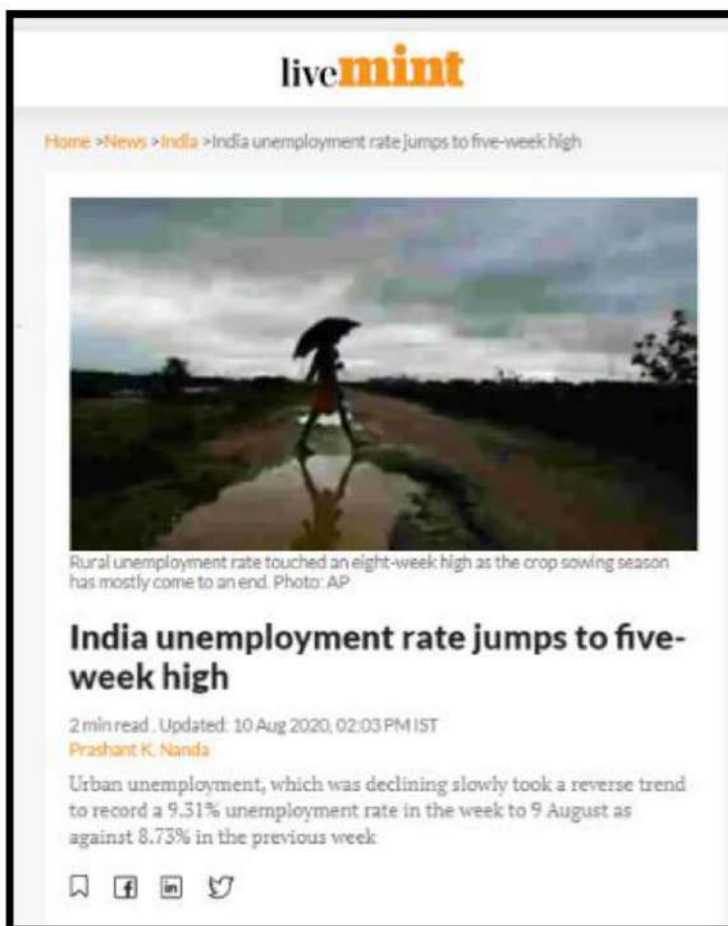


Media Coverage

Publication	Date	Edition	Link	Headline
Livemint	10 Aug 2020	Online	https://www.livemint.com/news/india/india-unemployment-rate-jumps-to-five-week-high-11597046862778.html	India Unemployment Rate Jumps To Five-Week High



NEW DELHI: India's overall unemployment rate climbed to a five-week high, while rural unemployment rate touched an eight-week high as the crop sowing season has mostly come to an end and states imposed micro-lockdowns to curb the spread of the virus. The overall unemployment rate climbed to 8.67% in the week ended 9 August as against 7.19% in the week to 2 August, according to fresh data from the Centre of Monitoring Indian Economy (CMIE). This is the highest unemployment rate since the week ended 12 July and even higher than the overall monthly joblessness of 7.43% recorded in July.

The rural unemployment rate jumped almost two percentage points in the week ended 9 August to an eight-week high of 8.37% from 6.47% in the previous week as monsoon intensified, and the crop sowing season mostly ended among other reasons. According to CMIE data, rural unemployment rate was higher than this in the week to 14 June at 10.96%.

Urban unemployment, which was declining slowly, showed a reverse trend to record a 9.31% unemployment rate in the week to 9 August as against 8.73% in the previous week. The monthly urban unemployment of July was 9.15%, CMIE data shows.

Economists and experts said migrants have started coming back from villages due to lack of opportunities and shrinking capacity of agriculture sector, demand from sectors like constructions and textiles to resume activities in cities and urban centers, and a deep wage disparity.

"A combined factor of demand and supply, lack of opportunities in rural India, crop seasons coming to an end will increase the unemployment scenario in the short to medium term. The micro-lockdowns imposed by states to curb the spread of covid-19 are having their impact as well," said K.R. Shyam Sundar, a labour economist and professor at XLRI Jamshedpur.

"The economic adjustments via scheme jobs like national employment guarantee scheme will not be able to solve employment problems. Because works provided through those schemes has a wage and skill mismatch for many workers who had returned," explained Sundar.

The return of the migrants will have its immediate impact on both health and employment scenario in cities and a tough employment scenario may continue for some time in the short to medium term, he added.

RP Yadav, chairman and managing director of Genius Consultants, a staffing company, said, "I believe the unemployment rate in the formal sectors is between 10-12%. Pandemic's impact on businesses is huge...it is most likely to continue till end of March. When companies are back on full capacity and the demand in the market returns, you will see a gradual pickup in job creation."

"While, some sectors like e-commerce and fast moving consumer goods are seeing a gradual growth, several sectors will take months to come back to a normal situation. And again local lockdowns and the growing fear of the pandemic among people is having its impact in the local trade segments like malls, markets and restaurants," he added.