Socio-economic Features of Unemployment in India: A Pre-pandemic Overview

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Abstract

Unemployment has become one of the perennial problems in India. There are many debates among the researchers about the sudden hike in the unemployment rates observed in the PLFS: 2017-18 data. This study attempts to deliver a snapshot of the pre- pandemic socio-economic scenario of unemployment conditions of the country by makinga comparative analysis using EUS: 2011-12, PLFS: 2017-18 & PLFS: 2019-20 data. This study presents a preliminary overview of India's pre-pandemic employment and unemployment scenario. Using the definitions provided by Bhattacharya (1995), it examines the proportions of individuals who are employed, unemployed, outside the labour force, and the overall unemployment rate. Estimates are disaggregated across key socio-economic dimensions, including regional variations, social and religious groups, household types, age and gender divisions, and educational qualifications. The findings highlight structural disparities in labour market outcomes and provide an initial framework for understanding vulnerabilities in India's workforce prior to the pandemic.

Keywords: Unemployment Rate, Vulnerable Group, Regular Wage-based Workers, NSSO.

Introduction

Unemployment is one of the major social issues for a developing country like India. Streeten (1994) has argued that a poor man does not have the option of being unemployed. He/she simply has no assets to fall back upon for generating income. Without selling his/her labour power, he/she cannot hope to earn his /her life-sustaining necessities. Recently, however, the Indian government, both at the centre and state, has issued several welfare policies that have reduced the pangs of life necessities and the desperate drive to be employed (Mitra & Singh, 2019).

Several researchers have worked on this topic from time to time. There has been observed a huge structural and socio-economical asymmetry in the distribution of unemployment rates. Different policies have been implemented by the Indian Government to cope with this problem. In the recent years a report released by NSSO (PLFS:2017-18),it is observed that for rural male unemployment rate increases to 5.8% and for rural female it increases to 3.8%, again for urban male it raises to 7.1% and for urban female it is 10.8% according to the Usual Status Approach. Thus, for both the sector and gender, we can see a hike in the unemployment rate.

As we know, our Indian economy is mainly based on agricultural activities, and a large section of the labour force is dependent on agriculture. So, there is an excess pressure on land. For the labour surplus dual economies, such as India from earlier days, the economists like Lewis (1954), Renis & Fei (1961) have given their view about surplus labour and how it can be withdrawn from rural areas and gainfully employed in urban areas to stop the rising trend of unemployment. Several economists have debated and their views regarding this surplus labour.

From the perspective of rural households, surplus labour leads to the pressure of excess labour on the land, depressing the returns to labour. As labour is the main productive asset of low-income rural households, the capacity of households to transfer labour into higher-paying activities is an important determinant of household income. But if a surplus labouring population is a necessary product of accumulation or the development of wealth on a capitalist basis, this surplus population becomes a necessary evil.

But today, a situation has come where the discussions of several economists and researchers are not about these types of surplus labourers. Rather, they are talking about the chronic unemployment situation that the country is facing in recent days, and are concerned about the future.

Thus,the present study attempts to investigate the unemployment situation of the country according to different social and religious groups. This study is based on the NSSO data, because NSSO data is richer than the other secondary data available for analysing the employment-unemployment situation of the country (Kapoor, 2019).

This study focuses on the pre-pandemic situation because there could be a comparability issue in measurements of employment estimates in the post-pandemic situation. This is because recently Thakur & Chowdhary (2025) have shown that not only there is a rise in LFPR (Labour force participation rate)& WPR (Work population ratio) among females due to the distress situation of job losses and fall in family incomes in the post covid situation rather there is some changes in definitions of measurement of employment in the PLFS: 2023-24 round. The households who are engaged in domestic duties such as free collection of firewood, vegetables, etc for 1-2 hours for own use and were considered as out of labour force (with code 92) are presently considered as self-employed (with code 11). Again, the persons who engaged in domestic duties and free collection of goods for household use and considered as in the category of 'not in labour force' are considered as self-employed (with code 11). So, here the 68thround (2011-12) data &PLFS (2017-18) data & PLFS (2019-20) data are used to have a snapshot of unemployment estimates in a pre-pandemic era.

