



India Employment Report 2024: ILO

For Prelims: India Employment Report 2024: ILO, [Unemployment](#) rates, Institute for Human Development (IHD), [International Labour Organisation \(ILO\)](#), [Labour Force Participation Rate \(LFPR\)](#), [Worker Population Ratio \(WPR\)](#), Unemployment Rate (UR).

For Mains: India Employment Report 2024: ILO, Major Issues Related to Unemployment in India.

[Source: IE](#)

Why in News?

Recently, the **Institute for Human Development (IHD)** and [International Labour Organisation \(ILO\)](#) have released a report titled- '**India Employment Report 2024**', which highlights that India's youth **continue to grapple with soaring Unemployment rates**.

- The **Institute for Human Development (IHD)** was established in the year 1998 under the aegis of the **Indian Society of Labour Economics (ISLE)**, it is a non-profit autonomous institution that aims to **contribute towards building a society** that fosters and values an inclusive social, economic and political system that is free from poverty and deprivations.

Note

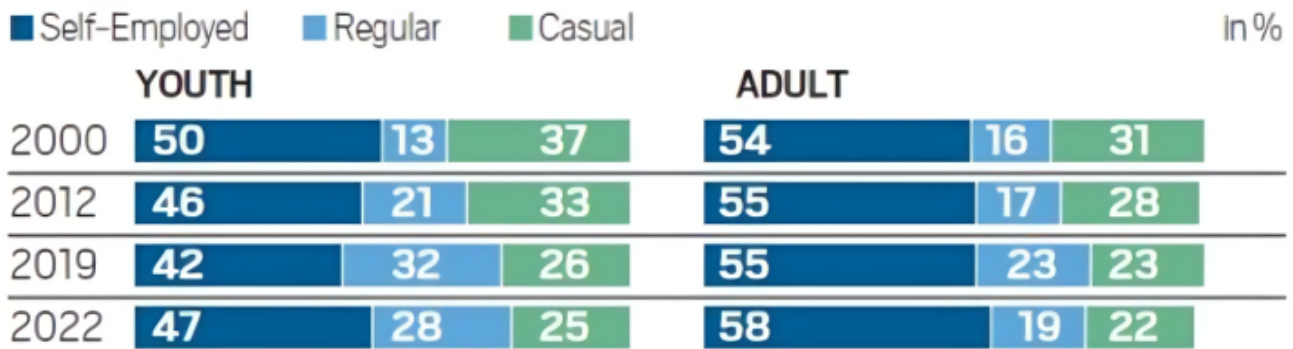
The **India Employment Report 2024** is the **third in the series of regular publications by the IHD** on labour and employment issues. This report on Youth Employment, Education and Skills examines the **challenge of youth employment in the context of the emerging economic**, labour market, educational and skills scenario in India and changes over the past two decades.

- The report is primarily **based on analysis of data from the [National Sample Surveys](#) and the [Periodic Labour Force Surveys](#)** between 2000 and 2022, with a postscript for 2023.

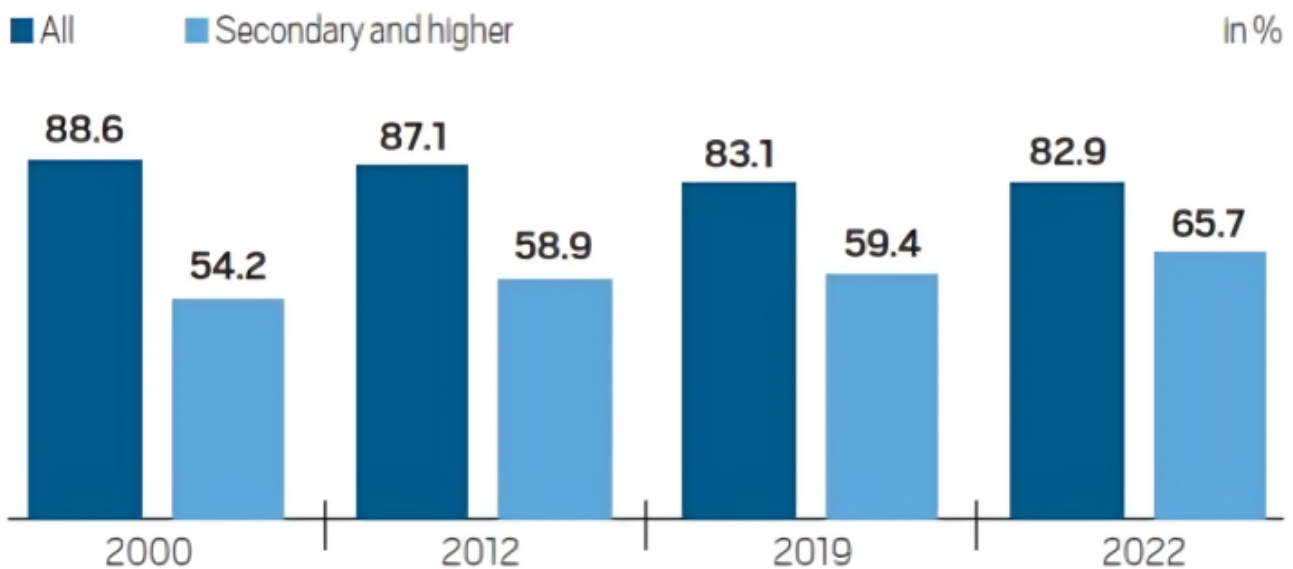
What are the Key Highlights of the Report?

