



# INDIA JOBS AND OCCUPATION TRACKER (I-JOT)

Issue No.1, October 2024



# Foreword

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**Sanjeev Bikhchandani,  
ICRIER Board Member and  
Founder, Info Edge**

*Generating an adequate number of jobs on an ongoing basis remains India's number one public policy priority. I am therefore delighted that ICRIER will be publishing a quarterly report on India's employment situation based on Gol's labour force survey. Such a report should make employment data accessible to all, which is crucial for effective policymaking and addressing the challenges of unemployment. I hope the report will eventually include data available from the private sector to present a more holistic picture. My heartiest congratulations to the ICRIER Team.”*

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# Why track jobs and occupations?

*To demystify labour market statistics*

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*The objective of India Jobs and Occupation Tracker (I-JOT) is to make labour market statistics as easily accessible and comprehensible as national income statistics are.*

Why do so many people seem to know the growth rate of the economy but not its unemployment rate?

It is largely because:

- labour market data are not as frequently published as GDP data and
- labour statistics are often presented in a complex way, making it harder for an average person to grasp the concepts and remember the underlying numbers.

Neither of these problems are valid any longer. The Periodic labour Force Survey (PLFS), compiled by the Ministry of Statistics and Program Implementation (MoSPI), is published every quarter for urban India, and annually for the entire country. This has made labour statistics as frequently available as GDP data. The complexity problem is easily addressable by focusing on key labour market indicators without too many riders, which is what I-JOT intends to do.

# Glossary

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**LFPR**

The **Labour Force Participation Rate (LFPR)** is the percentage of people in the working age population (15+ years) who are working, looking for work, or available for work.

**WPR**

The **Worker Population Rate (WPR)** is the percentage of people in the population who are employed.

**UR**

**Unemployment Rate (UR)** is defined as the percentage of people in the labour force, i.e., people in the working age population (15+ years), who are unemployed.

**GG**

**Gender Gap (GG)** is the difference between women and men (or female and male) in terms of their levels of participation, access, rights, remuneration or benefits.

**y/y**

Year-on-year

**q/q**

Quarter-on-quarter

**pp**

Percentage points

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## Colour Labels

Overall

Male

Female

Low income

Middle income

High Income

Improvement

Deterioration

*India's urban labour market remains strong, generating a significant number of jobs, especially for women (from a low base), but not enough at the higher end of the skills spectrum*

- **Strong labour market conditions.** India's urban labour market remains strong, with year-on-year (y/y) improvement in labour force participation rate, worker-population ratio, and unemployment rate. But there was a cyclical slowdown during Q2 of 2024 compared to Q1, which is likely to be associated with the uncertainty surrounding the national elections.
- **Growing feminisation.** The urban labour market is rapidly feminising, a positive development, with more women joining the labour force, their occupation structure rapidly evolving; yet, the gender gap, though declining, remains very high.
- **A rising tide lifts all boats.** The improvements in labour market conditions are a nationwide phenomenon: 19 out of 22 major states and UTs have seen an increase in LFPR; 18 out of 22 states have experienced an increase in WPR; and 14 out of 22 reported a decline in the unemployment rate.
- **But no sign of structural transformation.** Rising participation has not been associated with a structural transformation of urban India, with the share of workers in industry falling and the share of workers in agriculture rising in urban India.
- **Urgency to generate more high-skill jobs.** While adequate numbers of jobs are being created, these are mostly low-skilled jobs. One out of six urban male worker is a salesperson, one out of 12 is a driver, and only one out of 50 is an ICT professional; among women, one in seven urban workers is in the food and garment sector, one out of nine is a cleaner or helper and one in 10 is a teacher.

# Key Labour Market Indicators: More greens than reds

(Urban India, Q2:2024)

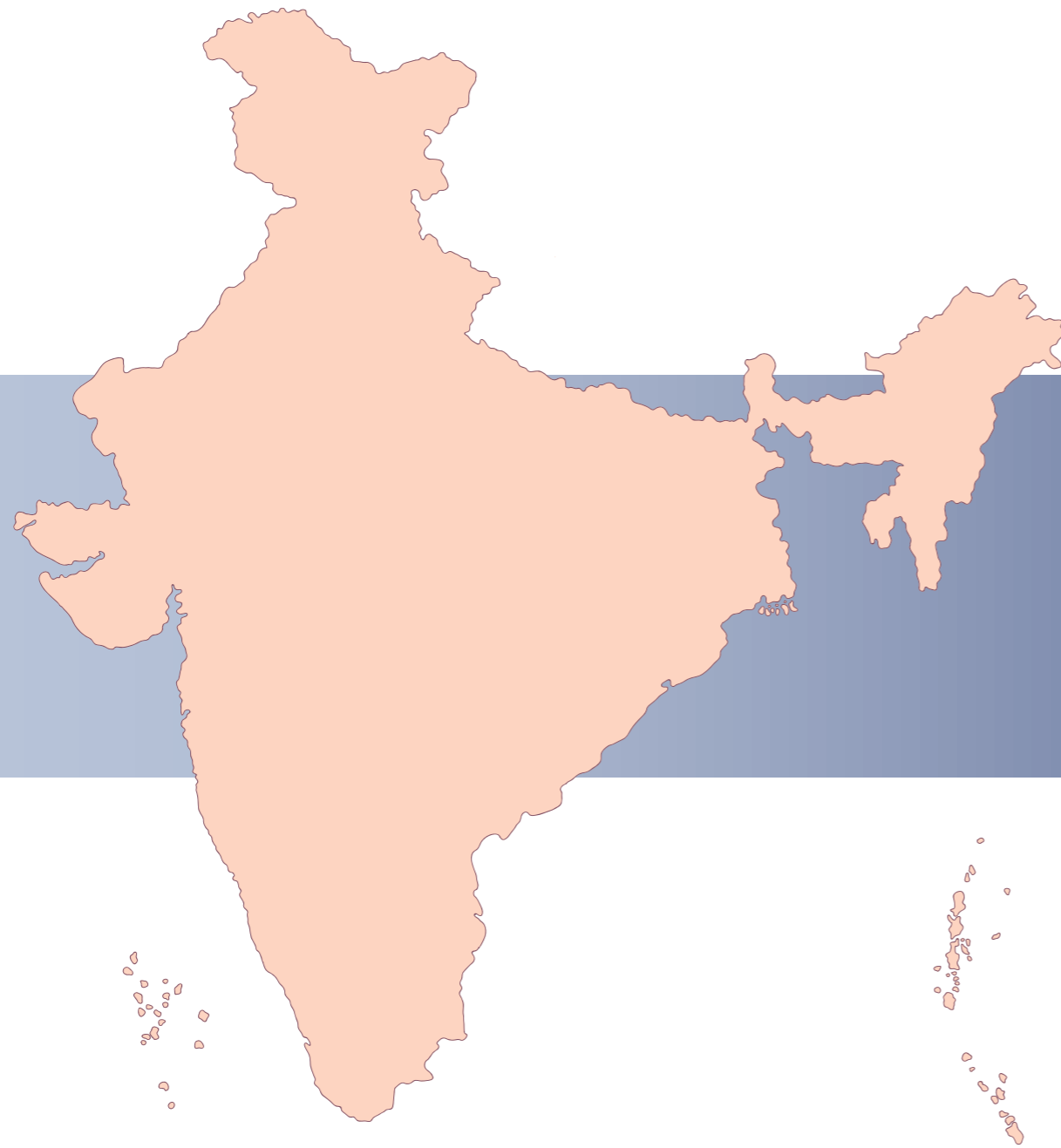
Indicator	Q2:2024 (A)	Q1:2024 (B)	Q2:2023 (C)	q/q change (A-B)	y/y change (A-C)
Labour Force Participation Rate (LFPR)	50.1	50.2	48.8	●	●
(o/w) Female	25.2	25.6	23.2	●	●
Worker Population Ratio (WPR)	46.8	46.9	45.5	●	●
(o/w) Female	23.0	23.4	21.1	●	●
Unemployment Rate (UR)	6.6	6.7	6.6	●	○
(o/w) Female	9.0	8.5	9.1	●	●
(o/w) Youth	16.8	17.0	17.6	●	●

The urban labour market weakened during Q2 of 2024 compared to Q1, with five of the seven indicators showing minor to moderate deterioration. This is consistent with a slight slowdown in GDP growth rate in Q2 compared to Q1:2024.

This moderation could be due to national elections, which tend to dampen spending among businesses and households.

However, the slowdown is temporary, as the medium-term conditions remain strong; year-on-year (y/y) changes show improvement in six of the seven indicators, with stronger gains for female workers.