The paper is divided into seven sections. Section 2 gives the objectives of our study. Section 3 discusses the definition and data. Section 4 gives us a descriptive view of the unemployment estimates over various socio-economic factors.Finally, we conclude inSection5.

Objectives of the Study

The objectives of this proposed study are given as follows-

- To understand the pattern and nature of the unemployment scenario in India.
- To understand the preliminary socio-economic scenario of the unemployment situation of the country.

Definition and Data Features

Since the early 1970s, the NSSO has begun to measure unemployment according to three alternative definitions and concepts. Each of these definitions serves its specific purpose. These are the i) Usual status approach, ii) Weekly status approach,iii) Daily status approach. Here we have used the usual status approach as it helps to understand the chronic unemployment situation of the country. According to this approach, if an individual spent relatively longer time with no gainful work in the preceding 365 days prior to the date of the survey, then he/she would be regarded as unemployed.

The present study uses 68th round unit level data (EUS: 2011-12), PLFS: 2017-18 & PLFS: 2019-20 employment and unemployment data.Apart from several critical issues, it should be noted that the key indicators of employment in EUS are comparable with the 'first visit' data of PLFS rounds (Jajoria& Jatav, 2020). Hence, in this study, we have considered the EUS: 2011-12, PLFS: 2017-18, and PLFS: 2019-20 datasets for making a comparative analysis of the unemployment situation of the country. The 68th round (2011-12) employment-unemployment data contains 101724 households with 456999 sample persons, while the PLFS: 2017-18 data contain 102113 households, with 433339 sample persons& PLFS: 2019-20 contains 100480 households with 418297 sample persons. Here, it should be noted that since attempts have been made to understand the employment and unemployment situation, the data for the age group 0-5 years old has been omitted from our study. Following Bhattacharya (1995),the following definitions of measurement are used here, as given below-

> *Proportion of employed= No. of employed persons / Total no. of population*
>
> *Proportion of unemployed = No. of unemployed persons / Total no. of population*
>
> *Proportion of out of labour force= No. of persons being out of labour force/ Total no. of population*
>
> *Unemployment Rate = No. of unemployed persons / Total labour force. (Here, labour force consists of total number of employed and unemployed persons).*

Comparison across the Rounds (68th round,2011-12 data, PLFS: 2017-18 data& PLFS: 2019-20) based on socio-economic covariates:

In this study, the changes in the unemployment shareare measured by making a comparison throughout 2011-12, 2017-18& 2019-20 by using NSSO 68th round data& PLFS:2017-18 data. The comparison is done both on the aggregate basis & on the basis of some covariates, namely, i) region,ii) household's main occupation type,iii) social group,iv) religious group, finally, v) age&sex, and vi) education of individuals.

Table 3: Estimated proportion of persons according to usual status: 68th round EUS: 2011-12& PLFS: 2017-18& PLFS: 2019-20

States of Employment	68th Round (2011-12) Data	PLFS:2017-18 Data	PLFS:2019-20 Data
Employed	0.4183	0.3778	0.4138
Unemployed	0.0135	0.0298	0.0263
Out of labour force	0.5680	0.5922	0.5598
In labour force	0.4319	0.4077	0.4401
Unemployment rate	0.0313	0.0731	0.0598

Source: Authors' own calculation

From the given table, we can see that there is a huge increase in the unemployment rate in 2017-18 data compared to 2011-12 data according to the usual status approach, though the change in people being out of the labour force is little.However, we can also notice from table 4.1 that the aggregate unemployment rate declines from 7.3% to 5.9% from PLFS: 2017-18 to 2019-20 data, though it is still very high compared to EUS: 2011-12.

Now let us consider the following measurement of unemployment estimates on the basis of different covariates according to the usual status approach.

- **Effect of Regions**

Now, let us measure the unemployment rates according to different covariates. Firstly, consider the comparison according to different regions of the country. Here, the whole country is divided into seven regions. i) Eastern, ii) Western, iii) Southern, iv) North-western, v) North-Eastern, vi) Bimaru, vii) Central. Here, the western region consists of the states Maharashtra and Gujarat, whereas the eastern region consists of the states West Bengal, Odisha, Assam, and the Southern region consistsof the states namely, Kerala, Tamil Nadu, Andhra Pradesh, Telangana, Karnataka, &Puducherry. The North-East part of the country contains the states Arunachal Pradesh, Assam, Meghalaya, Nagaland, Mizoram, Manipur, Sikkim,& Tripura, whereas the North-west part contains Haryana, Himachal Pradesh, Punjab, Uttarakhand, and Chandigarh. Here, the Bimaru part of the country includes Bihar, Madhya Pradesh, Rajasthan, Uttar Pradesh, Jharkhand, and the Central part contains Delhi & Chhattisgarh.

