

How daily wage workers in India suffered in the lockdown – and continue to struggle months later

Data in Lucknow showed that mean monthly income for labour work fell 62%, from Rs 9,500 per month in pre-pandemic times to Rs 3,500 per month now.

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Mar 26, 2021 · 09:00 am



A health worker uses an infrared thermometer to measure the temperature of a labourer at the construction site of a residential building in Ahmedabad on April 30. | Amit Dave/Reuters

Asked how the lockdown-induced economic crisis affected the lives-livelihoods of daily wage workers, Rajesh Singh, in his early 20s in Lucknow said, “Since the time of Covid and the lockdown, there has been a severe crisis of employment opportunities in local labor markets. Getting work for even two days in a week is excruciatingly difficult for us. Daily wages too, for any work possible, have dipped by half.”

The tale of Rajesh Singh, struggling to make ends meet for his own family, amidst dwindling prospects for work, reflects the nature and form of the catastrophe that has surfaced since the imposition a year ago of the curfew-style lockdown that sucked out employment opportunities for India’s daily workers in both the unorganised and organised segments.

In a three-month extensive field study undertaken by our research team at the [Centre for New Economics Studies](#), OP Jindal Global University, we documented the stories of over 200 daily wage workers through a randomised survey in mazdoor mandis in Lucknow and Pune. We were aiming to understand the extent to which the economic crisis is affecting the workers’ daily work prospects, how it hurts their incomes, and how little or no state support has forced many to borrow extensively through informal channels to make their ends meet, leaving many highly indebted.

The reason for selecting cities of Lucknow and Pune for this field study was based on logistical ease, given how each of these cities – in their respective regions – attract the maximum amount of intra-state and inter-state migrant workers, and rely on them for most industrial, manufacturing (and construction) work.

Field observations

After traveling for long hours in search for work, most daily wage workers interviewed for the study begin their search for employment in unregulated mazdoor mandis. Most workers experienced an acute fall in employment – even after November 2020 – with limited repair work and construction projects being undertaken by the private builders.

To understand the intra-household allocation of incomes of these workers, their spending, saving and borrowing patterns, our team conducted around 100 interviews each in Lucknow and Pune. The average age of our respondents was around 36 in Lucknow and 35 years in Pune with their households comprising five or six members. Most were the sole breadwinner in their families.

A closer look at the household composition of most workers reveals that the number of dependents, including children and elderly in the family, exceeded the number of earning members.

Our data from Lucknow indicated that the mean monthly income from labour work has fallen by 62%, that is, from Rs 9,500 per month in pre-pandemic times to Rs 3,500 now per month. In Pune, the mean monthly income of an average worker fell from Rs 10,000 to Rs 4,500, a 54.5% decline per month.

Laxmi Rathod, a woman worker in her 20s from Pune's mazdoor mandi, [gave an idea of what the lockdown was like](#):

“We did not even get a single rupee paid during the lockdown, not even a paisa for support. Whenever we went and begged for some money or support, we received police sticks and body-blows. Despite that, we desperately we had to beg to manage some food.”

Data from Lucknow shows how the average working days pre-Covid for most workers were around 21 days a month, which fell to nine days a month post the lockdown. In the city of Pune, average working days in a month came down from 12 to two days.

Most respondents stated that construction projects had been halted and repair work was indefinitely postponed during the lockdown. Once the lockdown was lifted, there was not enough demand or funds for the small- and medium-scale owners to resume work at the same scale.

Furthermore, difficulties in commuting for most workers have translated into a rise in travelling expenses from Rs 56 to Rs.125 on an average per month, as per data on transport expenses for each worker from Lucknow. Hesitant on spending extra money on conveyance during times of financial distress, workers were forced to accept intermittent periods of unemployment.

A few respondents indicated that there were also instances where daily-wagers with larger families in cities who had decided staying back had been forced to beg because they couldn't pay for an expensive train fare to go back home.

“I have six children, how could I have traveled with all of them?” Rathod said. “I have no money to pay for train tickets and buses weren’t functional.”

Decline in wages

Usually, wage determination in a given labour market depends on several factors: the nature of work, identity, the average experience of the worker in a vocation, home state of the worker and more. Our researchers in Pune observed that workers who have worked in the city for a longer duration – for example, 10 years – began their wage negotiations at a higher level.

The plunge taken by wages of daily workers since the Covid-19 lockdown has been severe. In Lucknow, mean daily wages fell from Rs 430 per day to Rs 360 per day. In Pune, wage rates fell from Rs 450 per day to Rs 390 per day.

Despite so many factors influencing a worker’s wage rate, there is limited variation in the daily wage within the same category of work; construction workers were on average paid between Rs 400-Rs 500 daily before the pandemic, and painters were paid around Rs 700-Rs 800 daily.

This was consistently seen in most mandis across Lucknow. For construction work, most were found to have relatively fixed wage rates — workers here would prefer not taking up a job than working at a lower wage rate. In an environment of such strong wage inelasticity, a 15% fall in overall wage rate now can be considered alarming, reflecting a sharp decrease in demand for construction)worker services.

Mohammed Haroon, a mason, [explained](#): “Earlier wages were Rs 400-Rs 500, but now it is difficult to get work to begin with. Even if we are able to find work, wages are quite low of Rs 200-Rs 300 per day.”

