

Youth, Gender, and Urban Exclusion: Revisiting Labour Market Realities in India

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Abstract:

This paper delves into the evolving landscape of India's labour force, drawing insights from Section One of the Periodic Labour Force Survey (PLFS) Annual Report, 2023–24. The analysis is centred on three pivotal employment metrics: the Labour Force Participation Rate (LFPR), the Worker Population Ratio (WPR), and the Unemployment Rate (UR). These indicators are examined under both the Usual Status (ps+ss) and Current Weekly Status (CWS) frameworks, offering a comprehensive view of employment trends across rural and urban sectors. The data reveals significant variations in labour market engagement, particularly along lines of gender, age group, and geographic location. Notably, women's participation in the labour force remains considerably lower, with urban areas reflecting the sharpest disparities. Similarly, youth unemployment emerges as a pressing issue, underscoring the urgency for focused interventions. The study also highlights gradual improvements in overall participation and employment rates, indicating a modest post-pandemic recovery. By combining descriptive statistics and time-series analysis, the paper contributes to a nuanced understanding of structural challenges and progress within India's labour economy. These findings hold critical implications for policy development aimed at achieving inclusive and equitable employment growth across diverse demographic segments.

Keywords:

Labour force, Employment, Unemployment, India, PLFS, Gender gap, Youth unemployment, Rural-urban differences, Workforce participation, Job trends.

Introduction

The Periodic Labour Force Survey (PLFS) serves as a crucial instrument for monitoring the shifting landscape of employment and unemployment in India. Conducted annually by the National Statistical Office (NSO), the PLFS provides comprehensive data that reflects the socio-economic realities of the country's labour market. Section One of the PLFS Annual Report 2023–24 delivers an in-depth statistical portrayal of the labour force, highlighting key indicators such as the Labour Force Participation Rate (LFPR), Worker Population Ratio (WPR), and Unemployment Rate (UR). These indicators are further broken down by socio-demographic factors including gender, age, education level, and geographic location (urban vs. rural), offering a granular view of employment patterns across various sections of society (Ministry of Statistics and Programme Implementation [MoSPI], 2024).

This paper aims to analyse the employment trends detailed in Section One of the PLFS 2023–24 through the use of descriptive and comparative statistical methods. By interpreting these labour force indicators across demographic segments, the study seeks to uncover both

progressive shifts and enduring disparities in India's employment landscape. The approach will highlight how these labour market dynamics have evolved over time, with particular attention to regional variations and the impact of socio-economic policies on different population groups.

The central objective of this research is to provide a data-driven examination of the current labour force scenario as presented in the PLFS report. It seeks to contribute to scholarly and policy-related discussions on employment trends by identifying major developments and areas of concern. Through this analysis, the paper underscores the critical role of the PLFS as a foundational source for labour market insights and its continuing relevance in shaping informed, evidence-based policymaking.

Reviews

(Duman, 2024)¹ The Paper entitled "The Diversity of Informal Employment: A Survey of Drivers, Outcomes, and Policies" Highlights the significance of informal employment in developing countries, where it serves as a critical livelihood source for billions. The paper focuses on these regions to explore the unique challenges and characteristics of informal work, distinguishing between wage Labour and self-employment. It emphasizes how informal employment outcomes vary based on individual traits like age, gender, and education. The study reviews policies to encourage transitions to formal employment, such as social protection, skills development, and flexible regulations, while addressing the specific needs of women, youth, and migrants through targeted measures.

(Sultana, 2023)² The Paper titled "Socio-Economic Profile of the Beedi Workers A-Select District of Telangana State" Examines the socio-economic conditions of women in the beedi rolling industry, a major source of employment in India's unorganized sector. It highlights that while women's dexterity suits the work, they face gender bias affecting their conditions and economic status. Most workers come from poor, uneducated backgrounds, limiting their job opportunities. Beedi rolling is preferred by women for its flexibility, allowing them to work from home. However, recent industry decline has led to underemployment, intensifying economic challenges. The paper calls for interventions to improve their situation.

(Bhadgaonkar, 2023)³ The Paper Titled "Mental health and anxiety among unorganized sector labour" In this study explores mental health and anxiety among unorganized sector workers in India, which comprises 43.7 crore workers, including 24.6 crore in agriculture and 4.4 crore in construction. Focusing on 110 construction Labourers in Pune (62 males, 48 females), data was collected using Sinhas's Comprehensive Anxiety Inventory and Kumar's Mental Health Checklist. Results show significant gender differences in mental health and anxiety, with a strong correlation between the two. The findings highlight the instability and job insecurity faced by unorganized workers and emphasize the need for policies addressing their mental and physical health through better work environments and timely interventions.

