

Proceedings of the Workshop on Conceptual issues relating to measurement of employment-unemployment

Chairman, NSC in his opening remarks noted that the objective of the workshop was to take a relook at conceptual framework and the measurement practices currently followed in the employment-unemployment surveys. He noted that the connection of the self-employed with labour market was very loose in India and the employment still continued to be predominantly of self-employed in nature. The issues identified for discussion were then listed and the discussion papers were presented. The following papers were presented in the workshop.

- a. Background and issues: P C Mohanan, National Statistical Commission Secretariat
- b. Measurement of employment and unemployment In India: some issues: Prof K Sundaram, Centre of Development Economics
- c. Review of Concepts and Measurement Techniques in Employment and Unemployment Surveys of NSSO: Survey Research and Design Division, National Sample Survey Organization
- d. Measures of Labour Force Participation and Utilization: Dr Raveendran and J Krishnamurthy, National Commission on Enterprises in the Unorganized Sector

Besides these papers, Planning Commission and National Accounts Division of Central Statistical Organization also presented their views.

A. Presentation of discussion papers

Points made by Prof Sundaram in his presentation

The concepts of work should be in synchronization with the concepts of UN System of National Accounts (SNA). There are no conceptual problems in getting a count of 'jobs' from the existing framework. However current daily status data has certain problems in interpretation and its use in plan exercises for estimating employment and unemployment is not desirable due to the distinction of person and person-days. For regular wage and self-employed persons the relevant count should be persons for which we may not even gather Current Daily Status (CDS) data. For CDS the question of converting person-days in to persons is also problematic. He also made a suggestion to improve the Directorate General of Employment and Training (DGET) estimates. According to him the modified Current Weekly Status (CWS) was also not

free from these problems of interpretation and for UPS is to be preferred to CWS and CDS or the Modified CWS.

Also there was need for classification of contract workers in the enterprises and a need to look at the nature of contract of wage and salaried laborers to understand whether they are temporary or not.

In the paper by Dr Raveendran and Krishnamurthy, a modified current weekly status (MCWS) has been proposed. This was based on looking at the weekly disposition of all the seven days (14 half-days). A person is considered to be in the labour force if the person is in the labour force for a majority of the half days as against the any half day in the present CWS. This is a more restrictive definition that uses the majority time criteria rather than the priority criteria followed in the existing survey framework.

The presentation from Survey Design and Research Division (SDRD) of NSSO covered all the issues raised in the workshop. It was pointed out in this paper that all the three present approaches were relevant in the Indian context and the CWS rather than the MCWS should be followed as almost 95 percent workers would retain their statuses in both the approaches.

As for providing absolute numbers in the survey reports, the paper raised a number of difficulties like; it is not possible to construct a unique correction factor for variable degrees of underestimation for different segments of the population; magnitude and direction of divergence strongly suggest calculating separate adjustment factor for each disaggregated domain; the projected population figures are not available for each domain and for all the survey periods; user may be interested to study for a particular domain, say, for NSS regions or for the districts of particular state and if there is no unique correction factor, the user may arrive at an estimate for the domains of his study which may not tally with NSS results

As for the Labour Input Method (LIM), SDRD paper suggested the use of CDS data. However the limitations of using CDS data were: secondary work for regular wage/salaried employees, if any, remains uncouncted in the job counts; for a person who performed two or more jobs in a day – one for a duration of 4 hours or more, and others for 1 to less than 4 hours- ‘full’ intensity is recorded against the first job, ignoring the other jobs; the *labour inputs* are necessarily to be estimated for the compilation categories of the activities for NAS purpose, but data are collected for 2-digit of National Industrial Classification (NIC).

The paper by SDRD also brought out the missing multiple activities of regular workers. As for earning data the collection is problematic. For additional categories, it was suggested that detailed probing is required for some of the suggested categories and the status could be identified based on the probing questions rather than expanding the status codes used at present.

The conclusions of SDRD paper were that:

- There is no immediate necessity to change the existing concepts and definitions
- Collection of data in all the three approaches, is required
- Since the NSS estimates of population are on the lower side but the rates and ratios are accepted to be robust, it is not desirable to provide the estimates of the indicators in absolute numbers.
- In providing labour input, the use of data on current CDS status is found to be superior. The existing modules of data collection may further be improved upon to count the total number of jobs.
- There is limitation to judge the quality of employment of the self-employed persons in respect of earnings through a single shot question.
- Information on *type of job contract, nature of employment, home-based worker, home-workers* can be captured by putting suitable probing questions without altering the code structure of the activity statuses

National Accounts Division of CSO made the following points.

- For GDP estimation the estimates of the total number of jobs was required.
- As per SDDS, quarterly employment data was required. For this purpose sub-round wise estimates are not sufficient.
- As a panel survey villages used in the Sample registration System (SRS) by the RGI might be considered for quarterly employment data collection
- DGET data and NSS data for 55th round were not comparable for public sector dominated economic activities.
- The users required estimates of actual numbers on employment/unemployment rather than rates as presented in the survey reports.

In the presentation by Planning Commission, the use of CDS measure for plan purposes was justified stating that these showed a good relation with level of living unlike the usual status measure.