- **Poor Employment Conditions:**
 - Despite improvements in overall labour force participation and employment rates, employment conditions in **India remain poor**, with issues such as **stagnant or declining wages**, increased self-employment among women, and a higher proportion of unpaid family work among youth.
 - India's **youth account for almost 83% of the unemployed workforce** and the share of youngsters with secondary or higher education in the total unemployed has almost doubled from **35.2% in 2000 to 65.7% in 2022**.

STATUS OF EMPLOYMENT (UPSS) OF YOUTHS AND ADULTS



SHARE OF UNEMPLOYED EDUCATED YOUTHS (SECONDARY OR HIGHER) IN TOTAL UNEMPLOYED PERSONS (UPSS)

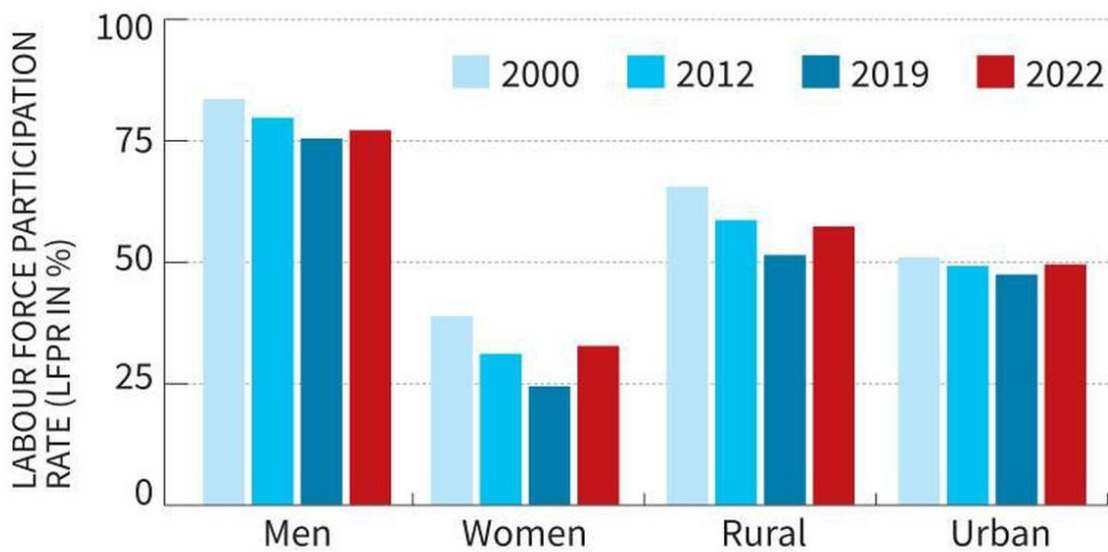


▪ Youth Employment Challenges:

- Youth employment and **underemployment surged between 2000 and 2019**, with educated youths experiencing significantly higher levels of joblessness.
- The **Labour Force Participation Rate (LFPR)**, **Worker Population Ratio (WPR)** and the **Unemployment Rate (UR)** showed a long-term deterioration between 2000 and 2018 but witnessed an improvement after 2019.
- The improvement coincides with periods of economic distress, both pre and post-**Covid-19** with the exception of two peak Covid-19 quarters.

Employment blues

Labour participation for various sections increased slightly in 2022 (compared to 2019) but was still low vis-a-vis 2000



▪ Paradoxical Improvements:

- Over the past two decades, India's job market has seen some improvements in certain labour indicators, but the **overall employment situation remains challenging**.
- **Non-farm sectors have not grown sufficiently to absorb workers from agriculture**, despite non-farm employment growing faster than farm employment before 2018.
- Most workers, **around 90%, are engaged in informal work**, and the proportion of regular employment, which was steadily increasing after **2000, started declining after 2018**.
- India's large young workforce, often seen as a demographic advantage, faces challenges due to **a lack of necessary skills**.
 - A significant portion of **youth lacks basic digital literacy skills**, with 75% unable to send emails with attachments, 60% unable to copy and paste files, and 90% unable to perform basic spreadsheet tasks like putting a mathematical formula.

