

# Unemployment rises across religions, social groups: NSSO

SOMESH JHA  
New Delhi, 8 February

There was a jump in the unemployment rate across major religions and social groups in 2017-18, according to the National Sample Survey Office (NSSO)'s latest household survey on jobs.

The unemployment rate rose the sharpest among Sikhs (ranging from 2-5 times in urban and rural areas), followed by Hindus whose joblessness rate doubled in cities and tripled in the villages, in 2017-18, compared to 2011-12. The unemployment rate among Muslims more than doubled, even as that among Christians also rose across the country during this period.

The unemployment rate was falling for all the major religious groups in the urban areas in 2011-12, compared to 2004-05. In the caste-wise break-up, among rural males, the highest spike in unemployment was among Scheduled Tribes (STs) and among rural women in the general category. In the urban areas, the rise in unemployment rate was the most for Scheduled Castes (SCs) among men and the highest for Other Backward Classes (OBCs) among men. "The high unemployment rate among SC men could be because of the attack on traditional livelihood

avenues of some Dalit castes who work in the leather and meat industries," said Ashwini Deshpande, professor of economics at Ashoka University.

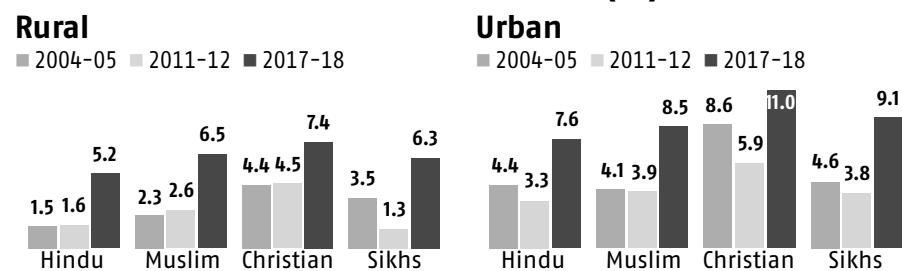
The labour force participation rate (LFPR) – the proportion of people working or in search of work – fell for all major religious and social groups. Compared to 2011-12, the biggest fall in the LFPR was witnessed among Sikhs, by 4.8 percentage points, to 36.2 per cent in 2017-18, followed by Christians (by 3.4 per cent to 39.2 per cent).

"The usual trend is that those belonging to richer communities, such as Christians and Sikhs, usually have a higher unemployment rate as they go in the market and seek work. Poorer communities cannot afford the luxury of remaining unemployed," Himanshu, associate professor at Jawaharlal Nehru University said. He added that the problem of unemployment is spread across the economy, if one considers the religion-wise and social-group wise break-up, and is not affecting any particular group.

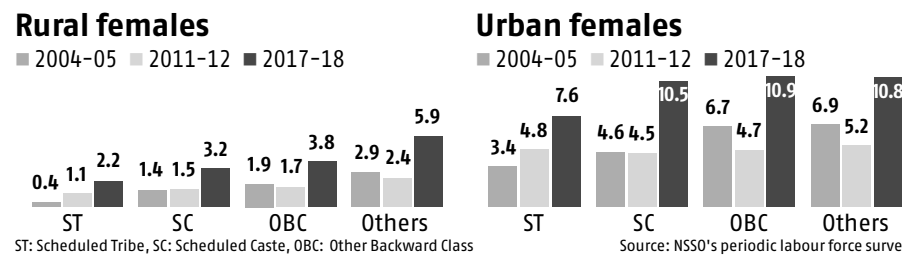
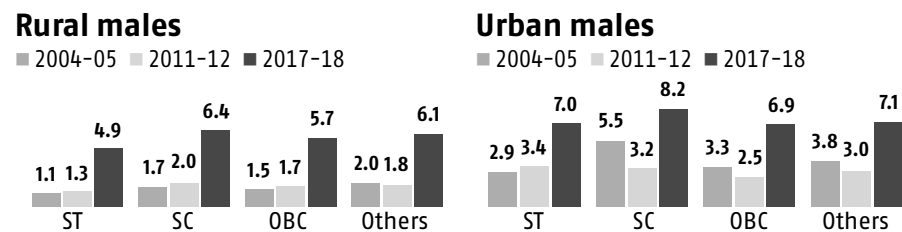
Among social groups, the unemployment rate was the most among urban females in the general category (10.8 per cent), followed by urban males in the same category (7.1 per cent). "Demonetisation affected the informal sector massively and

the marginalised sections of the society got naturally affected. The gap in the unemployment rates is narrowing in rural and urban areas, though it is still lower in the former," Santosh Kumar,

## RELIGION-WISE UNEMPLOYMENT RATE (%)



## UNEMPLOYMENT RATE AMONG SOCIAL GROUPS (%)



ST: Scheduled Tribe, SC: Scheduled Caste, OBC: Other Backward Class

Source: NSSO's periodic labour force survey

assistant professor at Shri Ram College of Commerce said.

The findings are a part of the NSSO's periodic labour force survey – the first annual survey on employment-unemployment in

the country – conducted between July 2017 and June 2018. The government has termed it a draft report, though the National Statistical Commission has given its approval to it in December.

## NeSL has record of two-thirds of loans

VEENA MANI  
New Delhi, 8 February

More than a year after it was set up under the Insolvency and Bankruptcy Code (IBC), the country's first information utility (IU) NeSL now has records of two-thirds of all loans given by lenders and operational creditors.

National e-Governance Services (NeSL) plans to get the banks that are not registered with it on board by the end of this month so that it has a record of all the loans.

This would assist in resolving any dispute that insolvent companies have with the lenders. The information utility has data verified by the debtor company. National Company Law Tribunal (NCLT) President M M Kumar had written to all NCLTs that creditor petition must contain records from the information utility. This was done to avoid delays on account of contest by debtors. In the past, there have been cases where debtor companies have contested the figures of unpaid loan amount given by lenders in NCLT.