B. Discussions

1. Dr. Bhalla observed that the most important issue was whether the present EUS surveys are all right or there is a requirement for quarterly data collection on employment. He pointed that there was a need see whether all the information collected presently are required or not. The trends in employment obtained from UPSS, CDS and CWS approaches were the same. He proposed that instead of detailed questions for daily status, direct questions like “did you work last week?” “If yes, how many hours did you work last week” might be asked. If the person concerned worked for 8 hours in a day, he may be considered as a full day worker. In the labour force surveys followed in other countries such questions are usually asked using a weekly reference period. He emphasized there was a strong requirement for quarterly data on employment unemployment. Dr. Bhalla

commented that unlike larger questionnaire as being used in quinquennial rounds should not be used for monthly collection of data on employment. Simple questions like “how many hours worked in a week?” and “worked in which industry” might be asked. The recall period for income data should be one month but for employment it should be last week for monthly data collection. He also observed that employment data rising from two different sources can not match. International practice may also be considered for framing the questionnaire.

2. Prof. Sundaram observed that the total sample size for the monthly data collection was to be thought of. A decision was also required at which level of disaggregation the data were required. He doubted whether the total labour force in the country can be covered in the short period like one month.
3. Dr. Raveendran commenting on the paper of Planning Commission said that the graphs presented in the paper included the children population also. For employment information the children population should not be considered and then UPSS and CDS both would show the same trend. He suggested that classification of employment should be done based on actual observations and for that the preferable reference period is one week. He also pointed that the monthly data collection is not possible with the present staff strength.
4. Dr. Rajiv Mehta pointed out that there were diverse requirement from a single survey and it is to be looked into whether the present design can provide the longitudinal trend in employment data. WPR estimates are fairly robust but unemployment rates are not that robust at the desired level of precision
5. Mr Kolli supported the point raised by Dr. Bhalla that there is a requirement for monthly /quarterly employment data. A decision is to be taken on the agency doing the survey. He also suggested that a panel of villages may be considered for data collection. For national accounting purpose, the employment data even from the companies having 25 or more workers would be of great help. DGET may be requested to provide the monthly data after staff strengthening. The RGI office may be requested to add 2/3 questions on employment along with the data on vital statistics from the SRS villages.
6. Prof. Sundaram expressed a view that the monthly collection of employment data was not possible. He told that CWS information might be examined for quarterly estimates of employment. There would be a requirement of fast release of CWS data on quarterly basis and for that separate tabulation plan for different sub-rounds would be required. The comparability should be made over the same sub-round of the previous round.
7. Mr. Mohanan noted that statistical system in almost every country produced quarterly /monthly employment data. For that the surveys used a panel of households and the basic framework followed is based on a weekly reference period and direct questions. However the since the reference period is same for all the households, the type of interpretation issues arising in CWS/CDS from a year long survey are avoided. Being a panel survey, the design requires a much lower sample size and measures change better. The panel should cover all sets of population and to implement this, a new mechanism different from the usual NSS rounds was required.

8. It was generally agreed by all that apart from the regular quinquennial rounds on employment unemployment, there was a requirement to get data on employment for a shorter period like quarter. The agency to do the survey is to be fixed. Initially the quarterly data should be collected at national level.

Recording of multiple activities and recording of data on earning

9. There were different views on the recording of time dispositions to identify multiple activities. The current practice of giving intensity 1.0 for 4 hours or more work and full intensity to all regular salaried workers for all 7 days was likely to miss out on multiple activities. Dr Raveendran felt that detailed weekly data are required to identify persons in labour force rather than a one-shot question. Mr. Giri informed that from the past survey data it had been observed that there was an increase of 6% in rural female workers when the information was collected by detailed time disposition method instead of one shot question. He commented that there would be a possibility of losing certain job counts if single shot questions were asked in case of people having full intensity in enterprises but doing two works.
10. Dr. Bhalla felt that instead of detailed weekly data, information on number of hours on different activities would serve the purpose.
11. As for data on earning it was noted that income/earning data was always understated as seen from the enterprise surveys.

Issue on additional categories for status classification and employment status

12. It was noted by NSSO and Dr Raveendran that detailed probing questions would be required for identification additional statuses among the employed. Mr. Mohanan suggested that a different probing block might be included to get the information and that these could be codified and incorporated into status codes.
13. It was recognized that categorization according to employment status of certain category of workers like porters, home-based workers, construction workers etc in to self-employed or casual workers was a problem as they mostly reported as casual workers and there would be no enterprises employing. SDRD reported that porters are treated as self-employed in view of their freedom to select employment. Dr. Raveendran commented that there should not be any change in the existing set of classifications

Issue on reporting EUS data in absolute numbers

14. Dr. Bhalla emphasizing the requirement on absolute number suggested that available projected population data from census and rate of urbanization information could be utilized to get the absolute number estimates. SDRD highlighted the difficulties in using census projections in view of the marked differences in the age structure of the employed obtained in NSSO and the census as also the likelihood of mismatch with the aggregate estimates and the disaggregated estimates under detailed categories.

15. CSI observed that CSO should get the estimates in absolute terms utilizing the WPR estimates as published by the NSSO.

Chairman, concluded the session requesting for written additional comments from the delegates through e-mail to the NSC secretariat on the uncovered issues.