



## India's Employment Growth: A Journey

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India has witnessed significant employment growth over the years. With the employment increased by nearly 36%, adding around 170 million jobs during 2016-17 and 2022-23, India's economic trajectory demonstrates sustained job creation across key sectors. With a robust democracy, dynamic economy, and a culture that celebrates unity in diversity, India's journey toward becoming a global powerhouse continues to inspire the world.

Recent data and economic analysis challenge the notion of "jobless growth" in India, a concept that suggests GDP growth occurs without corresponding increases in employment. A recent report from Observer Research Foundation titled 'Busting the myth of jobless growth: Insights from data, theory, and logic' explains the employment trends in India over the years to present a different story.

Table 1

### Unemployment Trends in India

Year	WPR (%)	UR (%)
2017-18	46.8	6.0
2018-19	47.3	5.8
2019-20	50.9	4.8
2020-21	52.6	4.2
2021-22	52.9	4.1
2022-23	56.0	3.2



**1. India's Employment Growth:**

Contrary to the claims of "jobless growth," data shows that employment in India increased by 36% (170 million jobs) between 2016-17 and 2022-23. During the same period, GDP grew at an average rate of over 6.5%.

**2. Worker Population Ratio (WPR):**

The PLFS data from 2017 to 2023 also suggests that Worker Population Ratio (WPR) has increased by 9 percentage points or almost 26 percent during this period. Therefore, the rhetoric of "joblessness" really does not hold water in terms of cross-comparison of databases.

Table 2

**Worker Population Ratio (In percentage)**

WPR	Rural			Urban			Rural + Urban		
	Male	Female	Person	Male	Female	Person	Male	Female	Person
2023-24	56.3	34.8	45.6	56.4	20.7	38.9	56.4	30.7	43.7
2022-23	54	30	42.3	55.6	18.7	37.7	54.4	27	41.1
2021-22	54.7	26.6	40.8	55	17.3	36.6	54.8	24.	39.6
2020-21	54.9	27.1	41.3	54.9	17	36.3	54.9	24.2	39.8
2019-20	53.8	24	39.2	54.1	16.8	35.9	53.9	21.8	38.2
2018-19	52.1	19	35.8	52.7	14.5	34.1	52.3	17.6	35.3
2017-18	51.7	17.5	35	53	14.2	33.9	52.1	16.5	34.7
Average	53.9	25.6	40.0	54.5	17.0	36.2	54.1	23.1	38.9

**3. Consumption-Driven Growth:**

India's growth has been driven by consumption, which is closely tied to employment. A rise in consumption implies that employment generation is occurring, as consumption would decline if employment were predominantly in unpaid or low-wage jobs.



The latest Economic Survey of India highlights significant improvements in employment and skill development. The survey provides data that aligns with the findings of the report that employment is on the rise in India. Key trends of Economic Survey include:

1. **Improved Labor Market:** Indian labour market indicators have improved significantly with the unemployment rate declining to 3.2 per cent in 2022-23.
2. **Sectoral Employment:** Agriculture remains dominant, employing over 45% of the workforce, though there is a gradual shift toward manufacturing and services.
3. **Youth Employment:** According to PLFS, youth (age 15-29 years) unemployment rate has declined from 17.8 per cent in 2017-18 to 10 per cent in 2022-23.
4. **Female Workforce Participation:** The female labor participation rate has steadily increased due to supportive policies.
5. **Manufacturing Recovery:** Factories employing over 100 workers experienced 11.8% growth between FY18 and FY22, indicating that larger industrial units are creating more jobs than smaller ones.
6. **Wage Growth:** During FY15-FY22, the wages per worker in rural areas grew at 6.9 per cent CAGR vis-à-vis a corresponding 6.1 per cent CAGR in urban areas. This growth reflects the rising demand for labor in rural industries such as construction and manufacturing, as well as public employment programs like Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).
7. **EPFO Payroll Growth:** The yearly net payroll additions to the EPFO have more than doubled from 61.1 lakh in FY19 to 131.5 lakh in FY24, driven by new job creation and greater formalization of employment.
8. **Gig Economy:** India's gig economy is expanding rapidly, with the workforce in this sector expected to grow to 2.35 crore by 2029-30.
9. **Manufacturing and AI:** The manufacturing sector remains shielded from automation, offering continued job growth opportunities.



**Conclusion:**

India's employment landscape has improved significantly, with government policies, skilling programs, and economic growth contributing to job creation. As India leverages its demographic dividend, further investments in education, health, and skill development will be critical for sustaining this positive employment trajectory.

**References:**

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