In Table 4, we can find that the western region shows the highest proportion of employment in all the rounds. It also shows the lowest level of unemployment proportion and unemployment rate. This is because this region is traditionally well developed industrially, consisting of both Gujarat and Maharashtra. On the other hand, the North-Eastern and Bimaru states are great falters. The unemployment estimates are very high in the North-east regions, and in Bimaru states majority of people are out of the labour force.

Regarding employment, southern states are in close proximity to the western and in some years (such as 2017-18), it outperforms the western region. In this region, we find both developed industry and agriculture. Also, they tend to have a higher level of human development indicators. The north-west

region lies below the southern region, considering the situation of employability. These regions have well-developed agriculture, but the industrial development is concentrated in a few pockets. These do not enable them to outperform the western and southern regions. However, the unemployment rates in these north-west regions are lower than the southern regions.

Since the north-western regions are traditionally agriculturally developed, a huge amount of labour force can be easily employed in lands even with a negligible marginal productivity.

Table 4: Different region-wise estimated proportion of persons by the states of employment and unemployment: 68thround (EUS: 2011-12), PLFS: 2017-18 & PLFS: 2019-20

		Western	Eastern	Southern	North Western	North-East sisters	Bimaru	Central
States of Employment			EUS :	2011-12				
Man power Distribution	Employed	0.4539	0.4113	0.453	0.4337	0.4196	0.3756	0.4547
	Unemployed	0.0058	0.0179	0.0146	0.0104	0.0293	0.008	0.01
	Out of labour force	0.5402	0.5707	0.5323	0.5557	0.551	0.6163	0.5351
Unemployment Rate		0.0126	0.0417	0.0312	0.0236	0.0652	0.0208	0.0216
States of Employment			PLFS :	2017-18				
Man power Distribution	Employed	0.4086	0.374	0.4133	0.3772	0.3593	0.3375	0.4391
	Unemployed	0.0219	0.031	0.0362	0.0298	0.0384	0.0238	0.0274
	Out of labour force	0.5693	0.5949	0.5503	0.5929	0.6022	0.6385	0.5333
Unemployment Rate		0.051	0.0766	0.0806	0.0732	0.0967	0.0659	0.0589
States of Employment			PLFS :	2019-20				
Man power Distribution	Employed	0.4564	0.4014	0.4458	0.4173	0.4005	0.3773	0.4598
	Unemployed	0.015	0.0304	0.0309	0.0281	0.0368	0.0196	0.0252
	Out of labour force	0.5284	0.568	0.5232	0.5544	0.5626	0.603	0.5149
Unemployment Rate		0.0319	0.0705	0.0648	0.0632	0.0842	0.0494	0.0521

Source: Authors' own calculation

The central region, consisting of Delhi and Chhattisgarh, is highly urbanised. It has a higher level of employment than even the western region for all the rounds. Delhi, being the capital of India, attracts investment both nationally and internationally. Also,the infrastructure is well developed here.

Regarding employability, the eastern region is above Bimaru and sometimes above the north-eastern states, but went below the north-eastern in the recent data. The unemployment rates in this region are very high. It comes just after the northeast regions. This region had a well-developed past, but it is not shining in the present data.

- **Effect of Household Types**

Next,we concentrate on the unemployment traits according to the major sources of household's income, both cross sectionals as well as over three time periods, by using tables 5 and 6.

Following the NSSO definition, the rural households may be classified into six major occupational types according to the major source of income of the respective households for the past 365 days, before the date of the survey. These are households depending on i) Self-employed in agriculture(selfagr), ii) Self-employed in non-agriculture (selfnonagr), iii) Regular wage households(rglrwg), iv) Casual labour in agriculture(csllbagr), v) Casual labour in non-agriculture(csllbnonagr), and vi) others(othr). Whereas the households in urban sector have been divided into four groups, namely: i) Self-employed households(slfemp), ii) Regular wage households(rglrwg), iii) Casual labour households (csllb), iv) other households(othr).