Improvement ●	Deterioration ●	No change ○
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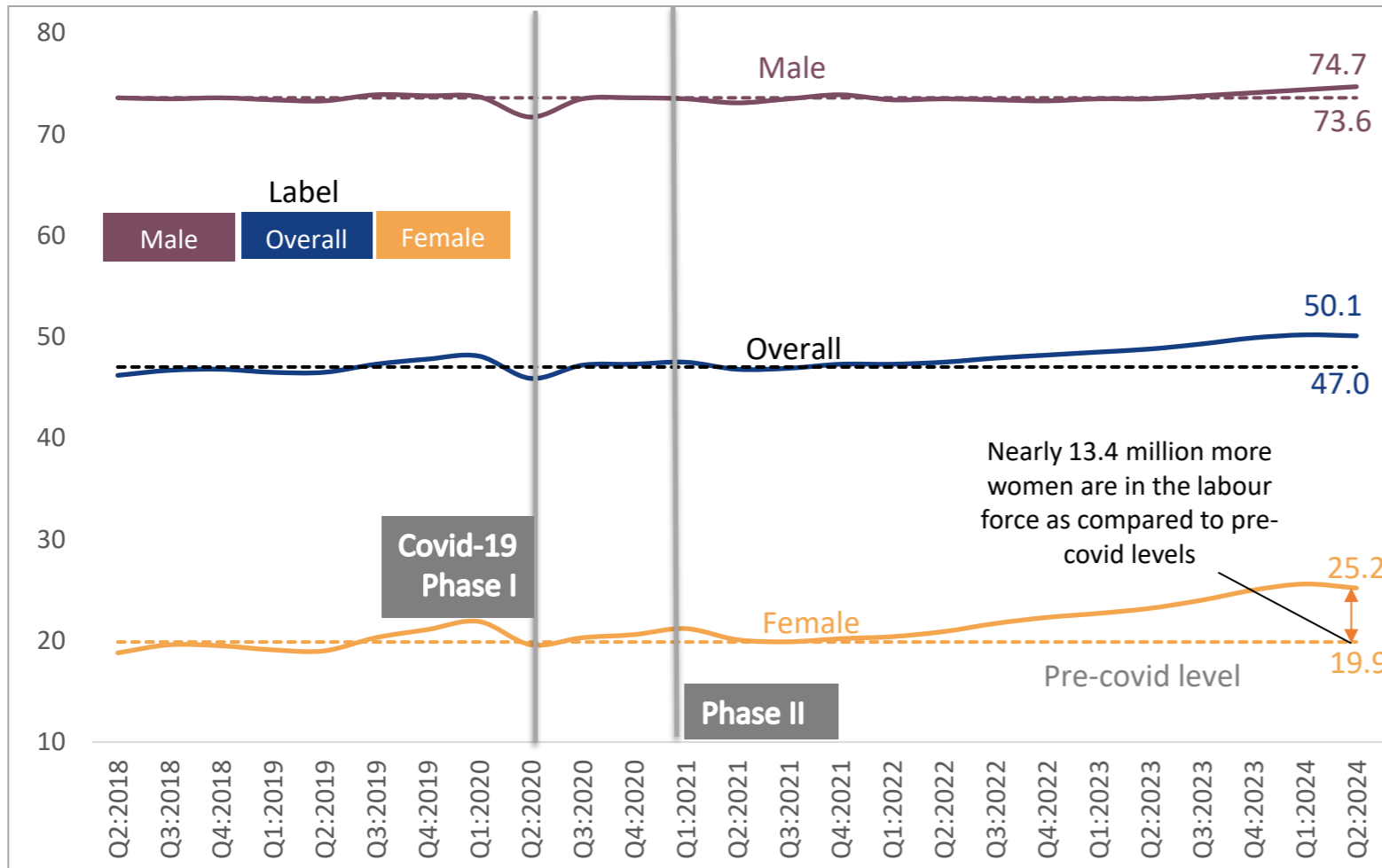


## National Trends *(Urban India)*

#1

Urban India has been experiencing a steady increase in labour force participation, almost entirely driven by female labour force

### URBAN INDIA: LFPR FOR AGES 15 & ABOVE (in %)



After being stagnant for several years, LFPR in urban India started to increase from mid-2022. At 50.1%, LFPR is now 3.1 pp above the pre-covid level (2019).

While male LFPR was fairly stagnant for several years, it has recently increased by 1.1 pp (y/y) to 74.7% in Q2:2024.

The rise in LFPR has mainly come from increased participation of female labour, which has jumped from 19.9% (pre-Covid) to 25.2% in Q2:2024, translating to nearly 13.4 million more women entering the labour force between 2019 and 2024.

Note: Pre Covid- level refers the average level of the different labour market metrics across the four quarters of 2019.

\*The data for the number of people across urban India was taken from the "Population Projections for India and States", published by the National Commission on Population in July 2020. These numbers might be different from those taken by the PLFS to calculate its proportions. Thus, these numbers in absolute terms are at best estimates and should not be considered as exact figures for the number of people in the Indian Labour market.

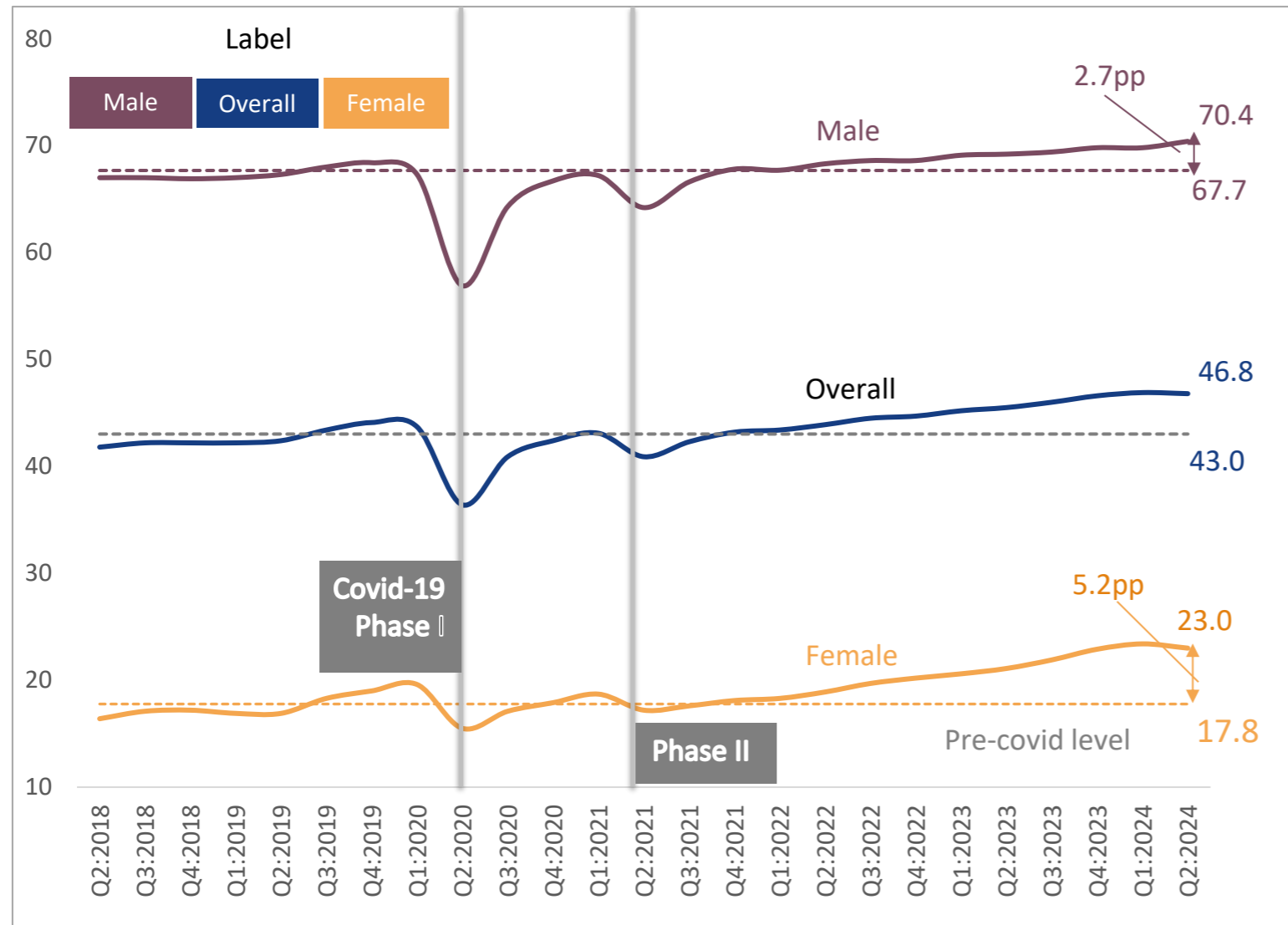
Source: ICRIER'S computation of PLFS



# #2

The workforce population ratio (WPR) has increased faster than LFPR, implying that the job generation process has remained reasonably robust

## URBAN INDIA: WORKFORCE POPULATION RATIO FOR AGES 15 & ABOVE (in %)



After a significant dip during the two phases of Covid-19, there has been a steady recovery, with the overall WPR rising from 43.0% in 2019 (pre-covid) to 46.8% in Q2: 2024.

The increase in WPR has been higher for female (5.2 pp) than male workers (2.7 pp).

