

India Employment Report 2024

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Context:

The India Employment Report 2024, prepared jointly by the Human Development and the International Labour Organization, was released recently.

Background:

It has analysed trends and patterns of the Indian labour market for two decades, including the COVID-19 years, and listed the “emerging characteristics of the employment challenges now confronting the economy as well as the impact of growth on employment.”

key findings:

1. Basic long-term feature of the employment situation in the country continues to be insufficient growth of the non-farm sectors and the ability of these sectors to absorb workers from agriculture.
2. India's working-age population (aged 15-59) increased from 61% in 2011 to 64% in 2021 and is projected to reach 65% in 2036. About 7-8 million young people are added each year to the labour force.
3. The authors warn that unemployment in the country is “predominantly a problem among youth”, especially those with a secondary level of education or higher, and that it has intensified over time.
4. In 2022, the share of unemployed youth in the total unemployed population was 82.9%,” report noted, adding that the share of educated youth among all unemployed people also increased, from 54.2% in 2000 to 65.7% in 2022.
5. Also, among the educated (secondary level or higher) unemployed youth, women accounted for a larger share (76.7%) than men (62.2%).
6. There is a significant gender gap in the labour market, with low rates of female labour force participation. The gender gap in the LFPR has remained almost consistent over the past two decades.
7. In 2022, the LFPR of young men (at 61.2%) was almost three times higher than that of young women (at 21.7%), and the gender gap was similar in both rural and urban areas.
8. The ILO and IHD stated that the jobs remained low-productive and low-earning. Real wages and earnings showed a decline or had stagnated.
9. While India's large young workforce is a demographic dividend, the report noted that they don't appear to have the skills to deliver — with 75% of youth unable to send emails with attachments, 60% unable to copy and paste files, and 90% unable to put a mathematical formula into a spreadsheet.

Reports Recommendations:

1. Make production and growth more employment-intensive.

2. Improve the quality of jobs.
3. Make systems for skills training and active labour market policies more effective.
4. Bridge the deficits in knowledge on labour market patterns and youth employment.
5. Integrating employment creation with macro and other economic policies to boost productive non-farm employment.
6. Micro, small and medium-sized enterprises must be supported and decentralised.
7. The ILO and IHD recommended that measures such as crafting policies to boost women's participation in the labour market including larger provision for institutional care facilities, adaptable work arrangements, improved public transport, improved amenities and enhanced workplace safety must be taken in mission mode to address this gender gap in employment.

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