

The Economic Survey said that because of the pandemic and the nationwide lockdowns the unemployment rate for the urban sector rose to 20.8 per cent in the country in the first quarter of 2020-21

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Representative picture.

The various indicators of employment have bounced back remarkably, after showing a decline in the first quarter of 2020-21 during the nationwide lockdown due to the Covid-19 pandemic, according to the Economic Survey 2021-22 tabled in the Parliament on Monday.

The Economic Survey said that because of the Covid-19 pandemic and the consequent nationwide lockdowns, which impacted livelihoods globally, the unemployment rate for the urban sector rose to 20.8 per cent in the country in the first quarter of 2020-21.

However, following the revival of the economy in the subsequent quarters of 2020-21, the three labour market indicators, labour force participation rate (LFPR), worker population ratio (WPR) and unemployment rates (UR), showed a swift recovery.

The survey stated that the unemployment rate gradually dipped during this period to reach 9.3 per cent in Q4 of 2020-21, whereas the unemployment rate for males as well as females, aged 15 and above, recovered to the pre-pandemic levels. Both the LFPR and WPR for males as well as females, aged 15 and above, reached almost their pre-pandemic levels during the last quarter of 2020-21.

Further, data from the Employees' Provident Fund Organisation (EPFO) suggests that not only formalisation of jobs continued during the second Covid wave, but its adverse impact by far on the formalisation of jobs was also much lower than during the first Covid wave.

In November 2021, the survey noted, the monthly net additional EPF subscriptions peaked with 13.95 lakh new subscribers, the highest in any given month since 2017.

The document noted that the allocation of funds to the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has been increased to provide the necessary buffer for the unorganised labour in rural areas during the pandemic.

The demand for MGNREGS, an indicator of rural labour markets, stabilised post the second wave, and aggregate MGNREGS employment is still higher than pre-pandemic level, the survey said, adding that the demand for MGNREGS has stabilised after the second Covid wave.

During the second wave of the pandemic, the demand for MGNREGS employment reached the

maximum level of 4.59 crore persons in June 2021.

Acknowledging that there is a dearth of real-time data on unemployment, Principal Economic Advisor Sanjiv Sanyal said, "We know there was a significant decline in employment during the lockdown and a significant revival till March 2021."

However, to boost employment and livelihood, the Aatmanirbhar Bharat Rojgar Yojana was announced as part of the 'Aatmanirbhar 3.0' package to boost the economy, increase the employment generation in the post-Covid recovery phase and incentivise the creation of new employment along with the social security benefits and restoration of loss of employment during the pandemic, the Economic Survey noted.