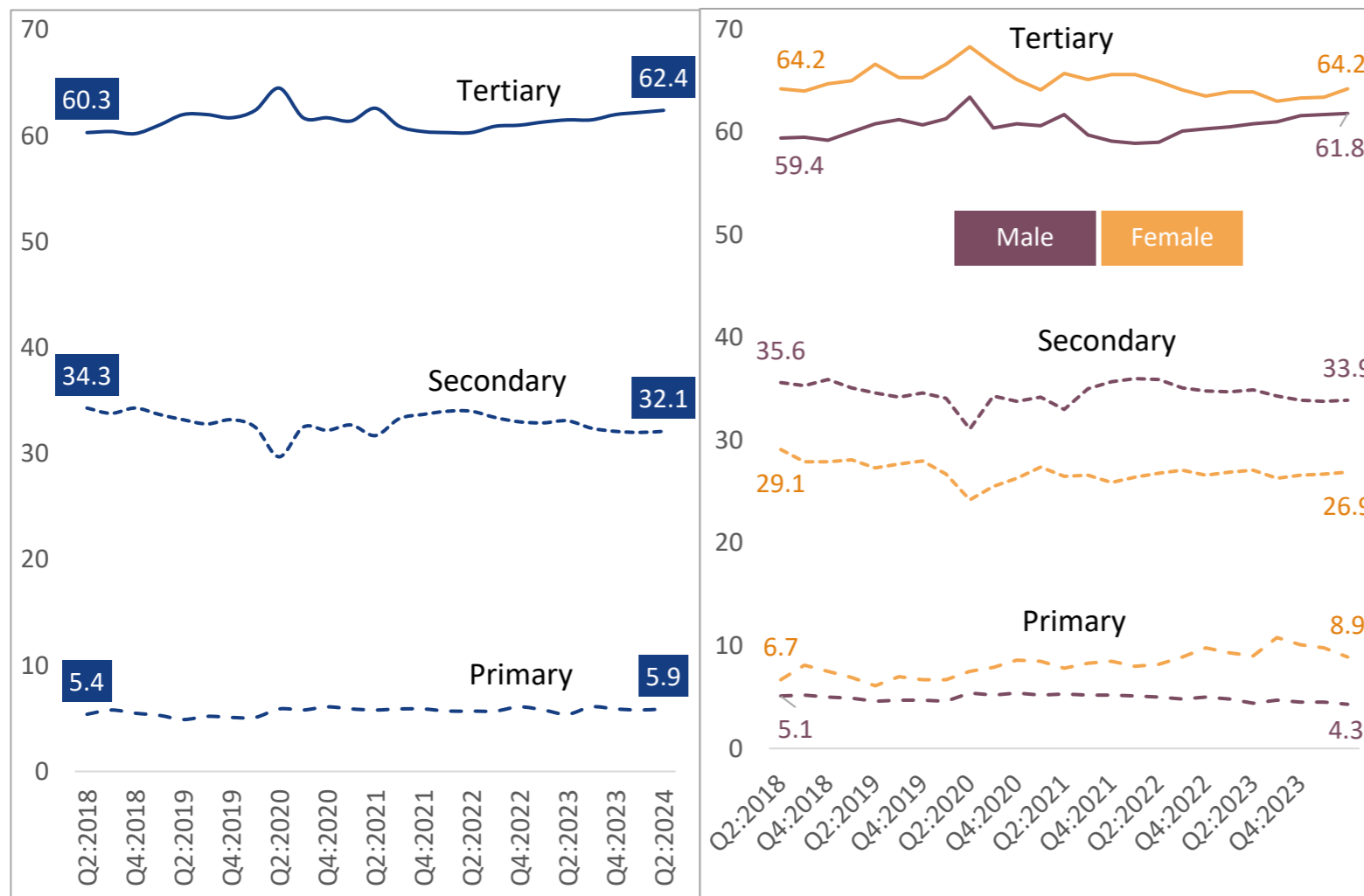
Despite this improvement, the gender gap in the WPR remains significantly high at 47.4 pp.

Note: Pre Covid- level refers the average level of the different labour market metrics across the four quarters of 2019.

# #3

Rising participation has not been associated with a structural transformation in urban India, with the share of workers in industry falling

SECTORAL DISTRIBUTION OF WORK FORCE Q2:2018 TO Q2:2024 (in %)



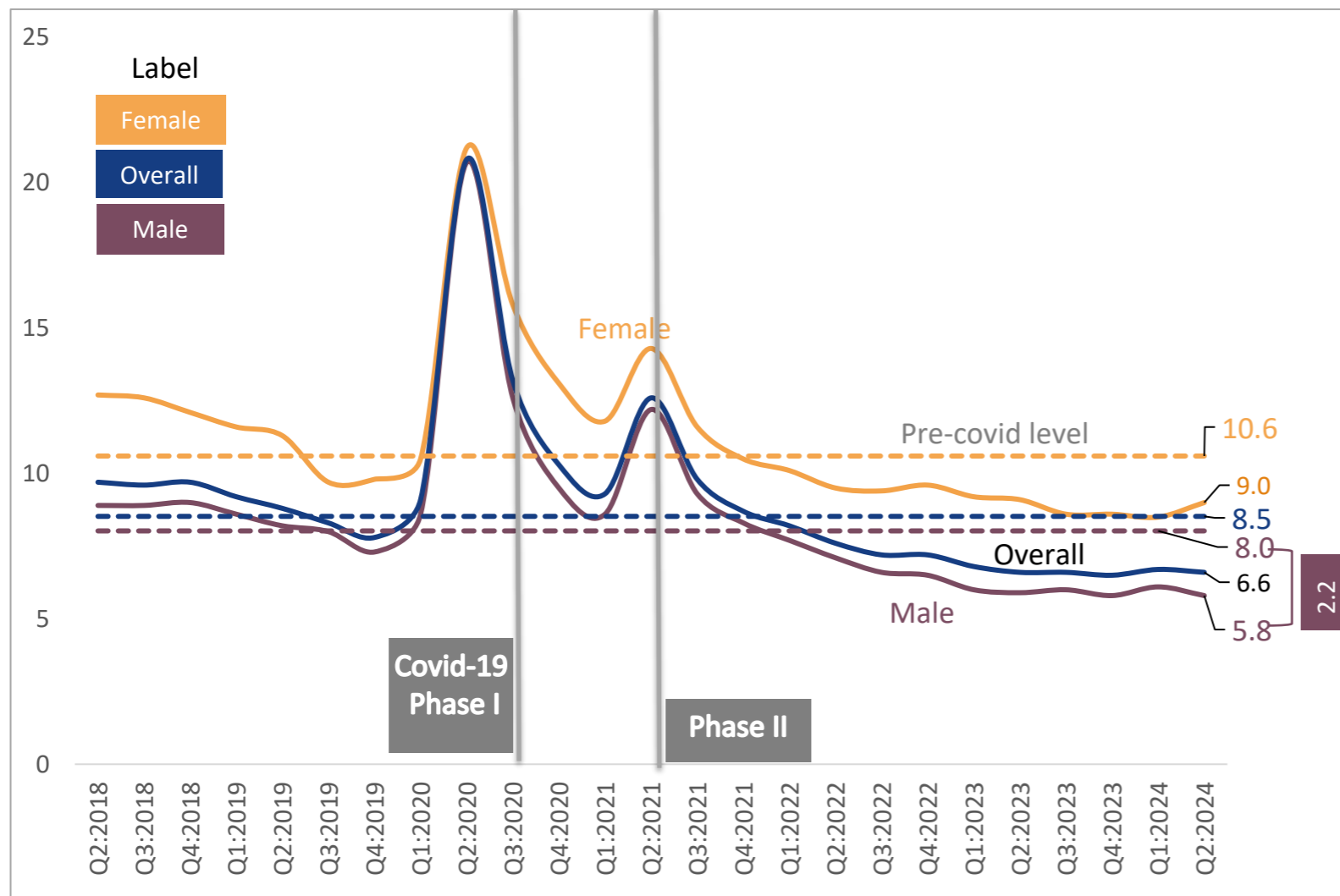
Between 2018-2024, the share of workers in the primary and tertiary sectors have modestly *increased in urban India*, while it has *declined in the secondary sector* – indicating that there was no structural transformation of the economy.

The fact that the share of female workers in the primary sector has increased (*from 6.7% to 8.9%*) and the share of male workers in the secondary sector has fallen (*35.6% to 33.9%*) is particularly worrying.

# #4

Unemployment rate in urban India has been on a steady decline, falling below pre-covid level faster for male than for female workers

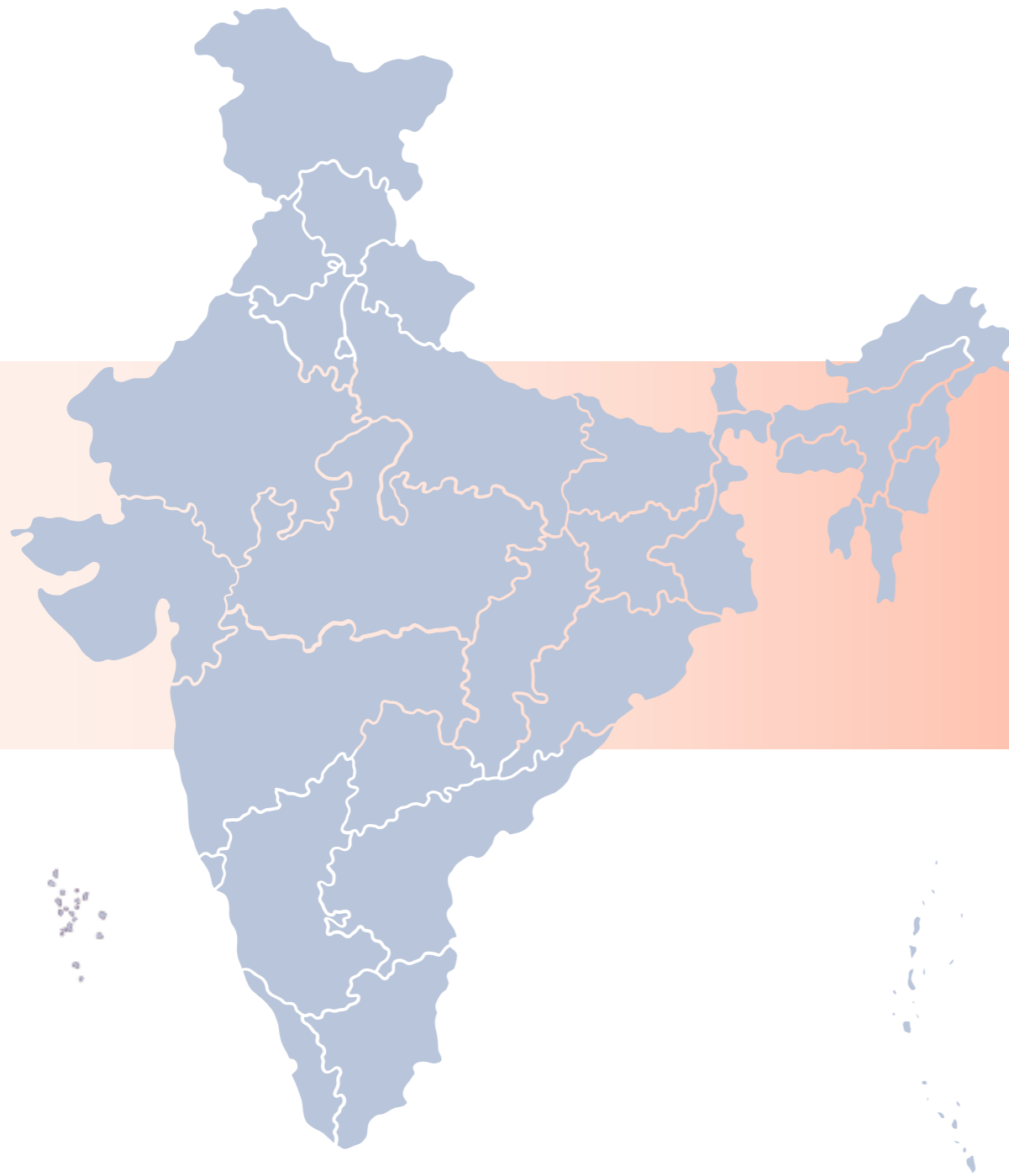
UNEMPLOYMENT RATE Q2:2018 TO Q2:2024 (in %)



The overall unemployment rate has steadily declined in urban India after the covid-spikes, with the *current rate at 6.6%* – the lowest unemployment rate since PLFS was introduced.