First, let us concentrate on regular wage-based group of households because that entails a more or less stable & "honourable" employment as designated by Prof. Sen. Across the three points there is an increase in the unemployment proportion among the regular workers from 2011-12 to 2017-18 and then a partial re-habitation in the next considered PLFS round. This is true for both the rural and the urban areas. Among the casual workers, there is a similar decline in employment across the three time points, both in rural and urban areas. The picture is almost repeated for the self-employed categories.

Across all the groups in the urban areas, the unemployment is lowest for the casual workers as per 2011-12 data, but it becomes lowest for the self-employed category in later rounds. In rural areas, it is lowest among the agriculture-based self-employed workers at all rounds. This means that the overall employment status is not very satisfactory.

Regarding employment, closely follows the casual workers in the rural area is the agriculture based self-employed category. In fact, in all the years in rural areas, they are the second largest employable category after the agriculture-based casual labourers.

Table 5: Rural household type-wise estimated proportion of persons by the states ofemployment and unemployment: 68th round (EUS: 2011-12), PLFS: 2017-18 & PLFS: 2019-20

		selfagr	selfnonagr	rglrwg	csllbagr	csllbnonagr	othr
States of Employment			EUS :2011-2012				
Man power Distribution	Employed	0.4665	0.4357	0.4349	0.5	0.4611	0.1384
	Unemployed	0.0083	0.0101	0.0172	0.0103	0.0101	0.0231
	Out of labour force	0.5251	0.554	0.5477	0.4895	0.5287	0.8427
Unemployment Rate		0.0175	0.0228	0.0381	0.0202	0.0216	0.1468
States of Employment			PLFS :2017-2018				
Man power Distribution	Employed	0.4175	0.3783	0.3969	0.4638	0.3961	0.0878
	Unemployed	0.0222	0.0241	0.0295	0.0271	0.0241	0.031
	Out of labour force	0.5602	0.5974	0.5735	0.509	0.5796	0.881
Unemployment Rate		0.0505	0.06	0.0692	0.0552	0.0574	0.2613
States of Employment			PLFS :2019-2020				
Man power Distribution	Employed	0.4601	0.4081	0.4344	0.4956	0.4183	0.0937
	Unemployed	0.0176	0.0197	0.0267	0.0212	0.0187	0.0387
	Out of labour force	0.5221	0.5721	0.5388	0.483	0.5628	0.8675
Unemployment Rate		0.0369	0.0462	0.0579	0.0411	0.0429	0.2922

Source: Authors' own calculation

Table 6: Urban household type wise estimated proportion of persons by the states of employment and unemployment: 68th round (EUS: 2011-12), PLFS: 2017-18 & PLFS: 2019-20

		selfemp	Rglrwg	csllb	othr
States of Employment			EUS :	2011-12	
Man power Distribution	Employed	0.3956	0.3952	0.4342	0.0761
	Unemployed	0.0123	0.0206	0.0112	0.0375
	Out of labour force	0.592	0.584	0.5544	0.8862
Unemployment Rate		0.0301	0.0496	0.0252	0.3301
States of Employment			PLFS :	2017-18	
Man power Distribution	Employed	0.3714	0.3951	0.3961	0.0729
	Unemployed	0.0292	0.0369	0.0342	0.0663
	Out of labour force	0.5993	0.5678	0.5695	0.8607
Unemployment Rate		0.073	0.0855	0.0795	0.4762
States of Employment			PLFS :2019-20		
Man power Distribution	Employed	0.3981	0.4175	0.4195	0.0666
	Unemployed	0.0271	0.0323	0.0298	0.065
	Out of labour force	0.5747	0.55	0.5506	0.8683
Unemployment Rate		0.0637	0.0719	0.0663	0.494

Source: Authors' own calculation

The self-employed non-agricultural category is not very far behind. In the urban areas, self-employment remains the third-largest employment-generating category in recent times.