▪ Wages and Earnings are Declining:

- While **wages of casual labourers maintained a modest upward trend** during 2012-22, real wages of regular workers either remained stagnant or declined. Self Employed real earnings also declined after 2019.
- Overall, wages have remained low. As much as **62% of the unskilled casual agricultural workers and 70% of such workers in the construction sector at the all-India level did not receive the prescribed daily minimum wages in 2022**.

▪ Changing the Structure of Industrial Employment:

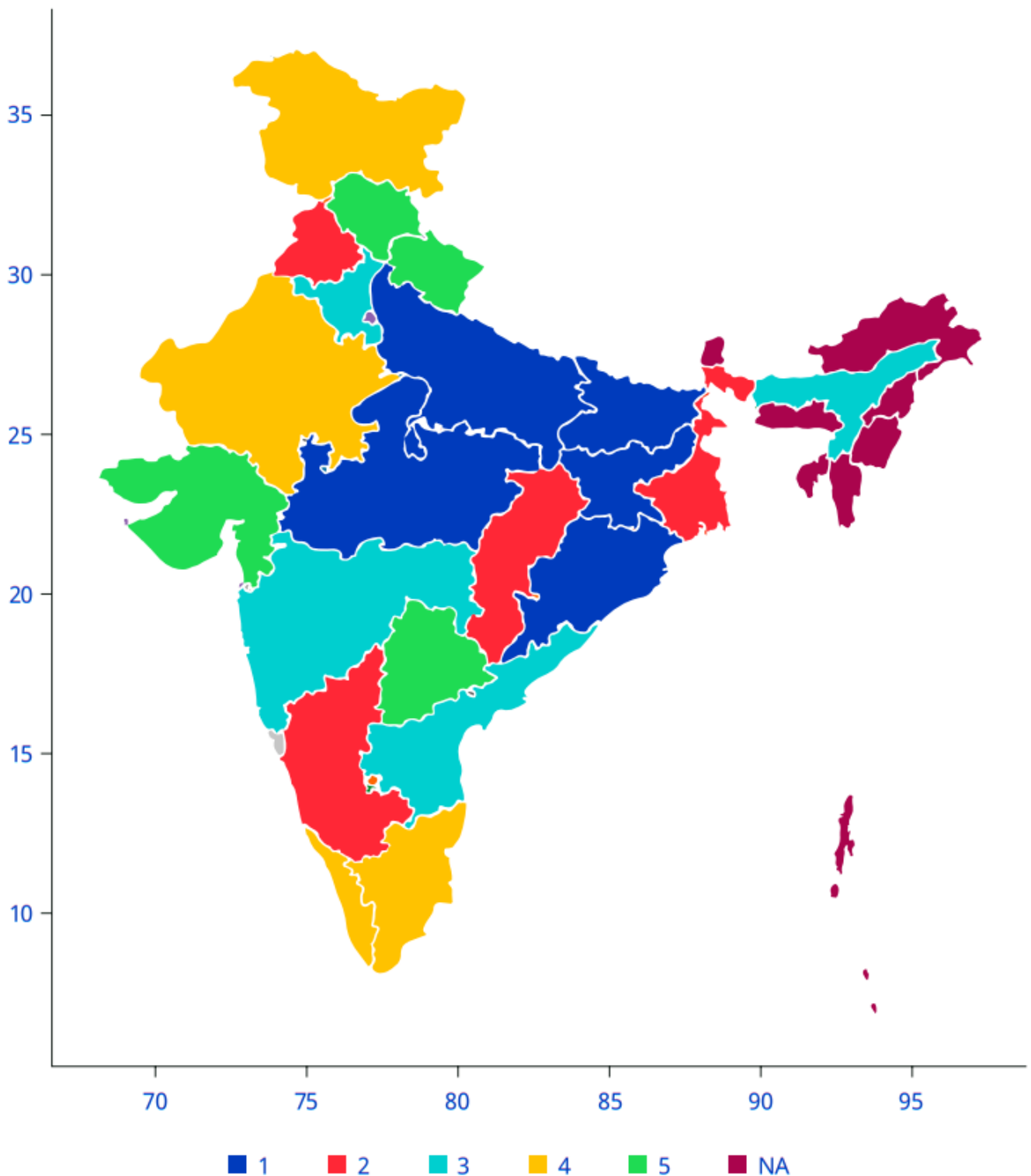
- There has been a rapid introduction of digitally mediated gig and platform work, which are algorithmically **controlled by the platforms and have brought about new features in control** of the labour process.
- Increasingly, platform and gig work have been expanding, but it is, to a large extent, the extension of informal work, with hardly any social security provisions.

