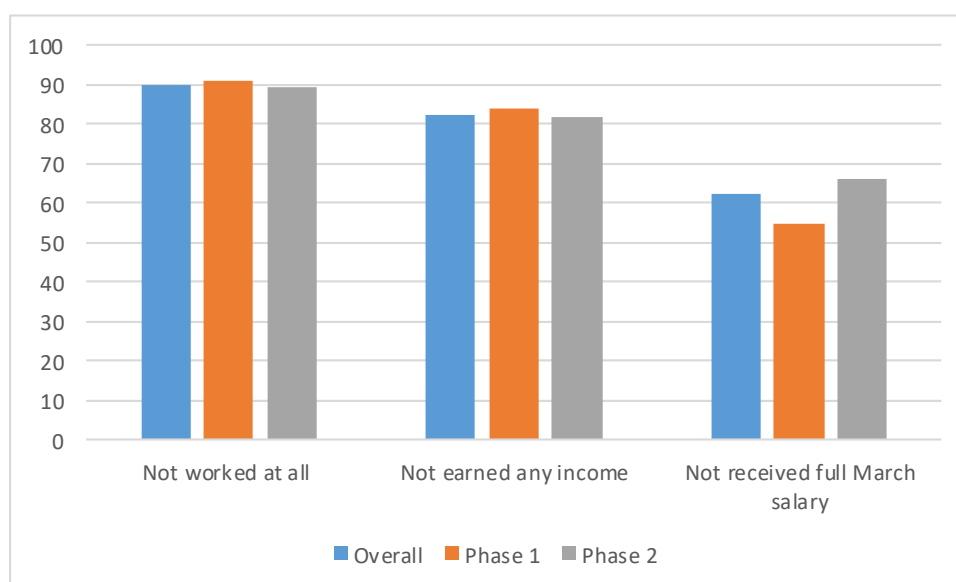
The majority of the sample comprises daily-wage workers in factories, construction, or self-employed in the informal sector (for example, petty business, small retail shops) – a demographic that is particularly vulnerable to economic and health shocks and which would need significant support through 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 health of the residents especially vulnerable to 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% is outside Delhi – primarily Uttar Pradesh (UP) (over 40%) and Bihar (9%). Hence, their earnings may have implications not just on their own welfare but also far away – through remittances to relatives in rural UP and Bihar.

Major findings

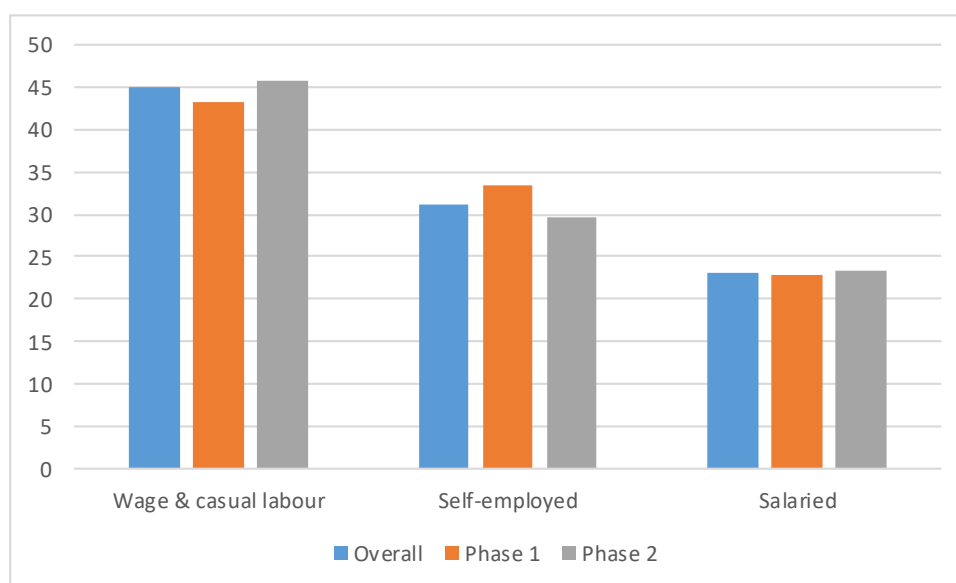
- Covid lockdown has caused a massive shock to livelihoods and wage earnings:*** About 90% of the men have been completely unable to work over the survey period (Figure 1a). The majority (45%) of those reporting unemployment are wage labourers (employed in factories, construction, domestic work) and casual labourers (daily wagers not attached to one specific sector) (45%), followed by the self-employed (31%) (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% – from an average of Rs. 373 to Rs. 88.