Both male and female unemployment rates have seen a steady decline, though the pace of decline for female workers (*1.6pp*) has been slower than that for their male counterparts (*2.2pp*).

At the end of Q2:2024, 1 out of every *11 female (9.0%)* and 1 out of every *16 (5.8%)* male in the labour force was unemployed in urban India.

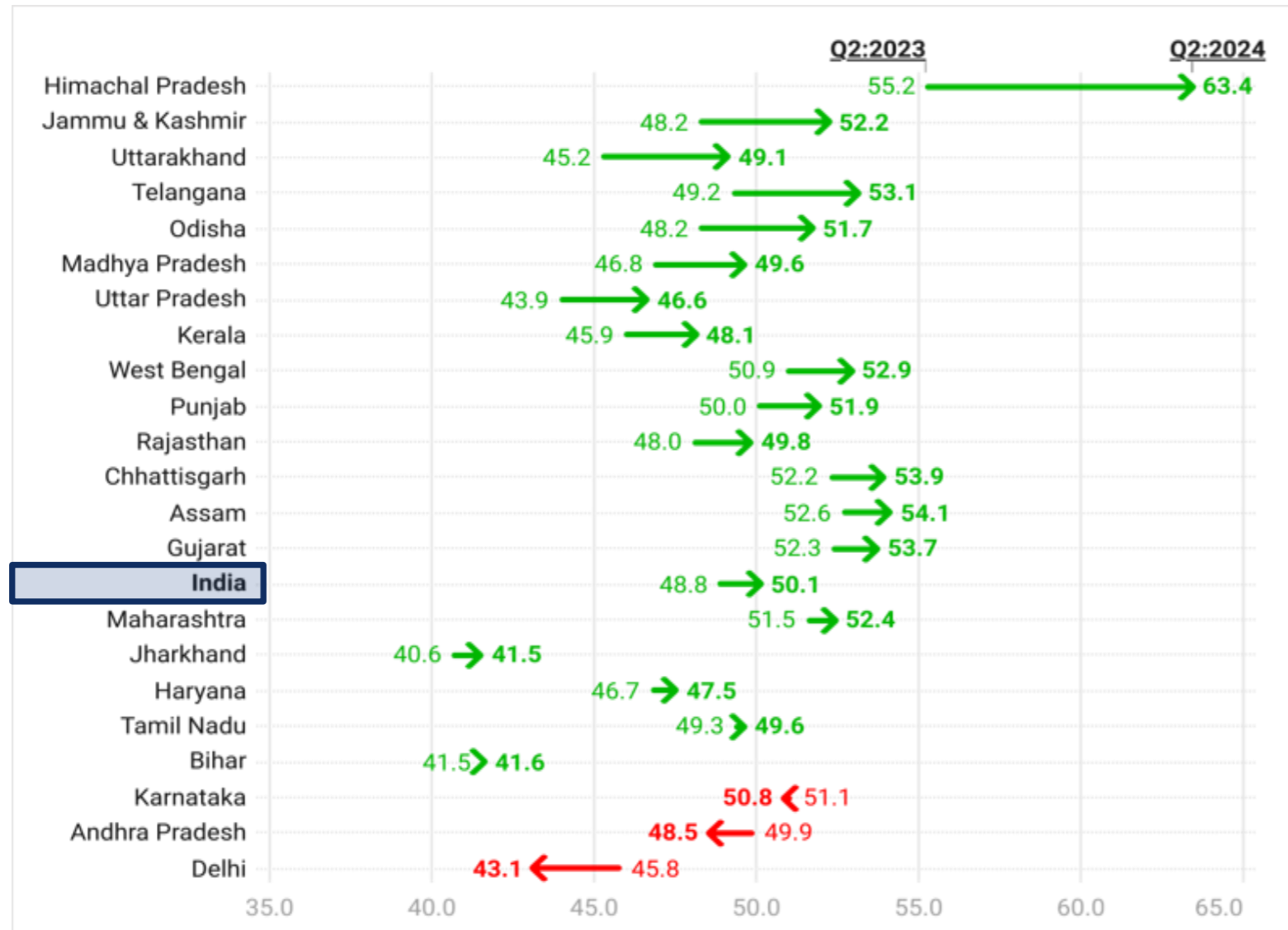


State-level Trends  
*(Urban India)*

# #5

Increase in labour force participation has been a nationwide phenomenon, with 19 out of 22 major states seeing an increase in LFPR

## YEAR ON YEAR (y/y) CHANGE IN LFPR FROM Q2:2023



Out of the 22 major states and UTs covered here, *LFPR increased in 19 states*, indicating that the improvement is a nationwide phenomenon.

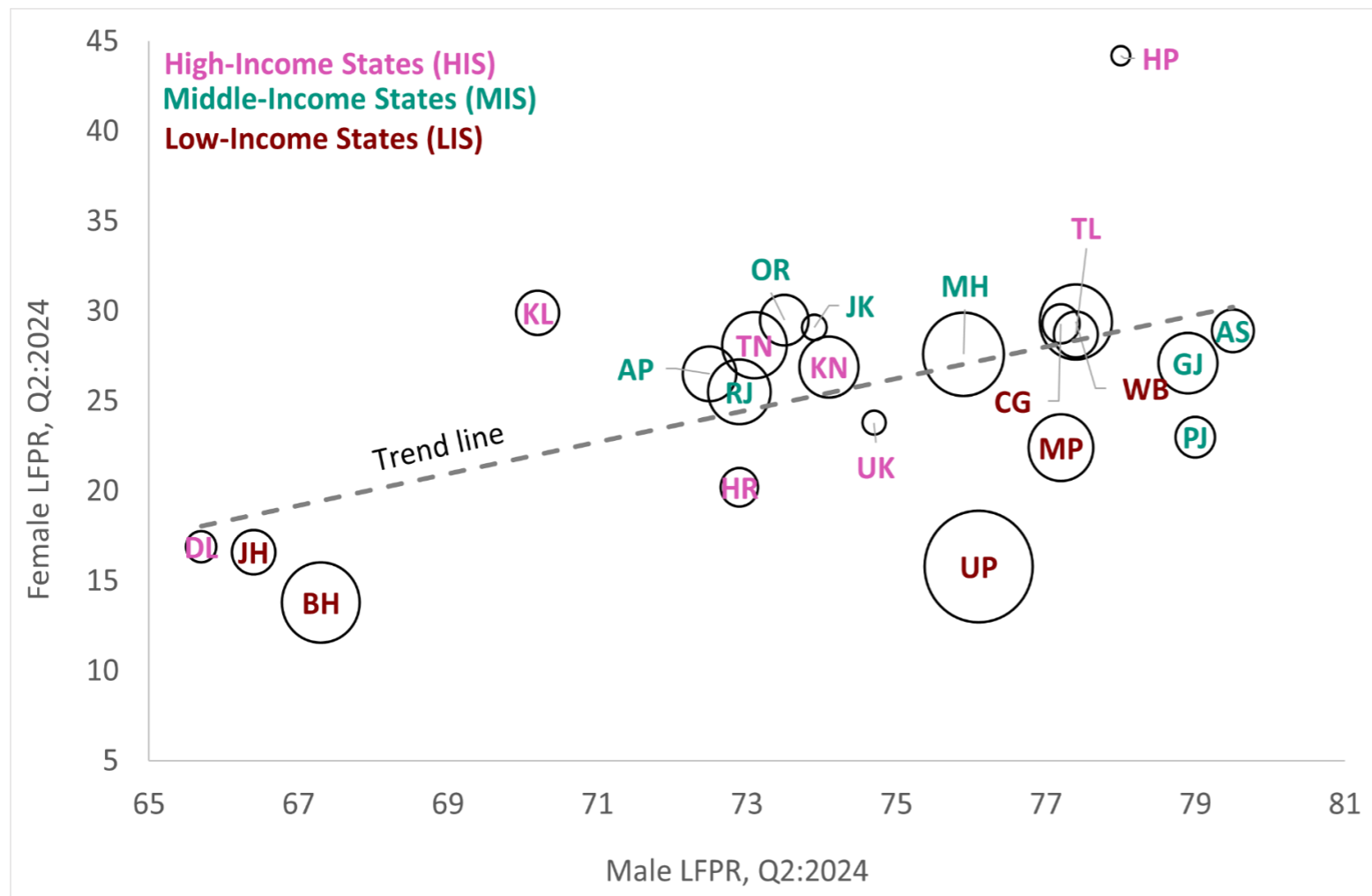
The top *five states with the largest increase in LFPR in Q2:2024 (y/y)* are: HP (8.2 pp), J&K (4.0 pp), Telangana and Uttarakhand (3.9 pp each), Odisha (3.5 pp), and MP (2.8 pp).

