

JOB CREATION NUMBER PLUMMETS TO ITS WORST IN FY20 IN MARCH

Relevant for: Indian Economy | Topic: Issues Related to Poverty, Inclusion, Employment & Sustainable Development

EPFO data says payroll additions in March for the 18-25 age group were about 170,000 less than February figures

NEW DELHI : New jobs in the formal sector plummeted almost 46% in March against February, making it the worst month for job creation in 2019-20, government payroll data shows.

According to data collected through the Employees' Provident Fund Organisation, around 401,949 people joined the formal workforce in March, against 745,655 people in February. The numbers were 833,417 in January, 876,228 in December and 987,668 in November 2019.

The data also indicates that formal sector payroll additions may worsen in April and May when the full impact of covid-19 was felt and businesses were hit hard by the lockdown.

According to EPFO, of the total new payroll additions in March, 222,167 were in the 18-25 age group—considered a key parameter to gauge new job creations— or 170,000 lower than the February numbers.

While 47,016 people in the 26-35 age group joined the workforce in March, 64,697 were above 35 years. The remaining 3,887 were under 18 years. The payroll data of recent months may change slightly due to delays in data collection.

India's economy was slowing even before the lockdown and the covid-19 pandemic has exacerbated the situation, affecting employment generation. Many multilateral organisations said India's growth will slow significantly. The International Monetary Fund has pegged growth at 1.9% for FY21. Goldman Sachs on Sunday said the economy may contract by 45% in Q1FY21.

Experts said micro small and medium enterprises, which contribute significantly to job creation numbers, were most affected. "The impact is increasingly getting visible in job numbers. The full impact of the pandemic on the MSME sector was felt in April and May. Most of them are closed. They are gradually opening, but production has not started in many parts despite relaxation of lockdown norms. Employment generation will take a beating for next six to eight months. By end June, you will get closer to the reality," said K.E. Raghunathan, former president of All Indian Manufacturing Organization.

[Click here](#) to read the Mint ePaper Livemint.com is now on Telegram. [Join Livemint channel](#) in your Telegram and stay updated

Log in to our website to save your bookmarks. It'll just take a moment.

Your session has expired, please login again.

You are now subscribed to our newsletters. In case you can't find any email from our side, please check the spam folder.

END

Downloaded from **crackIAS.com**

© **Zuccess App** by crackIAS.com

crackIAS.com