Problem with Employment data

What is the issue?

\n\n

The nature and extent of the employment in India are barely understood in the absence of information on unorganised sector workers.

\n\n

What is the background?

\n\n

\n
- India do not have a reliable official database on certain aspects of the labour market and industrial relations such as employment, strikes and lockouts.
\n
- The current scenario of employment in India has transformed from a long term employment to fixed short term engagement in the form of contracts.
\n
- This has created a need for an official employment database to capture these significant changes.
\n
- Several official agencies collect data on employment/unemployment with differing definitions and classifications of workers and with different frequencies (decadal to annual/quarterly).
\n
- Private sector data sets and proxy data sets (payroll data) have also emerged to capture these employment pattern changes.
\n

\n\n

What are the problems with official calculations?

\n\n

\n
- **Manufacturing sector** - The Annual Survey of Industries (ASI) collects employment data annually on workers/employees from the establishments covered under the Collection of Statistics (COS) Act, 2008.
\n

- The employment data relates to directly employed workers, contract workers, supervisory and managerial staff and other employees.
\n
- Directly employed workers comprise both permanent workers and non-permanent workers including non-statutory apprentices/trainees and fixed-term employees (FTE).
\n
- There is a possibility that some of the directly employed workers are being indulged in per hour work or a part time work, with wages even less than the contract workers.
\n
- But there is no further classification on the nature of employment i.e., based on hours - part time or full time.
\n
- All directly employed workers are being equated as 'regular/permanent workers' and only the contract workers are treated as the flexible category.
\n
- This shows that there is a gross underestimation of flexible workers reported in the official data.
\n
- Also, the ASI primarily covers the registered manufacturing sector, leaving out the unorganised or unregistered or informal sector enterprises.
\n
- **Service sector** – Data related to this sector comes under the State-level Shops and Establishments Acts.
\n
- A reliable data set on the service sector has not been established, mainly because of lack of data submissions from the state labour departments(SLD).
\n
- Thus, the Labour Bureau should compile and provide sector-wise data of the SLDs under its control.
\n

\n\n

What should be done?

\n\n

\n
- India's labour market governance is at peril as there is a serious information deficit on unorganised sector workers in the country.
\n
- It is imperative that the government takes measures to design afresh a statistical system reflective of dynamics of changes in the labour market.

\n

\n\n

\n\n

Source: Business Line

\n