

# Oct payroll data shows further slowdown in formal job creation

Prashant K Nanda

prashant.n@fivemint.com

NEW DELHI

**F**ormal job creation was under stress in recent months with just 629,914 people joining the formal workforce in October, the lowest in the current financial year, according to government payroll data released on Tuesday.

The payroll data, which extrapolates the number of new Employees' Provident Fund subscribers for a particular month, shows that employment growth decelerated in October for the third month in a row.

New additions in July stood at 1.18 million, falling to 962,378 in August, and 879,746 in September, according to the payroll data. In June, the figure was 1.17 million, while April and May recorded 1.05 million and 1.06 million, respectively.

Of the total payroll additions in October, 346,561 were in the 18-25 age group, which is generally considered fresh job seekers. This is more than 136,000 less than the numbers recorded in September.

A slowing economy, which grew at 4.5% in the three months ended September, the lowest in 25 quarters, may be hampering employment generation and forcing many to opt out of the labour market. A high unemployment rate has been the talking point in India in recent times and several gov-



Only 629,914 people joined the formal workforce in October.

ernment and private surveys showed that employment generation has been slowing.

More working-age urban Indians, especially the youth, are withdrawing from the labour force, according to the latest quarterly periodic labour force survey by the statistics

department for the March quarter of 2019. The Labour Force Participation Rate (LFPR), defined as the share of working age population (15+) that are either employed or looking for jobs, declined to 46.5% in the March quarter from 46.8% in the December 2018 quarter. LFPR for the urban youth (15-29 years) declined at a sharper rate to 37.7% in March quarter from 38.2% in December quarter, *Mint* had reported on 24 November.

Of the total Employees' Provident Fund Organisation payroll additions in October 2019, 146,719 were female employees, while 483,175 were male.

Payroll data of most recent months may be revised because of data collection and tabulation

delays in some sectors.

About 12 million people enter the Indian labour market every year but job creation has not kept pace with the demand. "There is growth in the labour mar-

ket but it is subdued. Sectors such as telecom, auto, and manufacturing are facing a tough time. We hope things will be better in 2020," said R.P. Yadav, chairman and managing director of Genius Consulting and vice president of the Indian Staffing Federation.

**Of total payroll additions in October, 346,561 were in the 18-25 age group and 146,719 were female workers**