

Unemployment rate in India (2008 to 2024): Current rate, historical trends and more

(<https://www.forbesindia.com/article/explainers/unemployment-rate-in-india/87441/1>)

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What is the current unemployment rate in India? How about the unemployment rate in the last ten years? Let's find out



Unemployment is a critical issue that continues to challenge the economic landscape of India. As one of the world's most populous nations with a diverse workforce, fluctuations in the unemployment rate have far-reaching implications for the country's growth and development. So, what is the current unemployment rate in India?

According to the India Employment Report 2024

(https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@asia/@ro-bangkok/@sro-new_delhi/documents/publication/wcms_921154.pdf), created jointly by the Institute for Human Development and the International Labour Organisation (ILO), India's working population increased from 61 percent in 2011 to 64 percent in 2021, and it is projected to reach 65 percent in 2036. However, the percent of youth involved in economic activities declined to 37 percent in 2022. Continued vigilance and effective policy measures remain crucial to foster sustainable job growth and secure the nation's future prosperity.

In this blog, we discuss the current unemployment rate in India a little more in-depth, along with the unemployment rate in the last ten years.

Also Read: What is repo rate, current repo rate, and history of RBI repo rates in India (2000 to 2024) (<https://www.forbesindia.com/article/explainers/repo-rate-current-history-india/85101/1>)

THE CURRENT UNEMPLOYMENT RATE IN INDIA: According to the latest data from the Centre for Monitoring Indian Economy (CMIE) (<https://www.cmie.com/kommon/bin/sr.php?kall=warticle&dt=20241002165309&msec=816>), an independent think tank, the unemployment rate in India stood at 7.8 percent in September 2024, a decline from 8.5 percent in August 2024. The labour participation rate fell from 41.6 percent to 41 percent, and the employment rate fell from 38 percent in August to 37.8 percent in September.

RSS But according to the Periodic Labour Force Survey (PLFS) (<https://www.mospi.gov.in/Periodic-Labour-Surveys>) data released by the Labour Bureau on September 23, 2024, there was no major change in the unemployment rate for the period between July 2023 and June 2024. A release by the Union Ministry of Statistics and Programme Implementation said that in rural areas, the Labour Force Participation Rate (LFPR) increased from 50.7 percent in 2017-18 to 63.7 percent in 2023-24, while for urban areas, it increased from 47.6 percent to 52.0 percent.

The same statement revealed that the unemployment rate in rural areas decreased from 5.3 percent in 2017-18 to 2.5 percent in 2023-24, while for urban areas, it decreased from 7.7 percent to 5.1 percent.

Also Read: 1 USD to INR: From 1947 to 2023 (<https://www.forbesindia.com/article/explainers/1-usd-to-inr-history/88635/1>)

These changing trends in labour demand and employment rates call for thoughtful policy measures to address the prevailing economic challenges and ensure sustainable growth in rural and urban areas. It highlights the importance of diversifying economic activities to create more employment opportunities and bolster the country's financial resilience.

Also Read: GDP of India: Current and historical growth rate, India's rank in the world (<https://www.forbesindia.com/article/explainers/gdp-india/85337/1>)

UNEMPLOYMENT RATE IN INDIA: HISTORICAL DATA

If you are wondering about the unemployment rate last ten years or 15 years, we have the data in a tidy little chart for you:

Year	Unemployment Rate (percent)
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2024	7.8 (September 2024)
2023	8.003
2022	7.33
2021	5.98
2020	8.00
2019	5.27
2018	5.33
2017	5.36
2016	5.42
2015	5.44
2014	5.44
2013	5.42
2012	5.41
2011	5.43
2010	5.55
2009	5.54
2008	5.41

Source: CMIE (<https://www.cmie.com/>)

STATE/UT-WISE ESTIMATED UNEMPLOYMENT RATE (UR)

Below is a table showcasing the unemployment rate (UR) across various states and union territories in India for 2022-23. Data is sourced from PIB (<https://pib.gov.in/PressReleaselframePage.aspx?PRID=2035278>).