The bottom *five states with the lowest increase or highest decrease in LFPR* are: Delhi (-2.7 pp), AP (-1.4 pp), Karnataka (-0.3 pp), Tamil Nadu (0.3 pp), and Bihar (0.1 pp).

# #6

While male and female LFPR rates are positively correlated across states, the gender gap in LFPR is most severe in low-income states

### STATE-WISE GENDER GAP in LFPR (%) in Q2:2024



Note: Size of the circle is proportional to the population of the state.

Male and female LFPR rates are positively correlated across states, that is, *states with low male LFPR also tend to have low female LFPR.*

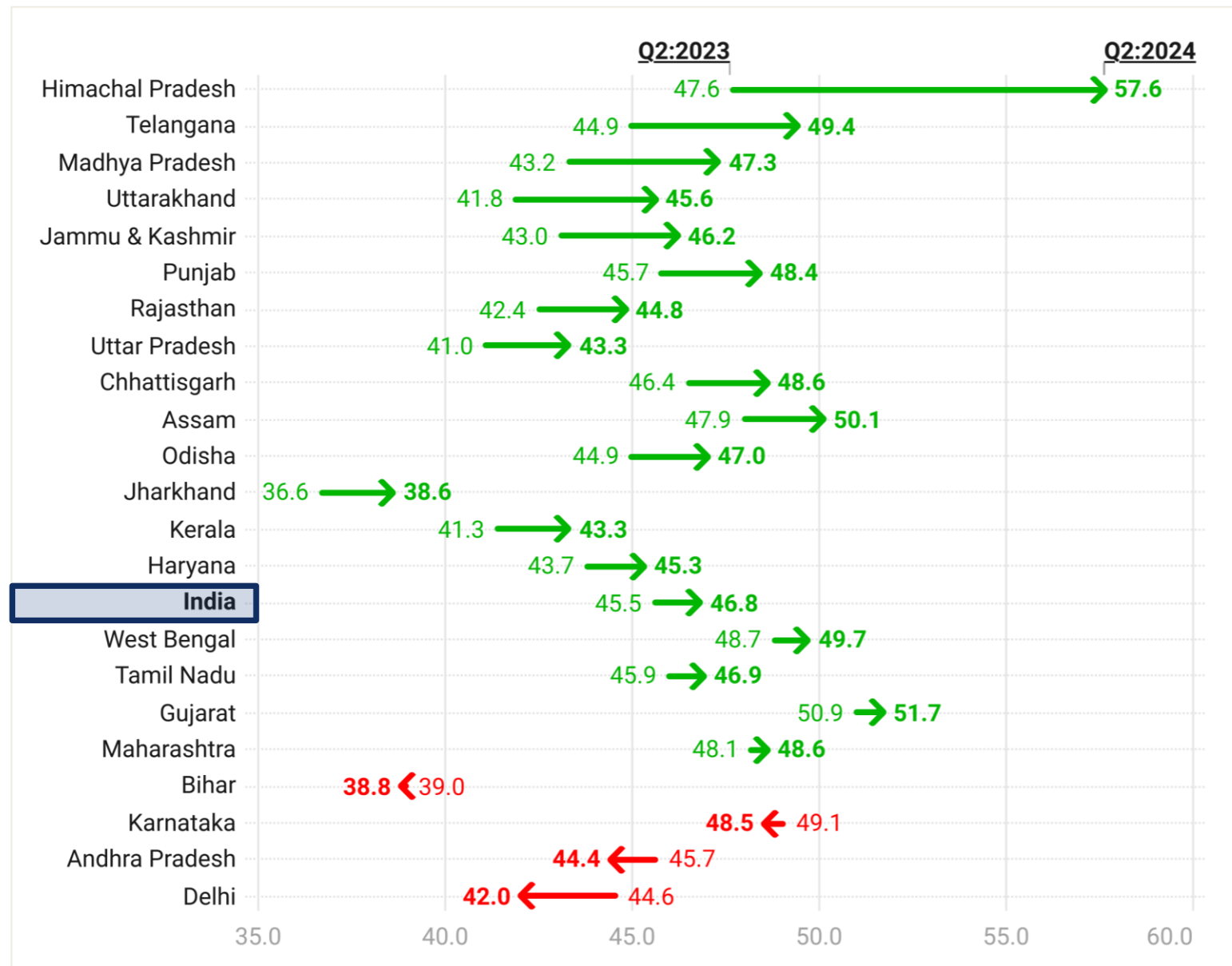
Most of the low-income states, which are also more populous, are placed below the trend line, while middle and high-income states are situated above the trend line – indicating that the *gender gap in LFPR is more severe in the former than in the latter.*

States with a *large share of industrial output (AP, GJ, HP, KN, MH and OR)* tend to have a lower gender gap in LFPR, though it is not obvious whether the causality runs from more industries to lower gender gap or vice-versa.

# #7

WPR continues to improve across most states, though there is considerable variation in the change in WPR in the last 12 months

## YEAR ON YEAR (y/y) CHANGE IN WPR FROM Q2:2023



Out of the 22 major states and UTs covered here, *WPR increased in 18 states*, indicating that job creation is happening in most parts of India.

The *top five states with the largest increase in WPR* in Q2:2024 (y/y) are: HP (10.0 pp), Telangana (4.5 pp), MP (4.1 pp), Uttarakhand (3.8 pp) and J&K (3.2 pp).

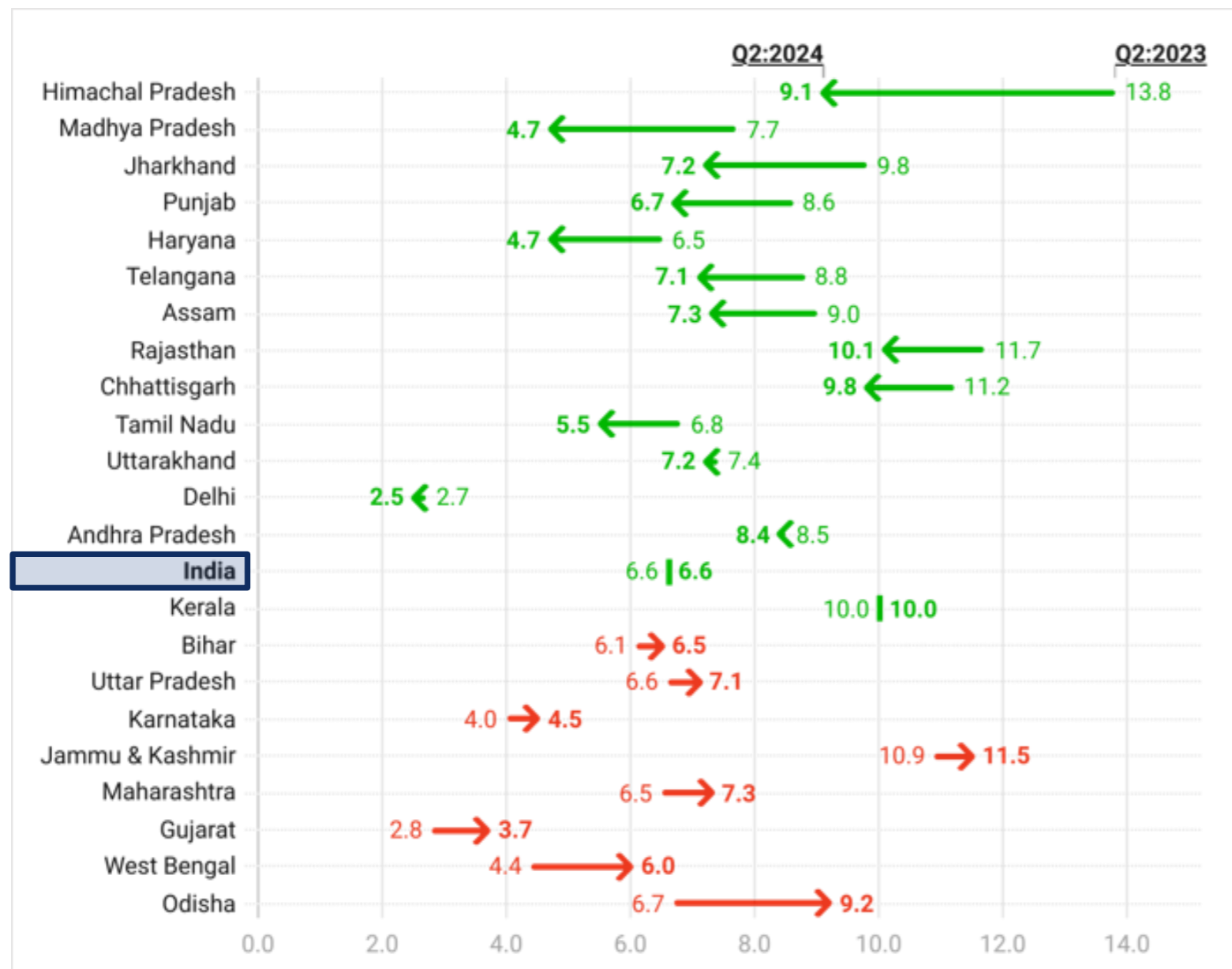
The *bottom five states with the lowest increase or highest decrease in WPR* are: Delhi (-2.6 pp), AP (-1.3 pp), Karnataka (-0.6 pp), Bihar (-0.2 pp), and Maharashtra (0.5 pp).

The unusually large increase in WPR in HP needs more scrutiny, while the stagnant WPR in Bihar, which had the second-lowest WPR among states after Jharkhand, is a matter of concern.

# #8

While national urban unemployment rate has remained unchanged during Q2:2024, there is considerable variation across states

## YEAR ON YEAR CHANGE IN UR FROM Q2:2023



The National urban unemployment rate (UR) remained unchanged at 6.6% in Q2:2024, compared to Q2:2023.

