

## Concerns with EPFO Data

### What is the issue?

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- New payroll report released by Niti Aayog recently used EPFO data to access the level of employment.

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- The EPFO data has to be re-checked for its accurateness as it is changing the employment scenario of the nation.

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### What was the significance of data in the report?

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- The payroll data was collected from the Employees' Provident Fund Organisation (EPFO), Employees' State Insurance Corporation (ESIC) and the Pension fund Regulatory & Development Authority (PFRDA).

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- These data was then consolidated by the Niti Aayog in the form of a report to track the growth of jobs in the formal sector.

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- The report for the period 2017 September to 2018 February highlighted that new jobs were being generated in the country as per the EPFO and PFRDA data. Click [here](#) to know more.

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### What the EPFO data indicates?

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- The EFPO data has shown that the number of institutions registered with it and the number of workers in those institutions has increased significantly.

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- This indicates growth of jobs in the country where there was serious debate

on unemployment and jobless growth.

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- Yet, the EPFO data can still be read from different perspectives hence it needs to be precise in terms of use for data on employment.

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### **What are the concerns with EPFO data?**

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- One of the main concerns with using EPFO data to calculate job creation in the country is that, formalisation of employment is considered here as new job creation.

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- This formalisation of labour should basically mean the reduction of informal employment, as in the study period there was a drive to increase EPFO enrolment.

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- Also, population entering working age annually has to reduce the number of people who don't offer themselves for work either for studying further or for being a home maker.

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- All other data on employment such as census, NSSO estimates, point that there is a reduction in the growth of jobs whereas the EPFO data is showing creation of jobs.

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### **What measures are needed in this regard?**

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- The EPFO data has to be properly mined to come to a conclusion regarding the employment status of the nation.

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- The study period has to be extended to arrive at exact status, as the previous study period witnessed special enrolment drive of EPFO.

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- Survey based employment data has to be continued to generate information of the level of jobs, which can be used by the government agencies to cross check and finally arrive at a precise conclusion.

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**Source: Business Standard**

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