State/UT	UR (in%)
Lakshadweep	11.1
Goa	9.7
Andaman & N. Island	9.7
Kerala	7
Haryana	6.1

State/UT	UR (in%)
Punjab	6.1
Ladakh	6.1
Meghalaya	6
Puducherry	5.6
Arunachal Pradesh	4.8
Manipur	4.7
Uttarakhand	4.5
Rajasthan	4.4
Telangana	4.4
Jammu & Kashmir	4.4
Himachal Pradesh	4.3
Nagaland	4.3
Tamil Nadu	4.3
Andhra Pradesh	4.1
Chandigarh	4
Bihar	3.9
Odisha	3.9
All India	3.2
Maharashtra	3.1
Dadra & Nagar Haveli & Daman & Diu	2.5
Chhattisgarh	2.4
Karnataka	2.4
Uttar Pradesh	2.4
Mizoram	2.2
Sikkim	2.2

State/UT	UR (in%)
West Bengal	2.2
Delhi	1.9
Assam	1.7
Gujarat	1.7
Jharkhand	1.7
Madhya Pradesh	1.6
Tripura	1.4

HOW IS THE CURRENT UNEMPLOYMENT RATE CALCULATED?

The past and current unemployment rate in India is a critical economic indicator expressed as a percentage that varies based on the prevailing economic conditions.

When job opportunities become scarce during economic downturns, unemployment tends to increase. Contrarily, during economic growth and prosperity periods, with many job opportunities available to the public, the unemployment rate is expected to decline.

The formula to calculate the current unemployment rate in India is as follows:

Unemployment Rate = Number of Unemployed Persons / Civilian Labor Force

Or,

Unemployment Rate = Number of Unemployed Persons / (Number of Employed Persons + Number of Unemployed Persons)

To be classified as unemployed, an individual must meet specific criteria:

They must be at least 16 years old and available to work full-time in the last four weeks.

They should be actively seeking employment during this period.

Some exceptions include individuals who are temporarily laid off and actively looking to rejoin their previous jobs.

Also Read: Fiscal deficit: Meaning, history in India, causes, current deficit and more
(<https://www.forbesindia.com/article/explainers/fiscal-deficit-meaning-current-history-india/85133/1>)

MAJOR ECONOMIC EVENTS IMPACTING THE UNEMPLOYMENT RATE IN INDIA IN THE PAST

Throughout our economic history, several significant events have significantly impacted the unemployment rate in India.

1. **Global Financial Crisis (2008-2009):** The 2008 global financial crisis severely affected India's economy, leading to a slowdown in growth and reduced employment opportunities in various sectors.
2. **Demonetisation (2016):** The government's decision to demonetise high-value currency notes in 2016 caused economic disruptions, particularly in the informal sector, resulting in temporary job

losses.

3. **Goods and Services Tax (GST) Implementation (2017):** The introduction of GST aimed to simplify the tax structure, but it initially caused short-term disruptions in the economy, affecting businesses and employment.
4. **Covid-19 Pandemic (2020):** The Covid-19 pandemic and the subsequent lockdown measures profoundly impacted the Indian economy, resulting in a surge in unemployment as businesses closed and economic activities came to a standstill.
5. **Inflationary Pressures:** India has also faced inflationary pressures over the years, influencing the current unemployment rate in India. High inflation rates (<https://www.forbesindia.com/article/explainers/inflation-rate-india/85983/1>) can erode the purchasing power of consumers, leading to reduced demand for goods and services. This can have a cascading effect on businesses, resulting in cost-cutting measures, including layoffs and hiring freezes, leading to higher unemployment rates.

FAQS

1. Which is the state with the highest unemployment rate in India? How about the state with the lowest unemployment rate in India?

As of December 2022, Haryana had the highest unemployment rate in India, at 37.4 percent. As for the lowest, data from the same time suggests Odisha is the state with the lowest unemployment rate in India at 0.9 percent.

2. How does the unemployment rate impact the Indian economy?

The unemployment rate impacts the Indian economy by influencing spending, growth, and job opportunities. A high rate hinders economic progress and can lead to social unrest, while a low rate indicates a thriving job market and a growing economy. Policymakers use it to inform strategies for job creation and economic development.