▪ Migration is Likely to Increase in Future:

- The rates of urbanization and migration are expected to considerably increase in the future.
- India is **expected to have a migration rate of around 40% in 2030** and will have an urban population of around 607 million.
- The bulk of this **increase in urban growth will come from migration**. The pattern of migration also shows regional imbalance in the labour markets.

- The **direction of migration** in general is from eastern, north-eastern and central regions to southern, western and northern regions.
- **Regional Disparities:**
 - Significant variations in employment outcomes exist across states, with certain **states consistently ranking lower in employment indicators.**
 - States like Bihar, Uttar Pradesh, Odisha, Madhya Pradesh, Jharkhand, and Chhattisgarh have **struggled with poor employment outcomes** over the years, **reflecting the influence of regional policies.**
- **Widening Gender Gap:**
 - India is facing the **challenge of a substantial gender gap** in the labour market, with low rates of female labour force participation.
 - The **unemployment challenge among young women**, especially those who are highly educated, is enormous.
 - Social inequalities also persist despite affirmative action and targeted policies, with **Scheduled Castes and Scheduled Tribes** facing barriers to accessing better job opportunities.
 - Although educational attainment has improved across all groups, social hierarchies persist, **exacerbating the employment disparity.**
- **Policy Recommendations:**
 - To enhance production and **foster growth with a focus on employment**, policy recommendations are proposed:
 - Integrate an **employment creation agenda into macroeconomic policies**, particularly emphasising productive non-farm employment, notably in manufacturing.
 - **Prioritise labour-intensive manufacturing to absorb unskilled labour** and complement with selected services.
 - Concentrate efforts on **supporting micro, small, and medium-sized enterprises** through a decentralised approach.
 - **Increase agricultural productivity**, generate non-farm employment opportunities, and **encourage entrepreneurship.**
 - **Invest in green and blue economies**, leveraging strategic investments, capacity-building initiatives, and policy frameworks to unlock substantial employment potential.
 - **To enhance job quality, strategies are recommended:**
 - There's a **need to invest in and regulate sectors** such as the **care industry and the digital economy**, which are anticipated to be significant sources of employment for young people.
 - **Fostering an inclusive urbanisation and migration policy** is essential, particularly given India's projected rise in urbanisation and migration rates, driven by youths seeking decent employment opportunities, predominantly in urban areas.
 - Ensuring a **robust supportive role for labour policy** and regulation is crucial. This involves **guaranteeing a minimum standard of employment** quality and safeguarding basic rights for workers across all sectors.
 - **To address labour market inequalities, key approaches are suggested:**
 - Implement **policies to enhance women's participation** in quality employment.
 - Integrate **high-quality skills training into education to uplift economically disadvantaged groups** and boost employability.
 - Improve access to **information technology and bridge the digital gap.** Establish a **fair labour market by combating discrimination** against women and marginalised communities.

Overall employment condition index



What are the Government's Initiatives Related to Employment?

- [Support for Marginalised Individuals for Livelihood and Enterprise \(SMILE\)](#)
- [PM-DAKSH \(Pradhan Mantri Dakshta Aur Kushalta Sampann Hitgrahi\)](#)
- [Mahatma Gandhi National Rural Employment Guarantee Act \(MGNREGA\)](#)
- [Pradhan Mantri Kaushal Vikas Yojana \(PMKVY\)](#)
- [Start Up India Scheme](#)
- [Rozgar Mela](#)
- [Indira Gandhi Urban Employment Guarantee Scheme- Rajasthan.](#)

What is the International Labor Organization?

- It is the only tripartite [United Nations \(UN\) agency](#). It brings together governments, employers and workers of 187 Member States (India is a member), to set labour standards, develop policies and devise programmes promoting decent work for all women and men.
 - It received the [Nobel Peace Prize in 1969](#).
- It was established in 1919 by the [Treaty of Versailles](#) as an affiliated agency of the [League of Nations](#) and became the first affiliated specialised agency of the UN in 1946.
- Headquarters: Geneva, Switzerland

Read more: [NFHS-5 National Report](#), [Household Consumption Expenditure Survey 2022-23](#)

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Prelims

Q. Disguised unemployment generally means (2013)

- (a) large number of people remain unemployed
- (b) alternative employment is not available
- (c) marginal productivity of labour is zero
- (d) productivity of workers is low

Ans: (c)

Mains

Q. Most of the unemployment in India is structural in nature. Examine the methodology adopted to compute unemployment in the country and suggest improvements. (2023)

PDF Reference URL: <https://www.drishtias.com/printpdf/india-employment-report-2024-ilo>