Unemployment rate for urban youth at 6-qtr high

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Unemployment among India's urban youth aged 15 to 29 rose to a six-quarter high of 18.9 per cent in the July-September quarter (Q2) of 2026-27, from 18.2 per cent in the previous quarter, according to the quarterly bulletin of the Periodic Labour Force Survey (PLFS) released by the National Statistics Office (NSO) on Tuesday.

However, combined youth unemployment (rural and urban) fell to 15.3 per cent in Q2 from 15.9 per cent in the previous quarter because the rate among rural youth declined from 14.7 per cent to 13.6 per cent during the period.

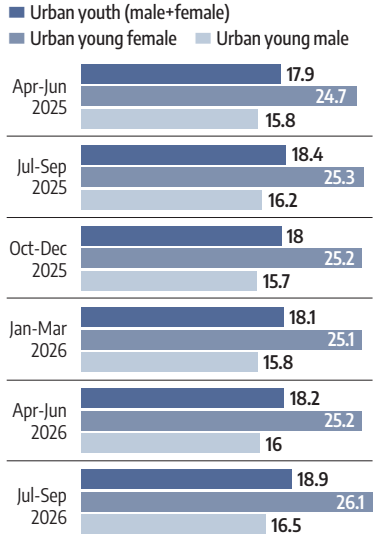
In urban India, young women recorded a higher unemployment rate than men. For young women, in terms of the current weekly status (CWS), the unemployment rate climbed to a six-quarter high of 26.1 per cent from 25.2 per cent in Q1. For young urban men, too, the rate was at a six-quarter high of 16.5 per cent in Q2, up from 16 per cent in Q1.

For the broader age group of those aged 15 and above, the unemployment rate fell to 5.1 per cent in Q2 from 5.4 per cent in the previous quarter. Rural unemployment in the same age group declined to 4.3 per cent from 4.8 per cent, while the urban rate was at a four-quarter high of 6.8 per cent.

The PLFS methodology was revamped in January 2025 to provide monthly and quarterly estimates of key labour market indicators for both rural and urban India under the CWS framework. Under the CWS approach, a person is considered unemployed if they did not work for even one hour on any day during the reference week but had sought work or were available for work for at least one hour on any day during the period.

Steady increase over 4 qtrs

Urban unemployment rate in CWS, ages 15-29 (%)



CWS: Current weekly status; Source: NSO

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Joblessness rate highest in Kerala

Of the 20 states for which data was provided, Kerala recorded the highest unemployment rate for people aged 15 years and above, at 8.7 per cent. Turn to Page 7 ▶

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Punjab and Andhra Pradesh followed at 7.8 per cent each. At the other end of the spectrum, Karnataka had the lowest rate of 2.8 per cent, followed by Gujarat at 3.2 per cent and West Bengal at 3.4 per cent. Additionally, Kerala also had the highest youth unemployment rate (aged 15-29) among states, at 28.9 per cent, while Gujarat had the lowest rate at 7.9 per cent.

The labour force participation rate (LFPR), which is the percentage of the population that is either working or actively looking for work, improved during the quarter. The LFPR for persons aged 15 and above rose to 55.5 per cent from 54.6 per cent in Q2 of 2026-27. Similarly, the Worker Population Ratio (WPR), which represents the number of persons or person-days employed per 1,000 persons or person-days, rose to 52.7 per cent from 51.7 per cent in the previous quarter.

The data also pointed to a decline in casual employment. The share of workers engaged in casual labour fell to a six-quarter low of 18.4 per cent in Q2, from 19 per cent in the previous quarter. In rural and urban areas, the share of overall casual workers declined to six-quarter lows of 21.7 per cent and 10.7 per cent, respectively.

Further, the composition of employment in the quarter shifted towards self-employment in rural areas, whose share rose to 62.7 per cent of workers from 61.4 per cent. In urban areas, regular wage and salaried jobs gained ground, with their share edging up to 49.6 per cent from 49.3 per cent.

The split by sector continued to reflect the rural-urban divide, with most rural workers in agriculture and most urban workers in the tertiary sector. Agriculture's share of rural employment rose to 56.7 per cent in the September quarter from 52.9 per cent in the June quarter, while the shares of the secondary and tertiary sectors fell. In urban areas, the tertiary sector's share held steady at 62 per cent. Overall, 41.7 per cent of workers were employed in agriculture in Q2, up from 38.7 per cent in the previous quarter.