Figure 1a. Livelihood and employment



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

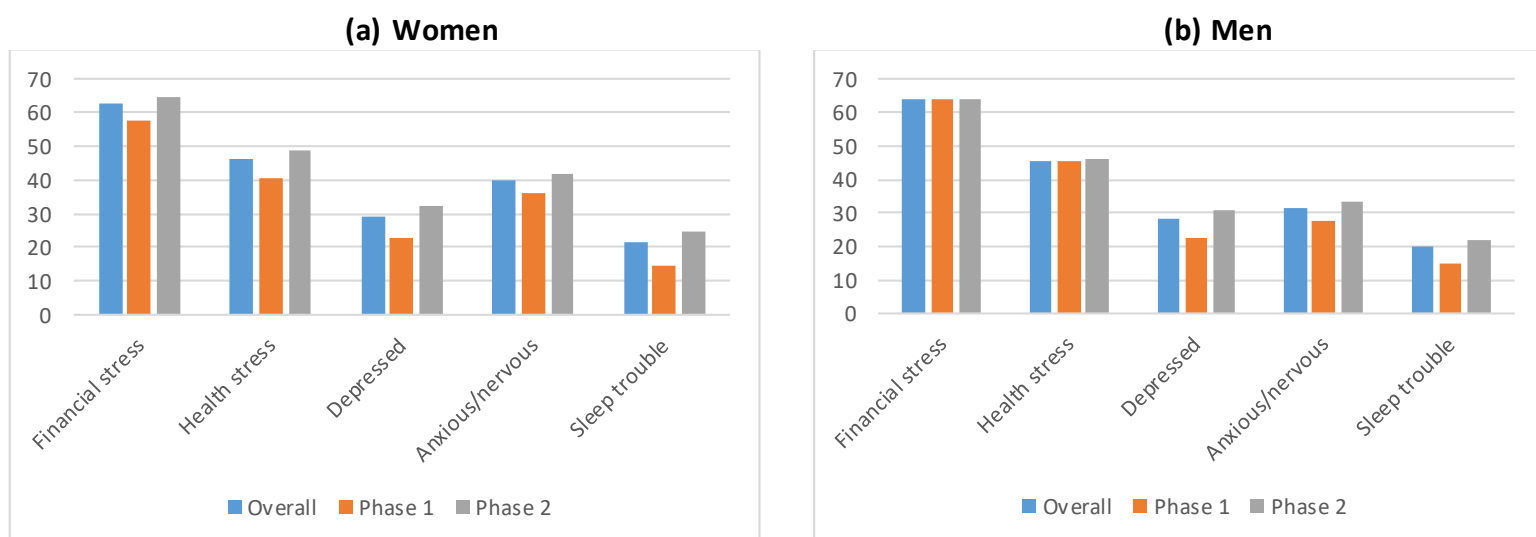
Figure 1b. Distribution of unemployment



Many of the respondents rely on friends and family to tide over temporary setbacks, and hence, job losses among their social networks would presumably lead to higher levels of stress than otherwise. More respondents report loss of job within their social network (family, relatives, and friends) in Phase 2 (74%) compared to Phase 1 (66%). 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% in Phase 1 to 27% in Phase 2, suggesting that as the duration of the lockdown increased, more workers see unemployment as a permanent job loss.

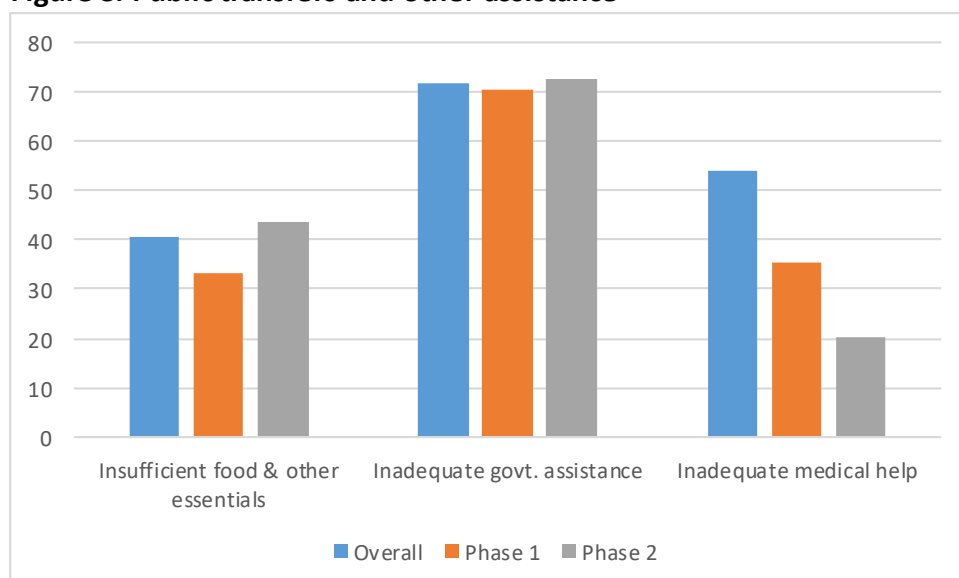
- Financial concerns are the key source of psychological stress, with women exhibiting more stress than men overall:* Close to 46% of the respondents report feeling worried about their physical health and that of their families. Twenty eight percent of men report feeling depressed about their situation while 29.1% 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% of the women felt anxious or nervous about the current situation compared to 31.3% of men. 19.7% of men and 21.7% of women report having sleeping troubles. There is an increase in all of these indicators in Phase 2, for both women and men.

