



Employment Rate Rises Significantly in FY24

[Source: IE](#)

Why in News?

Recently, the [Reserve Bank of India \(RBI\)](#) data revealed a significant rise in [India's employment rate](#), growing by 6% in FY24 from 3.2% in FY23, reflecting positive trends in the labour market.

Note

- The latest quarterly bulletin of [Periodic Labour Force Survey \(PLFS\)](#) released by the **Ministry of Statistics and Programme Implementation (MoSPI)** in May 2024 shows that the [unemployment rate \(UR\)](#) in urban areas decreased.

What does the RBI Data Reveal About Job Growth in India?

- **Overall Employment Rate:** The RBI's India **KLEMS [Capital (K), Labour (L), Energy (E), Material (M) and Services (S)]** database showed that in the year 2022-23, **employment in the country was 57.75 crore, compared to 56.56 crore in 2021-22.**
 - The database covers 27 industries and provides estimates at the broad sectoral levels and all-India levels. It includes measures of **Gross Value Added, Labour Employment, Capital Stock, and inputs such as Energy, Material, and Services.**
- **Female Unemployment:** The female unemployment rate showed a notable decline, **dropping from 9.2% in January-March 2023 to 8.5% in January-March 2024.**
 - The female **worker population ratio (WPR)** in urban areas increased from **20.6% in January - March 2023 to 23.4% in January - March 2024**, indicating a general upward trend in WPR.

Periodic Labour Force Survey Quarterly Bulletin (January-March 2024)

- The PLFS gives **estimates of Key employment and unemployment Indicators** like, the Labour Force Participation Rates (LFPR), Worker Population Ratio (WPR), Unemployment Rate (UR), etc **and the Activity Status-** 'Usual Status' and 'Current Weekly Status'.
- **Unemployment Rate (UR) in urban areas decreased from 6.8% to 6.7% during January-March 2023 to January-March 2024** for persons of age 15 years and above.
- **Female UR decreased from 9.2% in January-March 2023 to 8.5% in January-March 2024.**
- **Labour Force Participation Rate (LFPR) in urban areas has shown an increasing** trend from 48.5% to 50.2% during January - March 2023 to January - March 2024 respectively for persons of age 15 years and above.
- **Female Labour Force Participation Rate in urban areas rises** from 22.7% to 25.6% during January - March 2023 to January - March 2024, reflecting overall increasing trend in LFPR.
- **Increasing trend in Worker Population Ratio (WPR)** for persons of age 15 years and above **from 45.2% in January - March 2023 to 46.9% in January - March 2024.**
- **Female Worker Population Ratio in urban areas rose** from 20.6% to 23.4% during January -

March 2023 to January - March 2024, reflecting overall increasing trend in WPR.

Note

- The [National Sample Survey Office \(NSSO\)](#) launched PLFS in April 2017 to **estimate employment and unemployment indicators in urban areas** within a short time interval. It also aims to **estimate these indicators in both rural and urban areas annually**.

//

Indicator	Definition
Labour Force Participation Rate (LFPR)	Percentage of persons in the labour force (i.e., working or seeking or available for work) in the population.
Worker Population Ratio (WPR)	Percentage of employed persons in the population.
Unemployment Rate (UR)	Percentage of persons unemployed among the persons in the labour force.
Activity Status - Usual Status	Determined based on the activities pursued by the person during the last 365 days preceding the date of the survey.
Activity Status - Current Weekly Status (CWS)	Determined based on the activities pursued by the person during the last 7 days preceding the date of the survey.

Drishti Mains Question:

Q. Discuss the trends in employment and unemployment in India, as revealed by the RBI data. Analyse the challenges in creating quality jobs.

UPSC Civil Services Examination, Previous Year Questions (PYQs)

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/employment-rate-rises-significantly-in-fy24>