- **Effect of Social Groups**

Similarly,the cross-sectional and time series perspectives of unemployment are considered among the various social categories. NSSO has divided social groups into four parts:i) Schedule caste(st), ii) Schedule tribe (sc), iii) Other backward class(obc), iv) Others(othr).

Table 7 shows us that among the entire social groups, the unemployment rate is lowest for the obc category in all three time points. There is, however, an increase in unemployment rates among obc category. The unemployment rate is also quite low among the sc category in 2011-12 & 2019-20. The other categories that mainly include the general caste have remained in the third position for all time points. The worst category is STs. They suffer most even in the field of getting fruitful employment. This proves that social deprivation percolates the field of employment.

Table 7: Social group-wise estimated proportion of persons by the states of employment and unemployment: 68[th]round (EUS: 2011-12), PLFS: 2017-18 & PLFS: 2019-20

		ST	SC	OBC	Others
States of Employment			EUS :2011-12		
Man power Distribution	Employed	0.4532	0.4337	0.417	0.398
	Unemployed	0.0181	0.0126	0.0112	0.0148
	Out of labour force	0.5286	0.5535	0.5717	0.587
Unemployment Rate		0.0384	0.0284	0.0261	0.036
States of Employment			PLFS :2017-18		
Man power Distribution	Employed	0.395	0.3904	0.3751	0.367
	Unemployed	0.0327	0.0319	0.0289	0.0285
	Out of labour force	0.5722	0.5776	0.5959	0.6044
Unemployment Rate		0.0764	0.0755	0.0715	0.0722
States of Employment			PLFS :2019-20		
Man power Distribution	Employed	0.4454	0.4254	0.4125	0.3937
	Unemployed	0.032	0.026	0.0244	0.0264
	Out of labour force	0.5225	0.5484	0.563	0.5798
Unemployment Rate		0.0671	0.0576	0.0559	0.0628

Source: Authors' own calculation

- **Effect of Religion**

Different people belonging to different religious group are living in India and NSSO data we can see that there are eight types of religious groups living in India, these are: i) Hinduism, ii) Islam, iii) Christianity, iv) Sikhism, v)Jainism, vi)Buddhism,vii) Zoroastrianism, viii) Others.

Table 8: Religious group-wise estimated proportion of persons by the states of employment and unemployment: 68[th]round (EUS: 2011-12), PLFS: 2017-18 & PLFS: 2019-20

		Hinduism	Islam	Christianity	Sikhism	Jainism	Buddhism	Zoroastrianism	Others
	States of Employment	EUS: 2011-12							
Man power	Employed	0.427	0.3641	0.4269	0.4383	0.3774	0.4861	0.35	0.4145
	Unemployed	0.0125	0.0141	0.0261	0.0092	0.0033	0.011	0.05	0.0071
	Out of labour force	0.5604	0.6216	0.5469	0.5524	0.6192	0.5027	0.6	0.5783

	UR	0.0284	0.0374	0.0577	0.0205	0.0086	0.0223	0.125	0.0169
	States of Employment	PLFS: 2017-18							
Man power	Employed	0.3875	0.3308	0.3626	0.3586	0.3888	0.438	0.4088	0.3979
	Unemployed	0.0279	0.0321	0.0451	0.0301	0.0279	0.0311	0.0125	0.0279
	Out of labour force	0.5845	0.637	0.5922	0.6111	0.5832	0.5308	0.5786	0.5741
	UR	0.0673	0.0885	0.1106	0.0775	0.0669	0.0663	0.0298	0.0656
	States of Employment	PLFS: 2019-20							
Man power	Employed	0.4245	0.3582	0.4038	0.3965	0.38	0.4838	0.4537	0.391
	Unemployed	0.0246	0.026	0.0436	0.0285	0.0142	0.0212	0.037	0.0356
	Out of labour force	0.5507	0.6156	0.5525	0.5748	0.6057	0.4949	0.5092	0.5733
	UR	0.0549	0.0679	0.0975	0.0672	0.0361	0.0419	0.0754	0.0834

Source: Authors' own calculation

While discussing the unemployment rate among the religions with categories, one must note the proportion of a particular category. For example, Zoroastrianism is a rather minor category in the rural population. We should hence compare the major religious groups. From table (8), first, we see that the unemployment rate rises across all the religious groups from 2011-12 to 2017-18. Though there was a slight improvement in 2019-20, we are still below the 2011-12 figures. Comparing the major religious groups, we can see that the unemployment rate is highest among Christians at all time points. (These may be a reflection of the high unemployment rate among the educated population of India, since Christians are, on average, more educated.)