Yet, 10 states experienced a decline in unemployment rate by 1 pp or more in urban areas, while 8 states saw their urban UR increase – demonstrating the considerable variation across states.

The largest deterioration in UR was in Odisha (2.5 pp) while the biggest improvement was in Himachal Pradesh (4.7 pp).

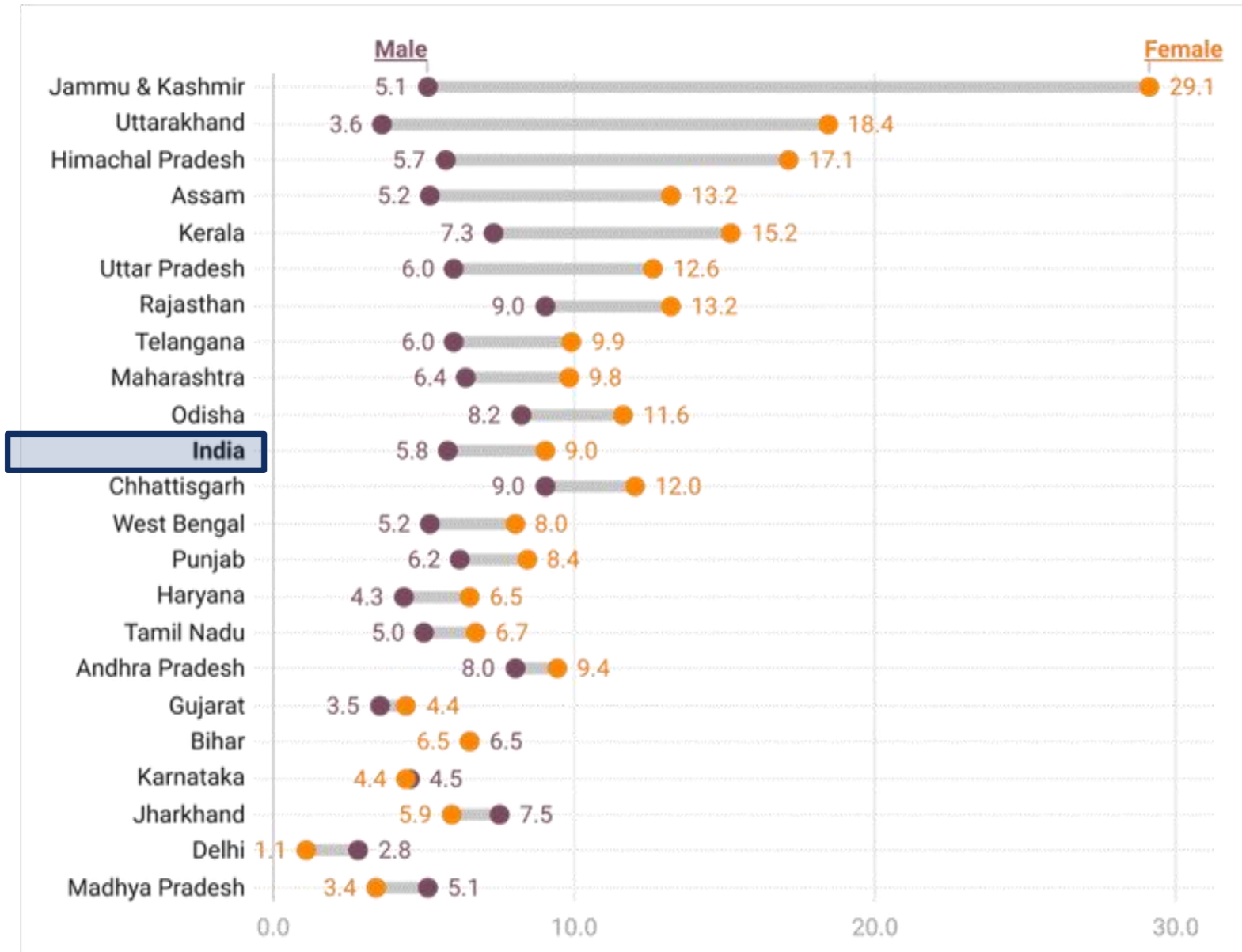
Most states in North India have recorded a decline in urban UR except Jammu and Kashmir.





# Delhi has the lowest UR for both males and females

### STATE-WISE MALE, FEMALE, AND OVERALL UR (%) FOR AGES 15 AND ABOVE (Q2:2024)



Female unemployment rates are higher than male unemployment rates in 18 of the 22 states. The exceptions are Karnataka, Jharkhand, Delhi, and MP.

There is a more than 3 percentage point difference in unemployment rates across both genders

Gujarat, Bihar, and Karnataka have the lowest gender gap in UR, while Jammu & Kashmir, Uttarakhand, and Himachal Pradesh record the highest.

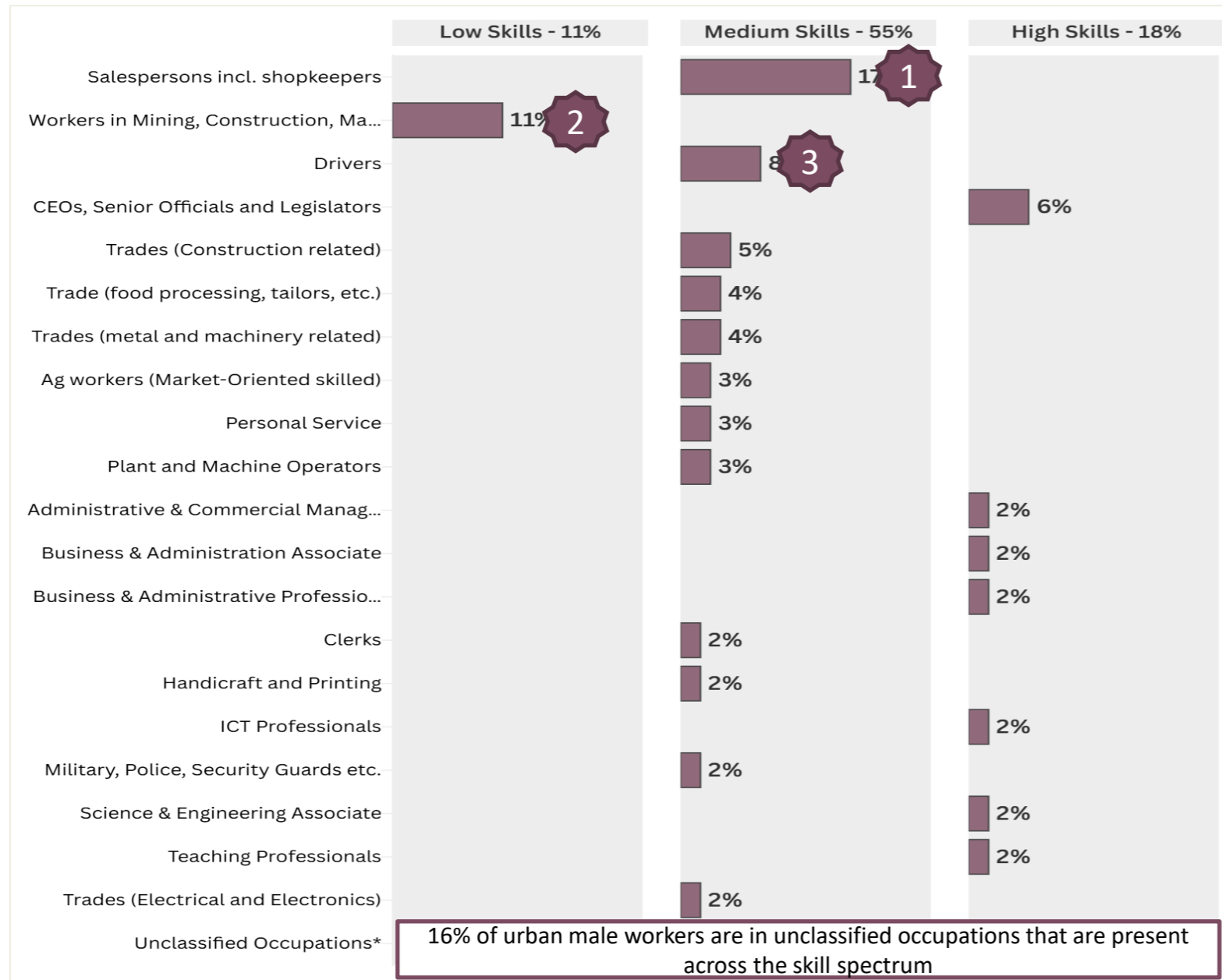


## Occupations *(Urban India)*

#10

One out of every six urban male worker is in sales, one out of 12 is a transport service provider (driver), and one out of 50 is an ICT professional

TOP MALE OCCUPATIONS, URBAN INDIA: 2022-23



Urban male workers are mostly employed as *salespersons (10%), mining and construction workers (11%), drivers (8%), and CEOs (6%),*