With fewer privately funded infrastructure projects, and an increasing desperation for employment, the employer-employee power dynamic has changed since the pandemic. Employers – mostly private labour contractors – enjoy greater bargaining and market power against workers and offer lower wages, that many forlorn workers have no choice but to accept.

In absence of any formal labour union support, or a formal mandi in place, many workers who even before the pandemic had little agency or bargaining power as a collective, [now feel](#) more cheated and exploited. The state has done nothing in this regard.

Respondents like Haroon [cited](#) many incidents that took place pre-pandemic when they were cheated out of their rightful wages too, when thekedars, contractors, would often impose heavy wage cuts for being late to work, even if the worker was late by 5 minutes.

When workers started negotiating in groups and clusters, which happened near the Engineering College mazdoor mandi in Lucknow, they noticed that such incidents of exploitation took place less often.

Most workers, left in a more vulnerable state than before now, favor state-supported unionized mechanisms, that can help workers seek employment in smaller clusters (than on individual basis)

and get collective bargaining power on issues such as wage-determination and on working condition standards (especially those working with their family with them on site).

Expenses and borrowings

From the survey data collected, the overall spending by workers from Lucknow and Pune rose post-lockdown by Rs 5,000 on a monthly basis. A lot of this increase, as seen from the aggregate expenditure allocation from each worker's household expenses, was attributed to debt-interest related payments, rental costs, healthcare costs, on children's education, and on conveyance costs, which have substantially increased.

The average number of in school-children for each daily wage worker household in Lucknow was approximately three, implying a significantly high level of educational spending. Our team found that for workers who agreed on spending in their children's education pre-Covid, the mean educational expenditure fell from Rs 560 to Rs 430 per month. This reflected how more and more parents working as daily-wage workers, with low incomes, took their kids out of school as schools shut and classes went online or couldn't educate them (in absence of a smart phone).



Migrant workers at a railway station in Kochi on May 1. Credit: Sivaram V/Reuters

Despite restrictions on mobility and travel, the mean expenditure on conveyance for workers increased from Rs 890 to Rs 1,030 per month. This increase was not due to an increase in the frequency of travel, but rather due to a rise in the daily travel fare from Rs 60 to Rs 100 as reported. Respondents [explained](#) that due to public transport facilities being shut, and then to social distancing restrictions to keep seating capacity low, they had to explore more expensive, private transport networks to get to the mandis.

Medical expenses too in worker households were observed to go up during the pandemic. The amount that a daily wage worker household would spend on healthcare increased due to a rise in the

average spending on medicines from Rs 1900 before the pandemic to Rs 4700 per month since the pandemic and this increased spending was evident for those availing private healthcare services for maternal patients, pregnant women, or in treating non-covid related ailments for the elderly in the household.

In a previous study, also conducted in cities of Lucknow and Pune as well, we [discussed](#) how reproductive healthcare services and private healthcare costs had gone up, negatively impacting lower income households since the pandemic.

On overall consumption patterns, we observed how average consumption increased for most workers living in and around Lucknow, as against Pune. Explaining this, and beyond the other overheads mentioned, a major overhead for expense for most workers was on debt-related payments, or simply on interest of borrowings.

Almost every borrower, as studied, availed larger sums of money through intra-community borrowings at informalised interest rates, as borrowing institutionally through banks wasn't possible due to no proper paperwork and security ownership.

This pattern of informal lending, as [reported](#) by workers in our interactions, informed us in how in most cases a lender charged 5% for every Rs 100 taken as a loan. On asking why was it necessary to borrow at such high (and exploitative interest rates), most workers especially from Lucknow cited two reasons: for increased medical expenses, and for household weddings, mostly for dowry related expenses, where marriages had been already fixed prior to the pandemic.

Where is government aid?

The ordinary worker during a pandemic struck catastrophe was forced to become more and more dependent on debt-entrapping, ultra-exploitative, asset-owning class of workers and informal money lenders, which has only made their living condition worse over time.

Despite the government's efforts to ensure food-security during the months of the lockdown and thereafter, most workers were unable to avail the benefits of receiving ration packages. Poonam Sahu, a daily-wage worker from Lucknow, [said the state was absent](#):

“As far as I am concerned, the government can say whatever on paper, or in person about providing (food) aid and support. Daily-wage workers have been living through a horrid period and none of the government measures announced are anywhere to be seen. It didn't affect the workers in any way.”

Interference of bureaucratic intermediaries, need for an ID and paperwork and complex processes of handing out food packages to local communities forced many workers to fend for themselves.

Aklima, a worker staying with her two children, is one of those who did not receive the much-touted government food support.

“We didn't get rations here,” she said. “Where and when do we get ration? Whatever we get, we need to buy it. If we work hard, we eat, otherwise we remain hungry.”

Echoing the plight of workers, those ignored by the sheer indifference from the government, Ansuiya's statement quite tragically sums the countless stories of this essential working group: "If we ask for help, who will extend it? People send us away by saying 'Go away! What can we do to help you if you have come to earn money' This is what they tell us... So, help is never on offer. What we can get is 'work'. At least that will help us manage our livelihood. Else, it is we who suffer – and die."

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