The unemployment rate among Hindus is lower than both Muslims and Sikhs, as per the PLFS datasets. For other minor sets, the unemployment rate among the Jains and Buddhists is lower than that of Hindus across all three time points. However, for the Muslims, the proportion of people being out of the labour force is higher at all the time points, followed by the Janis.

- **Effect of Age & Sex**

The employment behaviour of the individuals is likely to be affected by their demographic characteristics. It is well known that the employment behaviour of females is very different from that of males.

For present study we have considered six demographic group, viz., i) boy children with age below fifteen years(boychild), ii) girl children with age below fifteen years(girlchild), iii)young adult males with age between fifteen and sixty years(adultmale), iv) young adult females with age between fifteen and sixty years(adultfemale), v)old males with age greater than sixty years(oldmale), vi)old females with age greater than sixty years(oldfemale).

In the case of the Indian economy, it is seen that the proportion of females being out of the labour force is higher than that of their male counterparts for all the age groups across all the rounds. Again, the unemployment rates among females are always higher than males.

Table (9) reveals that there is a sufficient increase in unemployment rates from 2011-12 to 2017-18 for all the age and sex groups, though the change is more pronounced for the female categories. However, the 2019-20 data show us that there is a decline in unemployment rates for all categories of people from 2017-18.

Table 9: Different age & sex group wise estimated proportion of persons by the states of employment and unemployment: 68th round (EUS: 2011-12), PLFS: 2017-18 & PLFS: 2019-20

		Boychild	Girlchild	Adultmale	Adultfemale	Oldmale	Oldfemale
Man power	States of Employment	EUS: 2011-12					
	Employed	0.0114	0.0088	0.7897	0.3003	0.4744	0.1283
	Unemployed	0.0015	0.0004	0.0233	0.0135	0.0004	0.0001
	Out of labour force	0.9869	0.9907	0.1868	0.686	0.5251	0.8715
	UR	0.1199	0.0438	0.0287	0.0432	0.0009	0.0005
Man power	States of Employment	PLFS: 2017-18					
	Employed	0.0056	0.0026	0.7261	0.2235	0.3793	0.0789
	Unemployed	0.0023	0.0006	0.0565	0.0219	0.0021	0.0001
	Out of labour force	0.992	0.9967	0.2173	0.7544	0.6184	0.9209
	UR	0.2953	0.1862	0.0722	0.0892	0.0056	0.0022
Man power	States of Employment	PLFS: 2019-20					
	Employed	0.0047	0.0027	0.7454	0.2992	0.4701	0.1407
	Unemployed	0.0011	0.0004	0.0511	0.0207	0.0015	0.0002
	Out of labour force	0.9941	0.9968	0.2033	0.6799	0.5282	0.8589
	UR	0.1938	0.129	0.0642	0.0649	0.0032	0.0019

Source: Authors' own calculation

Again, Table 9 reveals another unpleasant feature that the existence of child labour is prominent in the Indian labour market, though it shows a declining trend. Our data sets at all the time points reveal that the little boy in a family has to work more than his sister. However, the actual scenario may be different. It may be possible that the little girl in the household spends more labour time and is considered to be out of the labour force.

Lastly, the age group of sixty and above is noted as old, and this age group is considered suitable for retirement from formal job markets. However, in India, it is seen that a large portion of old males and females are available for jobs, especially in informal sectors and agriculture. Most time, their availability is due to poor socio-economic conditions. The present PLFS: 2019-20 data shows that the unemployment rates among these oldies are also higher than the EUS: 2011-12 data.

- **Effect of Education**

The focus on the education and employment category brings a serious question into the forefront. Education imparts skills and hence should increase employability. This is also crucial for understanding the welfare dimension of development. Before starting our discussion here, itshould be noted that NSSO has divided the population into nine categories based on their educational qualifications: i)not literate(notlit), ii) Literate without formal schooling(litwithotfrmlschlng), iii)Below primary (blwprmry),iv)Primary(prmry), v)Middle(mdl), vi)Secondary(scndry), vii)Higher secondary(H.S), viii)Diploma(dplma), ix)Graduation(grdtn), x)Post graduation(P.G).

