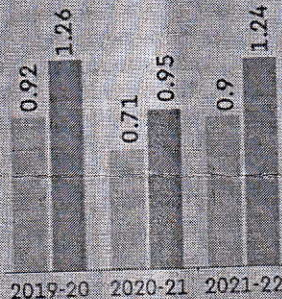


ESIC, EPFO numbers indicate labour market looking up

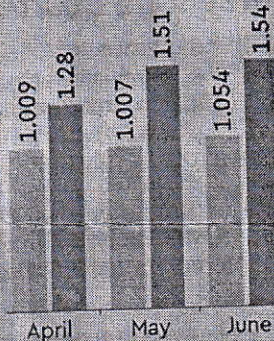
New subscribers to EPFO, ESIC

(In million) EPFO ESIC

Monthly average



Monthly average (FY23)



Source: MoSPI

FE BUREAU
New Delhi, August 25

NEW SUBSCRIBERS UNDER the social security schemes run by both the Employees' State Insurance Corporation (ESIC) and the Employees' Provident Fund Organisation (EPFO) continued to rise in June, indicating a modest recovery in the labour market.

According to the latest data released by the ministry of statistics and programme implementation (MoSPI), 1.54 million new subscribers joined the ESIC in June, while a little over 1 million subscribed afresh to the EPFO during the month.

Though fresh additions do not always mean new jobs (in many cases, it could just be a shift of jobs from the informal to the formal sector), the rise in the fresh additions in the first three months of the current year in the ESIC and EPFO (barring a marginal sequential dip in May) schemes signals growing employment prospects, at least in the formal sector, as economic activities pick up.

There has been a growing trend of new members joining the social security scheme since April 2022. New enrolment during June is higher than the previous two months of this fiscal, as well as the monthly average recorded during the last fiscal.

"The trend is positive. The uptick in economic activities, industry's fresher hiring sentiments and the forthcoming festive season suggest that a similar trend is expected to continue," said Sumit Sabharwal, chief business officer, Teamlease.

Labour economist KR Shyam Sundar said the rise in the ESIC's new enrolment number is because of more and more units under the scheme, rather than an indication of employment generation. "Notwithstanding this, it might also endorse recovery on the recovery front shown by the EPFO data," Sundar said.

While EPF contribution is mandatory for workers earning up to ₹15,000 a month in establishments with over 20 workers, ESIC benefits are available to low earners in specified industrial and commercial establishments employing over 10 workers; the ESIC is tasked with giving insurance cover and free medical care to those earning monthly wages of up to ₹21,000.

Since April 2018, the MoSPI has been bringing out employment-related statistics in the formal sector covering the period September 2017 onwards, using information on the number of subscribers who have subscribed under major schemes, including the EPFO and the ESI schemes.