

Concerns with Employment data in India

What is the issue?

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The government is delaying the release of official statistics on employment which will have dire consequences for addressing employment crisis.

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Why is there a delay in releasing official statistics on employment?

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- The NSSO was made to scrap the quinquennial large labour force survey recently.

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- This was on the grounds that it would be replaced with periodic labour force surveys that would provide real-time data.

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- The report of the 2016-17 survey is ready and was cleared by the National Statistical Commission, but the government is not releasing it.

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- Similarly, the Labour Bureau's report on the sixth annual employment-unemployment survey (for 2016-17) has not been publicly released by the government.

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- There are speculations that this is because these official surveys might show stagnation or decline in employment in the recent past, as suggested by other independent surveys.

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- Indeed, the large survey conducted by the Centre for Monitoring the Indian Economy (CMIE) suggests a steep fall in employment in 2018, of as much as 11 million jobs.

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- It also shows that most of these unemployment relates to those of rural women and among less educated workers.

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- However, this delay on releasing official statistics denies citizens access to reliable data on what is going on in the economy and assess the

government's performance.

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- It is counterproductive even for the government because effective policy-making requires proper knowledge of existing conditions and problems

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What are the problems in using EPFO data as an indicator of employment generation?

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- Instead of releasing employment data, the government tends to rely more on the payroll registrations under the Employment Provident Fund Organisation (EPFO) as indicative of new employment.

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- However, this does not give any idea on either new employment generation or even the number of formal jobs.

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- The increase in EPFO registrations may be when -

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1. Existing workers getting registered
2. Workers moving to enterprises that have EPFO registration.
3. Workers have multiple accounts that have not been merged
4. Workers' names are not removed once they are registered even if they lose those jobs and no longer contribute.

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- Thus, any increase in EPFO registration may not necessarily result in higher formal employment and thus cannot be a reliable data to indicate employment levels in India.

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What should be done?

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- The government promised to present before the country all figures regarding employment present in the system, every month.

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- Yet, even the figures for public employment are not being released.

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- Budget documents suggest that the number of central government employees actually declined by 75,231 during the last 5 years.

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- It also suggests that projected hiring targets have not been met in any year.

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- Also, there are huge vacancies in existing posts across central and state governments.

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- It is estimated that there are around 2.4 million vacant posts in the central government and more than this number for the state governments combined.

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- Just filling these vacancies would provide much-needed employment and ensure better public services as well.

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- Expanding regular employment in crucial social services would also have major positive multiplier effects, generating much more employment indirectly.

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- So, instead of relying only on EPFO data, the government should release a reliable data to gauge employment levels in the country.

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Source: The Indian Express

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