

Jobless rate at 6-yr low; wage employment share shrinks

Both rural, urban areas show a fall in unemployment rates in July-June 2022-23 period

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India's unemployment rate fell to a six-year low of 3.2 per cent in the July-June 2022-23 period, down from 4.1 per cent in the same period the previous year, according to the latest annual Periodic Labour Force Survey (PLFS) report.

The report, released by the National Statistical Office (NSO) on Monday, showed a decline in unemployment rates in both rural and urban areas during the 2022-23 period to 2.4 per cent and 5.4 per cent, respectively, from 3.2 per cent and 6.3 per cent in the 2021-22 period. The unemployment rate for rural women (1.8 per cent) was lower than that for rural men (2.7 per cent) in 2022-23; in urban areas, the rate was higher for females (7.5 per cent) compared to males (4.7 per cent).

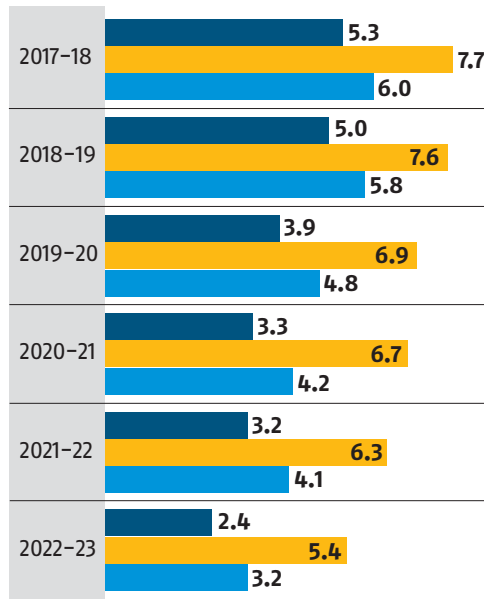
The unemployment rate for a one-year period under the so-called "usual status" for persons aged 15 years and above declined for the fifth consecutive year since the survey was launched in April 2017. Before the PLFS, the National Sample Survey Organisation (now known as NSO) used to release data related to employment and unemployment based on household socioeconomic surveys once every five years. In the 2017-18 period, the unemployment rate at the all-India level stood at 6 per cent.

In usual status, employment is

EMPLOYMENT REPORT (ALL-INDIA TREND IN %)

Annual unemployment rate (15 years and above)

■ Rural ■ Urban ■ Rural+Urban



***2022-23 refers to the period July 2022 - June 2023 and likewise for 2021-22, 2020-21, 2019-20, 2018-19, and 2017-18
Source: NSO

determined based on a reference period of 365 days preceding the date of the survey, as distinct from "employment status", which is determined based on a reference period of seven days, known as the current weekly status (CWS) of the person.

The latest survey also showed a significant increase in the labour force participation rate (LFPR), which represents the share of people either working or seeking work in the population, to 57.9 per cent in the 2022-23 period from 55.2 per cent in the 2021-22 period at the

national level.

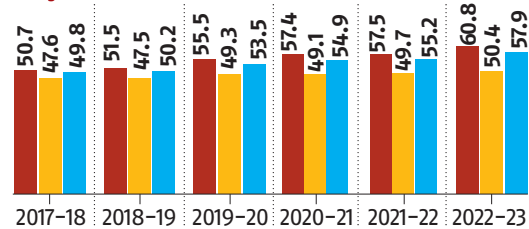
The rural LFPR stood at 60.8 per cent, up significantly from 57.5 per cent in 2021-22, while its urban equivalent increased to 50.4 per cent from 49.7 per cent over the same period. But, there has been a strain on the quality of employment as the share of people having regular or wage employment declined to 20.9 per cent in the 2022-23 period from 21.5 per cent in the previous year's period. On the other hand, the share of people engaged in self-employment, including unpaid household work



Worker by employment status (rural+urban)

Period	Self-employed	Regular wage worker	Casual labourers
2017-18	52.2	22.8	24.9
2018-19	52.1	23.8	24.1
2019-20	53.5	22.9	23.6
2020-21	55.6	21.1	23.3
2021-22	55.8	21.5	22.8
2022-23	57.3	20.9	21.8

Labour force participation rate (15 years and above)



or running a small business, increased to 57.3 per cent in the period under review from 55.8 per cent a year ago.

Santosh Mehrotra, visiting professor at the University of Bath, pointed out that contrary to popular belief, labour markets are yet to recover as the share of wage employment is significantly and consistently lower than in the pre-pandemic period, leading to an increase in self-employed individuals. In 2018-19, wage employment accounted for 23.8 per cent of total employment.