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
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2. Workers moving to enterprises that have EPFO registration.
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3. Workers have multiple accounts that have not been merged
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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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