NeSL has data from banks, non-banking finance companies, mutual funds and insurance companies. Apart from financial creditors, operational creditors can also submit information about their loans to firms.

# NHAI, Maharashtra differ over data accuracy

While the National Highways Authority asks for 95% accuracy in toll collection data, state agency is content with 90%

AMRITHA PILLAY  
Mumbai, 8 February

**C**hotta Hathi and Bullock Cart — one is the nickname for a Tata Motors' Ace pick-up truck and the other an old transport mode. Both have two things in common — they are easy to spot on Indian roads and are also part of a larger concern involved in traffic data collection.

They could also be among the many reasons state road development agencies, like Maharashtra State Road Development Corporation (MSRDC), are content asking for toll or traffic audit data which is less accurate compared to what the National Highways Authority of India (NHAI) tenders.

The MSRDC in November floated a tender for engaging toll audit firms. These firms help the MSRDC assess the traffic and hence the toll collection due to the MSRDC on stretches which have been bid out for toll collection to private concessionaires.

What the MSRDC is seeking in a tender floated in November is a minimum



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accuracy of 90 per cent in classification of vehicles and 95 per cent in the number of vehicles. This is lower than what the NHAI asks for in its bid documents. NHAI's Indian Highways Management Company

(IHMCL) in a March 2018 bid called for more than 95 per cent accuracy in classification and more than 98 per cent accuracy in count. An accuracy of 90 per cent would mean that if the MSRDC was to cross check

the data given by an independent audit or that reported by the concessionaire, by conducting another audit, then any difference up to 10 per cent will be ignored. In certain contracts, for any kind of difference of

more than 10 per cent in the toll audit firm data, the toll firm gets penalised. If the toll audit firm shows more vehicles and toll collector (contractor) is showing less, an investigation is started to check the difference. In the event of toll audit firm showing less vehicles, and toll collection firm showing more, penalty is on the toll audit firm.

While some attribute the inaccuracy to the complexity of India roads, other point out there is still scope to ask for higher accuracy.

According to the Maharashtra Economic Survey 2018-19 document, MSRDC's total toll collected from the partially and fully completed projects up to October, 2017, was ₹7,636 crore. A top official from a private equity firm which has been investing in India's road projects has another explanation to offer.

"One reason why there is a discrepancy between what the state asks as accuracy and what the NHAI is demanding in its tenders could be the nature of traffic on these roads. State roads are likely

to see many kinds of vehicles, for instance, a *chotta haathi* which is typically difficult to classify. National highways may have more organised traffic, easy for classification," the official said.

However, officials from toll audit firms hold a different view. "Technology has since evolved and it is possible to get fixed location ATCC data with accuracies of up to 98 per cent. Various Infrared/Laser/video based systems are available from international equipment suppliers which can perform to this accuracy," said a top official from one of the toll audit firms. ATCC is all automatic traffic counter and classifier. MSRDC officials say the accuracy limits were set based on what is practically possible. "We have kept the accuracy levels at that because we know it is not possible to achieve anything higher than that," said Shashikant Sontakke, Chief Engineer for MSRDC.

"What is the point asking for something, when not enough is available to achieve that accuracy?" Sontakke added.

# NPCI proposes hike in interchange fee

NIKHAT HETAVKAR  
Mumbai, 8 February

The National Payments Corporation of India (NPCI) has recommended a hike in the interchange fee for cash withdrawals, according to a letter reviewed by *Business Standard*. This comes when the cash-management industry is facing a surge in additional costs because of security guidelines issued by the Reserve Bank of India (RBI) and the Ministry of Home Affairs (MHA).

Interchange fee is the amount charged by ATM operators for every transaction.

The MHA guidelines — which include requirements such as GPS-enabled vans, and rules on timing, number of personnel and their training — came into force on Friday. However, the industry — which comprises banks, on both acquiring and issuing

side, ATM operators and cash in transit (CIT) companies — is divided over who would bear the additional cost burden.

ATM players have been vocal about the interchange fee being lower than the underlying cost of an ATM transaction, especially because of the compliance cost of the additional guidelines. Interchange fee is decided by an NPCI Steering Committee, which primarily comprises banks.

The NPCI had recommended that the interchange fee be increased from ₹15 to ₹17. But the NPCI Steering Committee was unable to reach a consensus, and members requested the NPCI to seek intervention of the Department of Financial Services to fix the issue.

The CIT companies demanded an increase of ₹5,000 for servicing every ATM and had told ATM providers that they would be unable to

## TO HIKE OR NOT TO HIKE

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provide services if the prices are not increased. However, members of the NPCI committee believed that this request was too highly priced. The CIT companies would require 90 days to comply with the required changes.

"The net payers of interchange do not want an increase in the fee. Since the decision requires a majority vote, the interchange fee has been stuck at the same rate since six years," said the executive of a leading ATM service provider.

He added that a regulatory intervention would become essential if the issue continues. The NPCI did not reply to an email by *Business Standard*.

The Confederation of ATM Industry (CATMI) warned in November that 100,000 off-site and a little over 15,000 white-label ATMs, or 50 per cent of the installed base of 238,000 units, could face closure because of low interchange fee and additional

compliance costs.

While ATM providers and CIT companies say that a major chunk of ATMs could stop working soon, banks have assured that there will be no disruption for customers.

Executives at leading public and private banks told *Business Standard* they were connecting with their individual ATM operators to discuss the implications of the guidelines. "It is an ongoing conversation and we will take all the measures to ensure that consumers are not inconvenienced," said an executive of a private lender. However, ATM operators say some banks have not even discussed these new compliance requirements.