Figure 2. Emotional well-being



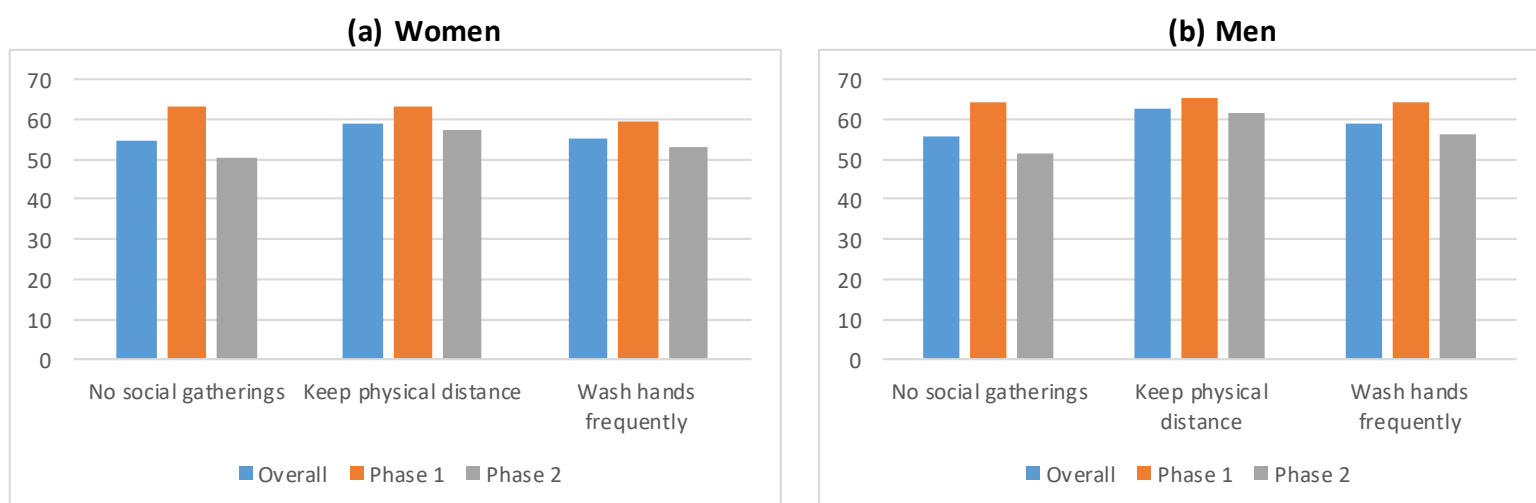
- A large proportion of respondents believe that they did not receive adequate assistance from government:* Overall, about 56% of the respondents report receiving some kind of assistance or help during the lockdown. Government assistance – primarily in the form of food and groceries – is the leading source of assistance received by the households, amounting to almost 91%. The other sources of assistance are friends and relatives (11.7%), and local political leaders, NGOs, etc. (1.8%). The proportion of respondents reporting insufficient food and essentials increased in Phase 2 (Figure 3). This may indicate an increase in respondents’ expectations or their awareness about 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% in Phase 1 to 20.3% 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% strongly agree with the statement that people living near them are not attending social gatherings, practicing social distancing, and washing hands frequently (Figure 4). However, about 80% of the respondents report that they did venture outside their home in the past week. The main reason (94.2%) to leave the house was to purchase groceries and other essential items. Worryingly, community health practices have not gone up and may have gone down over time. This is particularly true for social gatherings, which seem more likely to occur in Phase 2. 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% to 14.7% between the two phases. About 3% 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



Policy recommendations

- The emerging picture is disturbing and underlines the *need for a large injection of public spending and transfers, both in cash as well as in-kind*, to address this humanitarian crisis as we go into recovery mode. While job losses among the urban workers seem to be temporary in the early phases of the pandemic in India, the majority did 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. *Alleviation of the financial hardships faced by these households through substantive public transfers today are 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 the 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 we progress further 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%) were not located in Delhi at the time of the survey. They were either in their native village or waiting for some 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 the 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 loss the urban poor have been subjected to.

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Within the initiative, four projects are being led by Prof. Farzana Afridi at the Indian Statistical Institute. This research has been conducted under one of the projects.