

Media Coverage

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ECONOMY/JOB

It can't bear repetition for most of us, but a new survey report puts in plain the obvious: the employment sector in India is worse than two years back, particularly for the salaried class. Still, the findings are unexpected, given the optimism that the lifting of the lockdown would push things towards normality, as economic activities pick up and jobs are created. It really hasn't worked out the way it was envisaged, as work from home (WFH) seems to remain in vogue globally, leading to a shift towards flexi or contract jobs.

"The employment scene is quite bad. We did see some improvement in September, when it rose to 398 million. But there has been a steady deterioration, though not worrying, in the last three months, with the number of salaried jobs falling to 389 million in December, which is lower than two years back, when it was 399 million," says Mahesh Vyas, MD and CEO of Centre for Monitoring Indian Economy (CMIE).

In the 2019-20 fiscal, employment numbers were estimated to have risen to 404 million, peaking at 406 million in December 2019. The new data, based on the four-month CMIE survey conducted across 300 cities and about 4,000 villages covering 174,000 households, (one-fourth of the sample survey was done in December) has revealed that salaried job losses were not on expected lines.

Vyas says the 14.7 million drop in jobs compared to 2019-20 is more in urban areas, where better quality jobs were expected to go up. Another worrisome trend is that most job losses are being borne by women and young people, principally people in their twenties.

The latest CMIE report reveals that graduates and postgraduates who account for 14 per cent of the total employment have suffered 65 per cent of job losses. The salaried class, which accounts for 21 per cent of total employment, make up for 71 per cent of the job losses. "The recovery in employment stopped after September

New, Contracted Reality From A Flatcar

Economic recovery was to embody a sharp upward curve. Instead, national unemployment touched a ghastly 9 per cent in December. Urban, salaried employees are the worst affected

and started declining after that, impacting urban people, particularly women and educated youth, which was unexpected," says Vyas.

Vinay Abraham, associate professor, Centre for Development Studies, says change in the nature of job contracts may to some extent explain the drop in employment, which has not risen to pre-lockdown levels as many sectors like tourism and transportation, among others, have still not revived.

Based on anecdotal evidence, Abraham states that several companies, instead of laying off people, have changed the terms of their employment to contractual jobs or recruited people on short-term contracts. "As not all employees are required to come to the workplace, they don't feel the need for surveillance or supervision. Moreover, in many cases, staff is being paid on task basis," says Abraham, giving examples of educational institutions, both schools and colleges, nursing services engaged by hospitals and nursing homes, the hospitality sector and others.

Labour experts say the lingering uncertainty about economic growth is impacting even large companies. The Covid crisis has also increased the pace of change, with technology quickening the transition to task based work.

R.P Yadav, CMD, Genius Consultants, a placement agency with

realt, hospitality, health-care, logistics and warehousing companies with the recruitment of blue-collar workers, says with business picking up again, many new-age companies are doing well and recruiting aggressively, largely in Tier 1 cities.

"Around 2.5 to 3 lakh jobs are being filled on a monthly basis, particularly in the delivery and logistics sector," says Krishna.

Even as low-skill jobs are in plenty, the same is not true of all kinds of employment. Balachander Sekhar, CEO & co-founder, Resonance Insurance, says they have hired around 700 people across the country since September. "Unlike most industries, insurance witnessed around 30 per cent growth in hiring after the lockdown. Due to increase in demand in health and life insurance, there has been an increased need for talent acquisition in the insurance advisor segment, frontline sales and customer-facing roles," says Sekhar.

The pandemic also witnessed more integration of technology into insurance, bringing new-age solutions to the forefront.

It is not just the job losses or inability to get back into painful employment that is worrying experts, but also the fact that many companies—including leading media firms—have taken recourse to wage cuts, particularly in the informal sector, which encompasses over 90 per cent of India's economic activity and workforce.

The International Labour

Organisation's latest wage report cites that in India, recent evidence suggests that formal workers' wages have been cut by 3.6 per cent, while informal workers have experienced a drastically sharp fall in wages—22.6 per cent. Minimum wage rates vary widely, and not only for unskilled workers; the variations across states in prescribed wage rates indicate the high level of complexity of the minimum wage system in India, the ILO report notes.

The CMIE report also points to major challenges ahead, as it points out that few sectors flourished during the pandemic-induced slowdown. While essential services like FMCGs and the medical industry flourished in terms of their market capitalisation, industries like tourism and hospitality were massively affected. "Given that these sectors are at the top in employment and job creation, the significant low of the lockdown led to a downturn for the HR industry as well, with no recruitment happening," the report points out.

The economic slowdown, further aggravated by the pandemic, led to 11 million people losing jobs or getting sacked from their profiles. With a major part of the salaried workforce working from home, there were a lot of changes that needs immediate adapting to.

According to the CMIE, national unemployment rate climbed to 9.06 per cent in December, a six-month high, up from 8.51 per cent in November, while rural joblessness rate climbed from 6.26 per cent to 9.15 per cent during the same period. Reports from rural India indicate that inadequate employment opportunities under NREGS, in many states and lack of timely payment is adding to the distress of people, even as they wait for a revival of the construction and manufacturing sectors to migrate back to the cities. An estimated 30 to 40 per cent of migrant labour still remain in their villages, 61

Month	Value
Dec 2018	398
Dec 2019	406
Sept 2020	398
Oct 2020	397
Nov 2020	394
Dec 2020	389

JOB SCARCITY

Graduate/post graduate youth (less than 40 years) account for 13 per cent of the employment. They account for 85 per cent of the job losses.

Skilled or permanent employees account for 21 per cent of those employed. They account for 71 per cent of job losses.