Questions arising from QES data

What is the issue?

The Labour Bureau's All-India Quarterly Establishment-based Employment Survey (QES) for the first quarter of 2021 (April to June) throws up some perplexing numbers raising suspicions on reliability.

What is the survey about?

- The objective of the QES is to enable the government to frame a "sound national policy on employment".
- It covers establishments employing 10 or more workers in the organised segment in 9 sectors - manufacturing, construction, trade, transport, education, health, accommodation and restaurants, IT/BPO, and financial services.
- These sectors account for 85% of the total employment in establishments employing 10 or more workers as per Sixth Economic Census which serves as the basis of QES survey.
- The QES has reported a simple growth rate of 29% in employment in FQ2021 over 2013-14.

What are the other surveys regarding employment?

- **While the QES provides a demand side picture, Periodic Labour Force Survey (PLFS) gives the supply side picture of the labour market.**

- The release of the PLFS results in 2019 showed the highest-ever unemployment rate of 6.1%.
- CMIE data has been projecting a distressed labour market scenario especially during the pandemic.

*PLFS is released by **National Sample Survey Office (NSSO)** under MoSPI to generate estimates of various labour force indicators.*

What cautions were raised from QES data?

- **Limited coverage - establishments with ten or more workers account for a mere 1.66% as per the Sixth Economic Census.**

- Also, a disproportionately 81.3% of workers are in unorganised sector as per the PLFS data.
- **Employment growth despite economic slowdown** - The QES provides very broad employment figures — 3 .8 crores approximately in FQ-2021.
- But CMIE data revealed a discouraging picture in April where salaried class shed around 3.4. million jobs compared to March 2021 and the urban unemployment rate was as high as 9.78%.
- The real national income growth rates also declined from 2017-18 onwards.
- **Credibility of statistics** – QES reports that 87.5% of the estimated workers were regular workers and just about 2.1% were casual workers.
- Also it mentions that 66-86% of estimated employees received full wages in contrary to other reports including those by the Central government.
- **Overlaps between the registrations** – AES says that contract workers accounted for overall 7.8% .
- But Annual Survey of Industries for 2017-18 mentions that 36.37% of the total workers are employed in the organised factory sector.
- **Methodological shortcomings** - An outdated sample frame, non-comparability of employment numbers from EC-2013 with QES and differences in methods used for gathering information adds to unreliability.

What can be inferred from the survey?

- **It would have been more prudent to await the release of a newly updated frame in the EC-2020 and then canvass for the QES.**

- F12021 QES must be considered as a starting point of the new data set rather than as a continuum of the Sixth EC.
- The Labour Bureau could have put a high-frequency labour market information base like most advanced economies.

Source: The Hindu

Quick facts

Economic Census

- **Economic Census is the complete count of all establishment located within the geographical boundary of India.**
- It is conducted by the **Union Ministry of Statistics and Program Implementation (MoSPI).**
- The first Economic Census was undertaken in 1977.
- The last one was Seventh Economic Census, conducted in 2019 by MoSPI partnering with CSC e-Governance Services India Limited, a Special Purpose Vehicle under Ministry of Electronics and Information Technology.

SHANKAR IAS PARLIAMENT
Information is Empowering