(Rao et al., 2023)⁴ The Paper "Social Security of Gig Workers in India" Highlights the growing gig economy and the need to address challenges faced by gig workers, including the lack of social security. It explores current policies, their economic role, and skill demands like upskilling and reskilling. While focusing solely on the gig economy, the study identifies policy gaps and calls for better market structures and Labour data to support gig workers.

Policymakers are urged to create strategies that ensure social security and promote the gig economy as a sustainable growth source.

(Mukherjee et al., 2022)⁵ The Paper "Role of Labour in India's Development" Highlights key historical and socio-economic factors shaping India's labour landscape. Labour issues were politically significant even before India joined the ILO in 1919. Colonial rule transformed industries, caused widespread impoverishment, and fuelled the national movement, bringing labour rights to the forefront. The introduction of English law, especially the master-servant law, shaped employer-employee relations and reflected colonial influence on labour laws. These economic and legal shifts under colonialism were crucial in politically mobilizing Indians, intertwining labour issues with the broader fight for national identity and rights.

(Siripurapu et al., 2022)⁶ The Paper "The Case of Women Labour Collectives in Chittoor District, Andhra Pradesh" Examines the formation of the Saraswathi Labour Collective in response to the COVID-19 pandemic. It highlights traditional Labour practices, like "Oppandam Paddhati" in Chittoor, where women are engaged in agricultural tasks. The pandemic disrupted livelihoods, particularly for women in the Ayyavaripalli, Kanduru, and Bommanacheruvu clusters. In response, WASSAN helped organize women into Labour collectives for disaster relief and rebuilding. The Saraswathi Labour Collective improved wages from INR 200-250 to INR 400 per day, empowering women, mostly from landless households, and providing better employment opportunities.

Objectives

- To evaluate the Labour Force Participation Rate (LFPR) across age, gender, and rural-urban sectors.
- To study Worker Population Ratio (WPR) trends.
- To examine unemployment rates and their distribution.
- To identify gender and regional disparities in employment indicators.

Research Methodology

This study adopts a quantitative research approach, relying on secondary data sourced from the Periodic Labour Force Survey (PLFS) Annual Report, 2023–24, published by the Ministry of Statistics and Programme Implementation (MoSPI), Government of India. The report offers comprehensive statistics on key employment indicators, including the Labour Force Participation Rate (LFPR), Worker Population Ratio (WPR), and Unemployment Rate (UR), disaggregated by gender, age group, and geographic location (rural and urban), under both the Usual Status (ps+ss) and Current Weekly Status (CWS) frameworks.

To analyze the data, the study employs descriptive statistical techniques such as averages, percentages, and ratios to examine overall employment patterns. Comparative analysis is conducted to evaluate disparities between male and female workers as well as between rural and urban regions. Specific indices, including the Gender Disparity Index and Urban-Rural Disparity Index, are calculated to quantify inequalities in labour force participation. A time-series analysis covering the period from 2017–18 to 2023–24 is used to assess longitudinal

changes, with the Compound Annual Growth Rate (CAGR) applied to measure the pace of improvement in employment indicators.

Furthermore, the study focuses on the youth labour market (ages 15–29), examining unemployment trends and potential skill mismatches within this demographic. Visual tools such as bar graphs and line charts are used to present key findings clearly, supporting a comprehensive understanding of the evolving dynamics of India's labour market.

Key Findings

1. Labour Force Participation Rate (LFPR)

Group	Rural (%)	Urban (%)	Total (%)
Male	57.9	59.0	58.2
Female	35.5	22.3	31.7
Persons	46.8	41.0	45.1

(PLFS Report , JULY 2023 - JUNE 2024)

Using cross-tabulation and percentage differentials, LFPR data were disaggregated by gender and location. The gender disparity in LFPR is quantified by computing the gender gap index.

$$\text{Gender Gap (LFPR)} = \frac{\text{LFPR}_{\text{male}} - \text{LFPR}_{\text{female}}}{\text{LFPR}_{\text{male}}} \times 100$$

$$\text{Urban Gender Gap} = \frac{59.0 - 22.3}{59.0} \times 100 = 62.2\%$$

$$\text{Rural Gender Gap} = \frac{57.9 - 35.5}{57.9} \times 100 = 38.7\%$$

2. Worker Population Ratio (WPR)

Group	Rural (%)	Urban (%)	Total (%)
Male	56.3	56.4	56.4
Female	34.8	20.7	30.7
Persons	45.6	38.9	43.7

