

Media Coverage

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● EMPLOYMENT

Festive cheer fails to boost employment, jobs down 5.5 m in Oct

FE BUREAU
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AN ALMOST STEADY fall in unemployment rate since the recent peak witnessed in May had inspired the job market watchers, but October numbers have belied their expectations. The festive month saw country's overall employment declining by 5.5 million to 400.8 million, indicating the jobs market continues to remain grim and uncertain.

According to Centre for Monitoring Indian Economy (CMIE), unemployment rate rose to 7.8% in October, from 6.9% in September.

Labour participation rate also dropped to 40.4% in October from 40.7% in September.

In September, the country's employment had increased by 8.5 million to 406.2 million, the highest level since Covid-19 hit the country in March 2020.

While urban joblessness rate fell to 7.38% in October, lowest in three months, the rural joblessness rate rose to a four-month high of 7.91%.

Festive cheer fails: Jobs down 5.5 m in Oct

Mahesh Vyas, MD & CEO at CMIE, however, found it odd that the 5.5 million decline in employment in October was accompanied by a massive 5.3 million increase in people who declared themselves employed "business persons".

"This is odd because these are not the best of times to start a business in India. Demand is

weak and capacity utilisation is low. Household incomes are largely depressed. In October, less than 10% of households reported an increase in income compared to a year ago, and 40% reported a decline in nominal terms. The rest reported no change," Vyas wrote in a recent article. However, some staff service providers don't subscribe to this view and paint rather rosy picture of the employment scenario.

The increase in employment as businesspersons seen in October 2021 is likely to be a mere reflection of difficult employment conditions and not an increase in real and sustainable entrepreneurship, Vyas opined. People who cannot find acceptable jobs resort to self-employment. "This is evident from the fact that while self-employed entrepreneurship is increasing, overall employment is not. On the contrary, the 5.3 million increase in employment in businesspersons in October was accompanied by a 19.6 million fall in employment in daily wage labourers and small traders. Evidently, employment conditions continue to remain grim in spite of this curious increase in entrepreneurship," Vyas said.

Staffing services providing firm Genius Consultants chairman cum MD RP Yadav, however, said: All staffing services

providing firms are seeing an increased demand for supplying manpower for permanent and temporary recruitment across all sectors. At this point, there is no sector which is not seeing heightened demand for manpower. We are actually struggling to supply manpower. All our clients are after us. It's a very good scenario now. The CMIE number is beyond my comprehension."