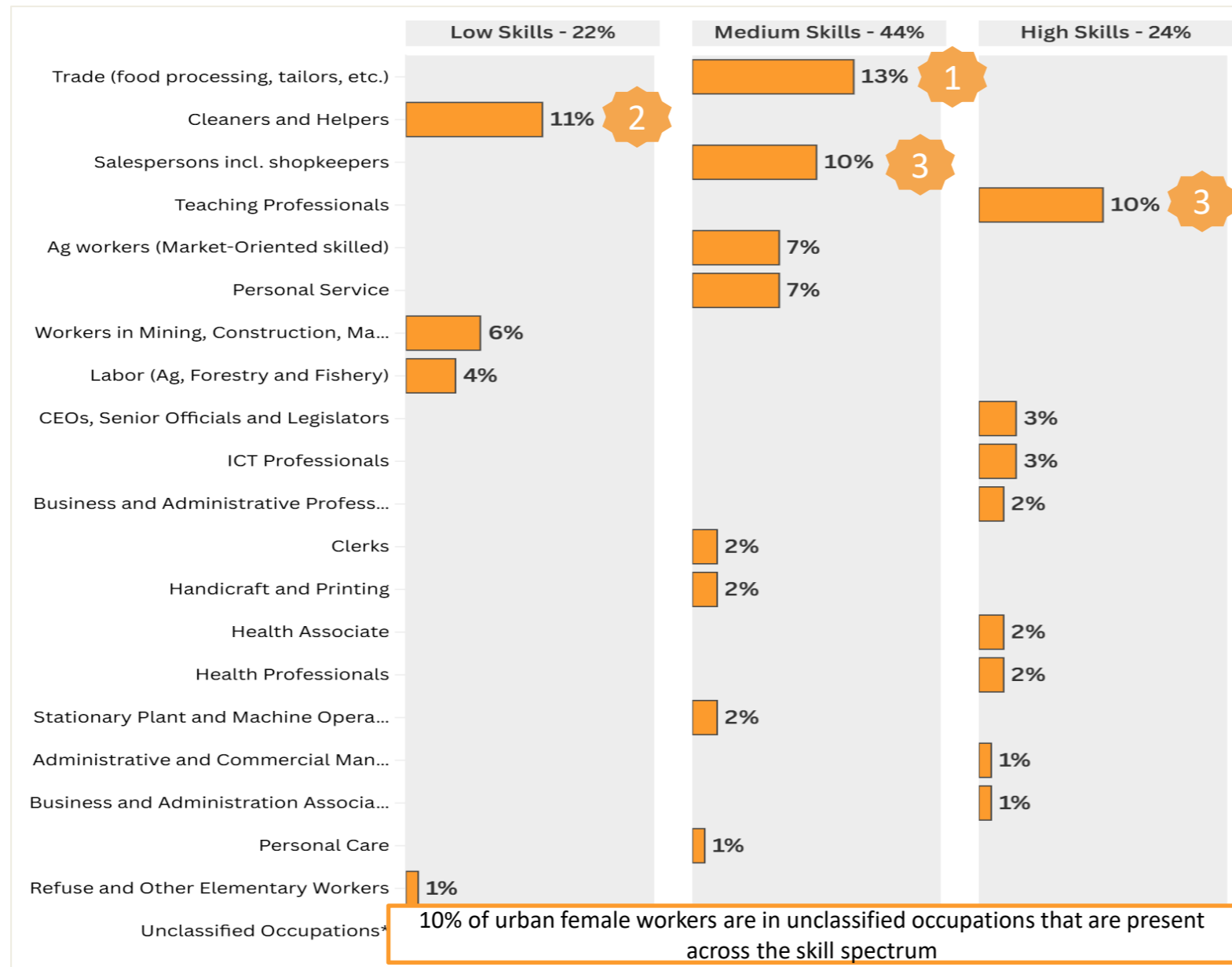
A vast majority (84%) of urban male workers fall in just 20 occupations in urban India.

Only *18% of urban male workers* are in high-skilled occupations, that is working as CEOs and legislators, ICT professionals, teachers in colleges and universities, managers and MBA professionals.

#11

Nearly one out of every 10 urban female workers is a teacher, while nearly three-fourths are employed in low to medium-skilled occupations

TOP FEMALE OCCUPATIONS, URBAN INDIA: 2022-23\*



The occupation of urban female workers is very different from that of their male counterparts – they are more likely to be employed as *chefs and tailors (13%), cleaners and helpers (11%), teachers (10%), ag workers (7%), personal service providers (7%)*.

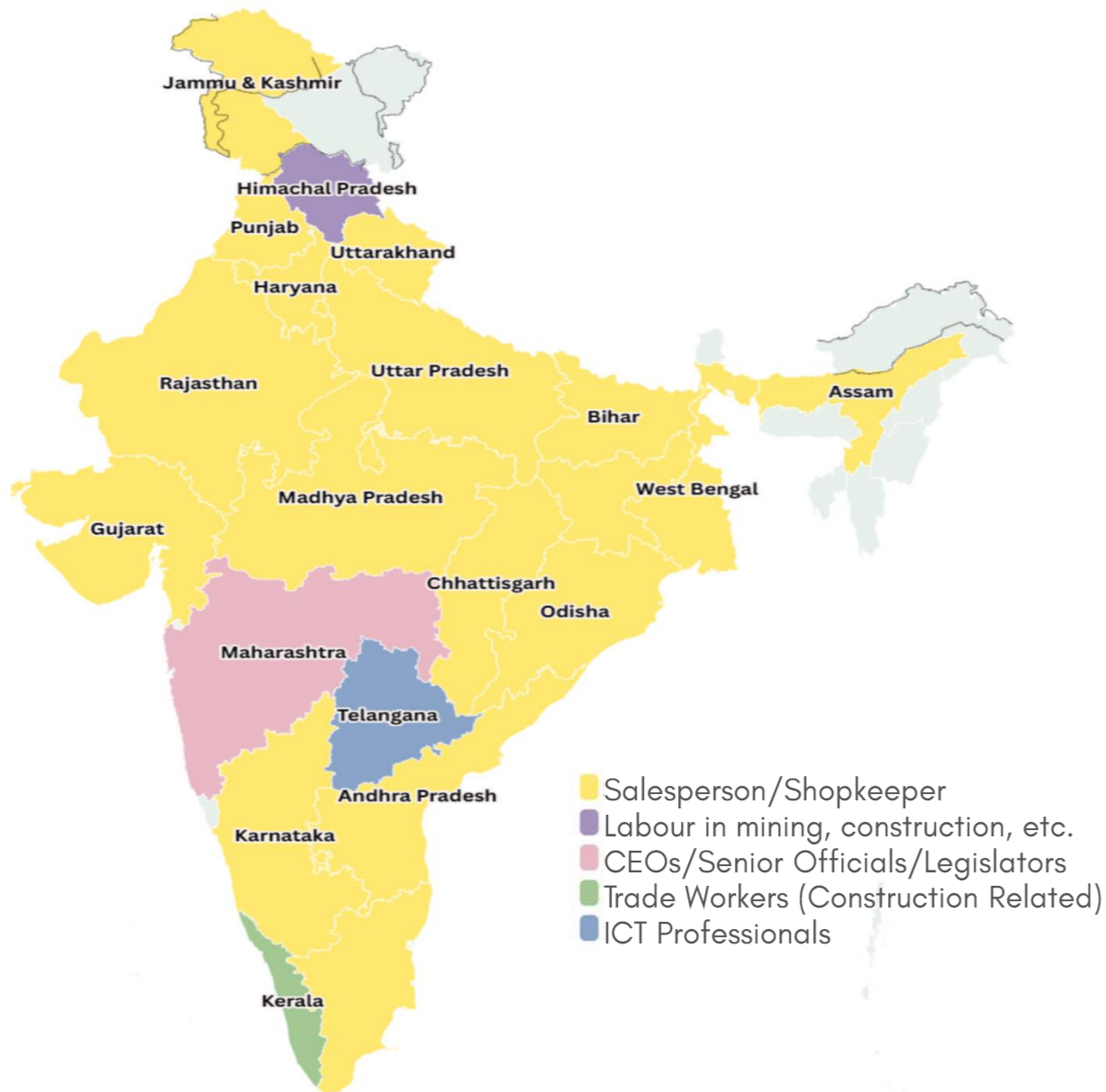
The percentage of urban female workers working as *salespersons (10%), ICT professionals (3%), MBA professionals (2%), and health professionals (2%)* is not dissimilar to what we see for urban male workers.

Only *24% of female workers* are employed in high-skill occupations.

