

**“Samvaad”**  
**A Dialogue on Globalisation, Equity and Jobs**  
**ICRIER and Ford Foundation**

**CONCEPT NOTE**

***Dialogue 1: Revamping the Statistical Architecture for Robust Data on Jobs in India - A Dialogue on India's Employment Data***

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According to the United Nations Development Programme (UNDP), India is projected to dominate the growth in the working-age population in Asia Pacific by 2050. As the working age population rises rapidly, the challenge of productive job creation has become a key priority for the government. Designing macroeconomic policies requires reliable, real-time and comprehensive employment statistics. We need to correctly count the number of employed and understand where jobs are being created. India's employment statistics suffer from several problems, which make it difficult to study the extent of employment generation over different periods of time. There are three broad problems with the present system of data collection and compilation – a) the frequency of data collection and timeliness of release of data, b) the coverage viz. the organised and the unorganised sector and c) lack of information on quality of jobs in India.

In order to establish a mechanism for collecting and disseminating timely and reliable data on employment, the Prime Minister has set-up a task force on improving employment data, to come up with a solution to fill this long standing gap in the country's statistical architecture. The mandate of the task force includes assessing existing data systems and sources on job creation, examining prospects for using any existing data sources to obtain quick estimates of jobs created in recent years and recommending mechanisms for future data collection so as to place employment estimates on sound footing.

At present, in India, employment estimates are compiled and disseminated by several ministries and organisations. These include the Ministry of Statistics and Programme Implementation (MoSPI) and the Ministry of Labour and Employment (MoLE). Within these ministries, the Central Statistical Office (CSO), the National Sample Survey Office (NSSO) and the Labour Bureau are responsible for collection and compilation of data. These agencies use both household and enterprise surveys to generate key employment statistics in India.

One of the most comprehensive household surveys on employment and unemployment is that of the NSSO, conducted quinquennially. It is the primary and one of the most frequently cited sources on employment and unemployment in India. The most recent round was conducted in 2011-12 (NSS 68<sup>th</sup> round). Despite its importance as a reliable source for employment estimation in India, the fact that it is conducted once in every five years and that the results are often reported with a lag of a year, leads to a dearth of timely estimates. Additionally, in order to capture the varied characteristics of the enterprise including employment situation in the unorganised sectors, the National Sample Survey (NSS) comes up with enterprise surveys as follow up survey of the Economic Census.

The Annual Survey of Industries (ASI) conducted by the CSO is the most comprehensive annual database on the organized sector. It is an important and most frequently cited source for industrial statistics in the country and encompasses all the registered enterprises as defined by the Factories Act, 1948. However,

this data also comes out with a considerable lag and the most recent year for which data is available is 2014-15.

Compared to this, the Labor Bureau of the Ministry of Labor and Employment through quarterly, annual and ad hoc surveys collects data pertaining to multiple dimensions of labor and employment. In a bid to generate quick estimates of employment in the aftermath of the global financial crisis, it launched the “Quarterly Report on Changes in Employment in Selected Sectors” in the last quarter of 2008. The series was discontinued in December 2015 as it was narrow in scope for the sample size (~2000) encompassed only select labor intensive and export oriented sectors. It was replaced by “The Quarterly Report on Employment Scenario: New Series” as on 1<sup>st</sup> April 2016. The new series is a broader establishment-based fixed panel quarterly survey in the segment of 8 non-farm sectors. The quarterly estimates of employment from the new quarterly survey are often cited when reporting employment numbers. However, these numbers must be interpreted with caution for even though the new series is broader in scope, it has a sample size of ~10000, which is insufficient for generating representative and robust estimates of employment. Additionally, the Labor Bureau has been conducting an annual household survey called Annual Employment and Unemployment Surveys (EUS) since 2009-10, which has resulted in five EUS. The household surveys conducted by both the Labor Bureau and the NSSO encompass both the organised and the unorganised sectors. However, the estimates are based on a small sample size and thus, cannot be generalised or be representative of the whole economy.

Due to the growing concerns regarding data on jobs in India, the Task Force report has made certain recommendations. One, conduct household surveys on an annual basis, two, introduce a time-use survey and three, progressively introduce the use of technology that can speed up data collection and reduce the time lags between data collection and processing. The report highlights that it is important to have annual household survey with a quarterly module for urban areas to facilitate tracking of seasonal employment and changes in employment characteristics. Further, a new time-use survey may be conducted at three-year interval to collect information on how individuals allocate their time over a specified time period, usually a day or a week. Finally, enhanced use of technology can reduce time taken in data collection and processing.

The report made other recommendations such as strengthening sources of enterprise and establishment level data to ensure wider coverage. For this, the enterprises registered with the goods and services tax network can constitute the sample frame and to include the own-account enterprises, Economic Census can be conducted at regular intervals to supplement the enterprise level survey. The report further recommends the use of other administrative databases for drawing up the sample, among other things.

*Thus, the focus of the first Samvaad is to have a dialogue on India's employment data problem of lack of comprehensive data on jobs. Further, we would like to deliberate the recommendations made by the Task Force on Improving Employment Data to see how this revamp of the employment database can be meaningful and comprehensive.*