This study reveals a very sorry picture. The unemployment rate is lowest among the three categories not literate, literate without formal schooling, and below primary. These categories have very few skills and are employed in the informal sector. On the contrary, it is always higher among the three highest education groups: diploma, graduate, and post-graduate. They are categorized with a high level of skills. This analysis proves it clearly; our education system is not very well-tuned with the labour demand market. In other words, the employability of our educated youths is very low. This is, however, not a new phenomenon. It has been noted by many economists for a long time (Dutta & Sundaram, 2013).

Table 10: Different educational achievement-wise estimated proportion of persons by the states of employment and unemployment: 68th round (EUS: 2011-12), PLFS: 2017-18 & PLFS: 2019-20

		notlit	Litwthotfrmlschlng	blwprmry	prmry	mddl	scndry	H.S	Dplma	grdtn	P.G
	States of Employment	EUS: 2011-2012									
Man power	Employed	0.4846	0.3019	0.2244	0.3531	0.4474	0.455	0.4284	0.6529	0.5893	0.6785
	Unemployed	0.0024	0.0019	0.0024	0.0047	0.0119	0.0155	0.0246	0.06	0.057	0.0642
	Out of labour force	0.5129	0.696	0.7731	0.6421	0.5406	0.5294	0.5469	0.2869	0.35	0.2571
	UR	0.0049	0.0062	0.0107	0.0133	0.0259	0.033	0.0544	0.0827	0.0882	0.0865
	States of Employment	PLFS: 2017-2018									
Man power	Employed	0.4023	0.19	0.1701	0.322	0.4087	0.4127	0.3739	0.5749	0.5085	0.5845
	Unemployed	0.0046	0.0029	0.003	0.0098	0.025	0.0299	0.0481	0.1384	0.1129	0.112
	Out of labour force	0.5929	0.807	0.8268	0.6678	0.5662	0.5572	0.5778	0.2866	0.3785	0.3034
	UR	0.0113	0.015	0.0174	0.0296	0.0577	0.0676	0.1141	0.194	0.1817	0.1608
	States of Employment	PLFS: 2019-2020									
Man power	Employed	0.4607	0.2745	0.2058	0.3512	0.4534	0.4416	0.9044	0.6168	0.5244	0.5997
	Unemployed	0.003	0.0027	0.0023	0.0063	0.0181	0.0237	0.0422	0.1186	0.1118	0.0999
	Out of labour force	0.5362	0.7227	0.7918	0.6423	0.5283	0.5345	0.5579	0.2645	0.3637	0.3002
	UR	0.0066	0.0099	0.0114	0.0178	0.0385	0.051	0.0955	0.1612	0.1757	0.1428

Source: Authors' own calculation

Conclusion

This paperfinds a wide difference among various types of social groups in terms of employment. Preliminary evidence shows unemployment at an all-time high in the north-eastern states, with notable increases in the eastern and southern regions during 2017–18 and 2019–20. The rise affects both casual and regular wage households, highlighting vulnerabilities even in salaried employment.

Unemployment is disproportionately higher among Scheduled Castes (SCs), Scheduled Tribes (STs), Muslims, and Christians. While Muslims are largely engaged in low-skilled work, the elevated unemployment among Christians may reflect voluntary joblessness, as this highly educated group with the highest MPCE (Marginal per capita expenditure) often waits for white-collar opportunities (Robinson, 2007). Female unemployment was high in 2011-12 and 2017-18 rounds, and declined in 2019–20.

A troubling trend is the growth of unemployment among the educated (Sharma & Sharma, 2017; Bairagya, 2018). Already high in 2011–12, it became more pronounced in later years.

The evidence underscores a critical mismatch between skill formation and market demand. Many acquired skills lack economic value, making employment unattainable despite "high skills." Bridging this gap is essential to safeguard social welfare and prevent deeper fissures. India's historical capacity for adopting new knowledge (Tharoor, 2016;Swamy, 2019) suggests this challenge is surmountable. Still, these findings remain preliminary, and further research is required for definitive conclusions.

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