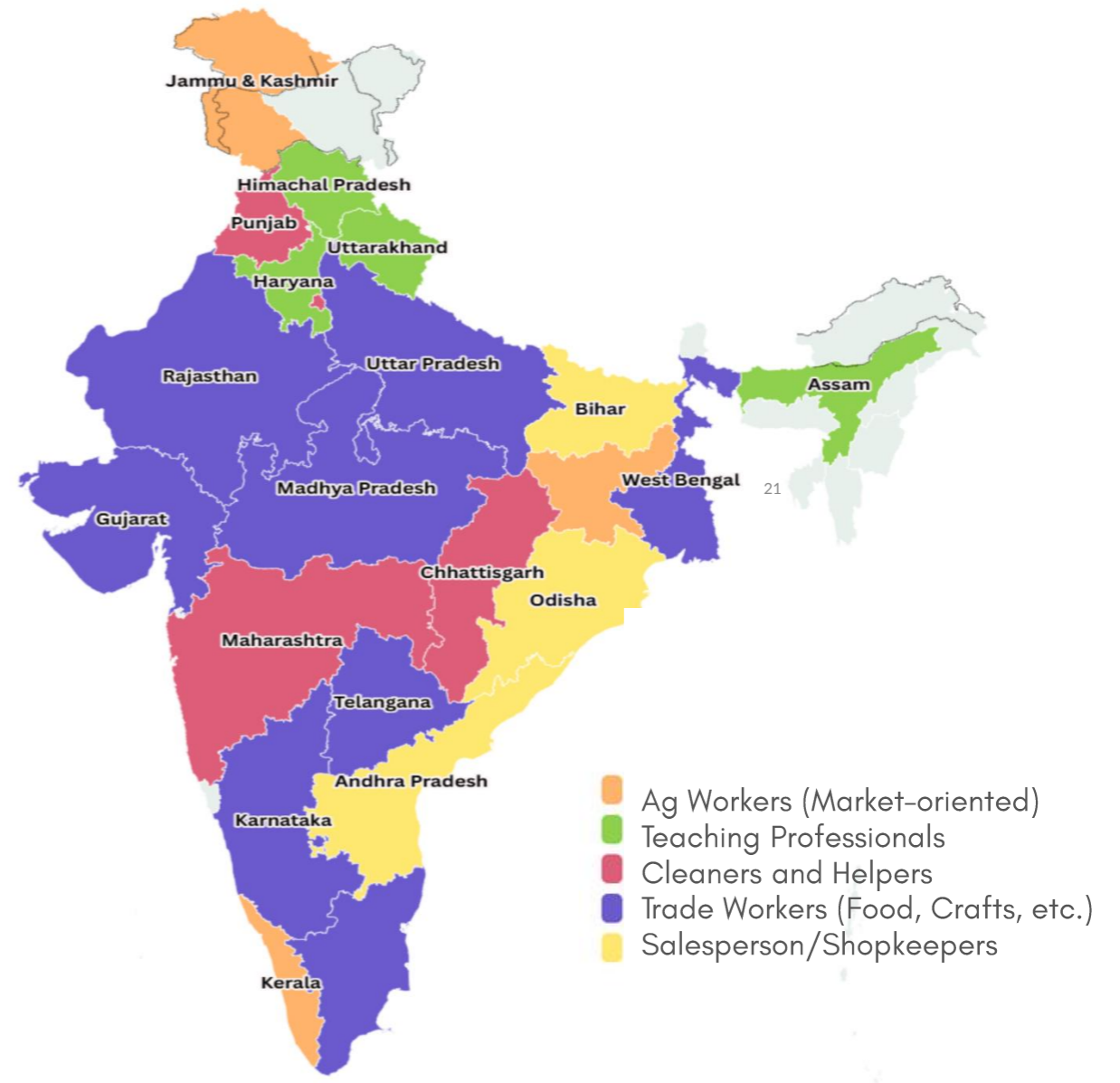
#12

The top occupation of male workers is fairly harmonised across states (invariably in sales), while it is more diverse for female workers

Top male occupation



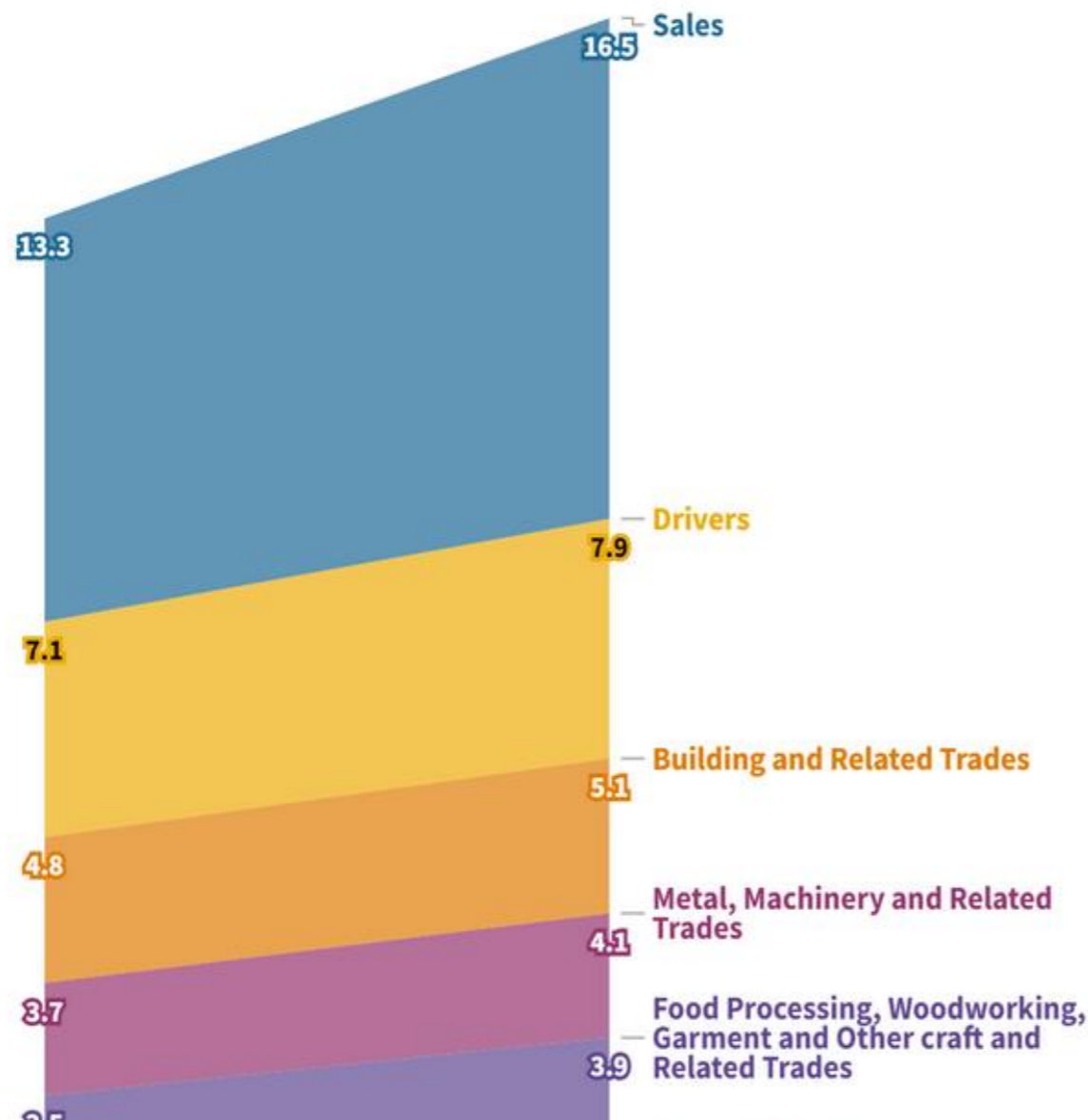
Top female occupation



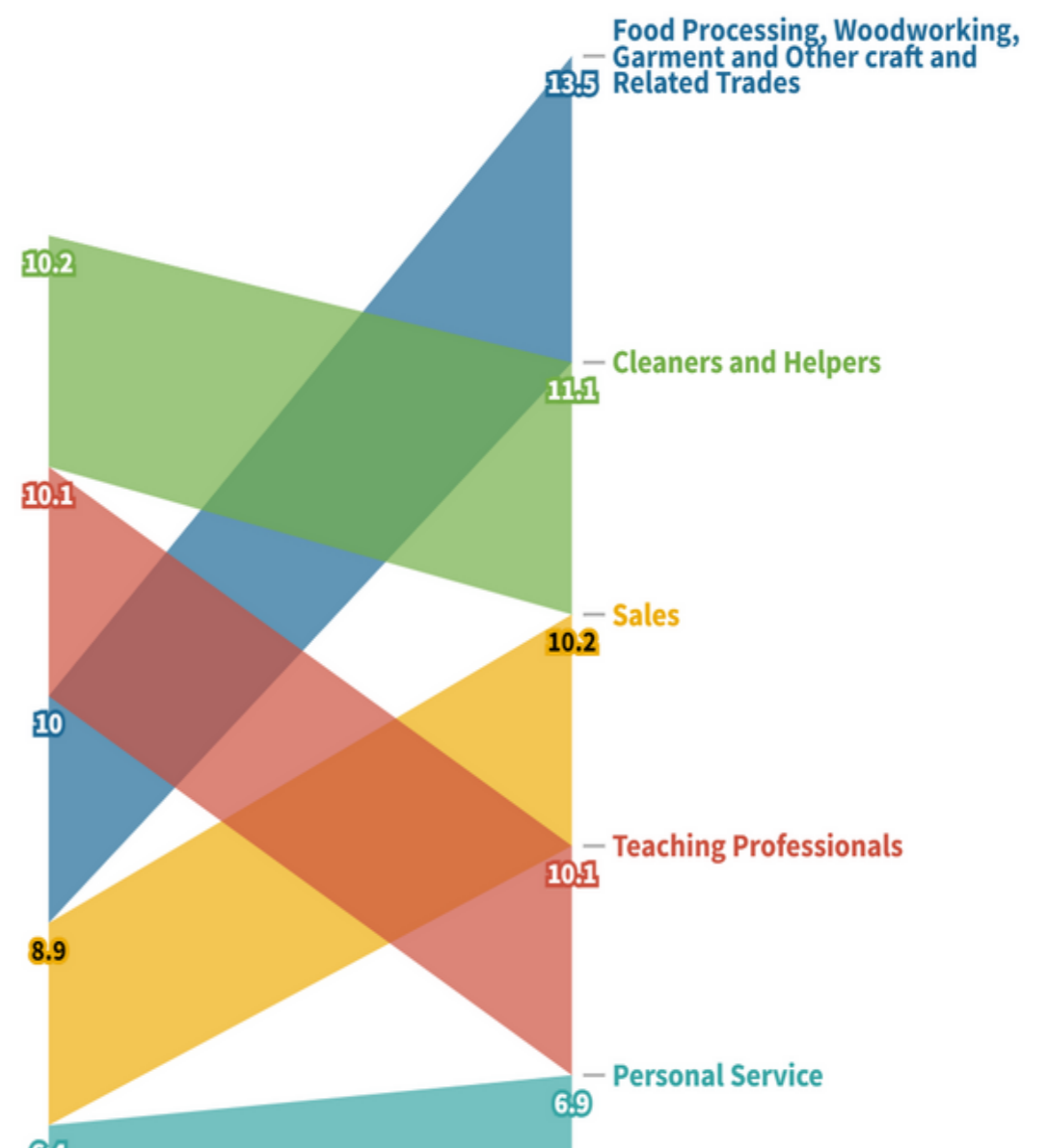
# #13

The occupation structure for urban male workers has not seen much change, while it has shifted significantly for female workers

Largest y/y change (pp.) in Male Occupations between 2021-22 and 2022/23



Largest y/y change (pp.) in Female Occupations between 2021/22 and 2022/23



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