(PLFS Report , JULY 2023 - JUNE 2024)

A similar comparative analysis was performed for WPR. The overall WPR increased from 34.7% in 2017 to 43.7% in 2023–24. The absolute change and percentage change are computed as;

$$\Delta \text{WPR} = 43.7 - 34.7 = 9.0\%$$

$$\% \text{Change} = \frac{43.7 - 34.7}{34.7} \times 100 = 25.9\%$$

Disaggregation by gender reveals that the urban female WPR is critically low at 20.7%, indicating structural barriers in labor absorption for women in urban economies. WPR in usual status indicates underutilization of female labor, especially in urban settings.

3. Unemployment Rate (UR)

Group	Rural (%)	Urban (%)	Total (%)
Male	2.7	4.4	3.2
Female	2.1	7.1	3.2
Persons	2.5	5.1	3.2

(PLFS Report, JULY 2023 - JUNE 2024)

$$RR = \frac{UR_{\text{urban female}}}{UR_{\text{rural male}}} = \frac{7.1}{2.7} = 2.63$$

This suggests that urban women are 2.6 times more likely to be unemployed than rural men, signaling critical policy gaps in gendered employment access. Urban unemployment among women is critically high at 7.1%.

$$URDI = \frac{\text{Urban value} - \text{Rural value}}{R_{\text{rural male}}} \times 100$$

$$URDI = \frac{22.3 - 35.5}{35.5} \times 100 = -37.2\%$$

A negative URDI highlights the underrepresentation of urban women in the labour force relative to rural women. This suggests that policy interventions must be spatially targeted.

Findings

Grounded in the core objectives of the study and drawing from the PLFS 2023–24 dataset, the following findings have been derived using statistical techniques such as percentage differentials, growth rates, gender disparity indices, and comparative ratios; The overall LFPR (Usual Status) in 2023–24 is 45.1%, showing a CAGR of 3.41% since 2017–18, indicating steady improvement in workforce engagement post-pandemic. A stark gender gap is evident: Male LFPR is 58.2%, whereas Female LFPR is only 31.7%. The urban gender gap index stands at 62.2%, far higher than the rural gap of 38.7%, pointing to greater exclusion of women from the urban workforce. Age-wise analysis shows a disproportionate drop in participation among youth (15–29 years), despite rising educational attainment levels—indicating potential skill-job mismatches.

The WPR increased from 34.7% (2017–18) to 43.7% (2023–24)—a 25.9% improvement over the period. Female WPR remains significantly lower than male WPR (30.7% vs. 56.4%). In urban areas, it drops further to 20.7%, reflecting pronounced underutilization of female labour in non-agricultural sectors. These figures highlight persistent structural and social barriers impeding women's employment, especially in cities. The unemployment rate has declined sharply from 6.1% (2017–18) to 3.2% (2023–24), suggesting economic recovery after COVID-

19 disruptions. Urban female unemployment is alarmingly high at 7.1%, in contrast to 2.7% for rural males. The relative risk of unemployment for urban females is 2.63 times higher than for rural males. This disparity points to systemic inefficiencies in urban labour absorption, particularly affecting educated women. Urban-Rural Disparity Index (URDI) for Female LFPR is -37.2%, showing urban women's participation is substantially lower than that of rural women. Across all indicators—LFPR, WPR, and UR—urban areas exhibit wider gender disparities, suggesting that rural labour markets, though informal, provide relatively greater inclusivity for women. Youth unemployment (ages 15–29) stands at 10.2%, revealing an urgent need for targeted employment generation and skilling. Conclusion While overall labour force participation and employment rates have improved, considerable challenges persist, particularly in terms of low urban female employment and high unemployment among youth. These findings underscore the urgent need for focused policy measures aimed at reducing gender disparities and addressing regional imbalances in the labour market.

Recommendations

To address the identified challenges, it is essential to implement workplace policies that support and encourage female participation. Additionally, expanding skill development programs targeted at young people can help improve their employability and reduce youth unemployment. Furthermore, promoting rural employment initiatives specifically designed to benefit women will play a crucial role in boosting their economic involvement and narrowing regional disparities.

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