

ExplainSpeaking: How joblessness in India has hurt all communities over the last 8 years, with none better off in 2023-24

Within Hindus, OBCs and SCs, feel the brunt; employment rate for both fell sharply by 6.36 percentage points between 2016-17 and 2023-24.

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Candidates for recruitment as teachers hold a protest against the state government in front of the Lucknow Legislative Assembly in 2021. (Express photo by Vishal Srivastav)

Dear Readers,

In April this year, CSDS-Lokniti, a leading research organisation tracking the behaviour of India's voters for decades, came out with the results of its pre-poll survey. It found that the single most important issue for voters in 2024 is unemployment. As many as 29% of the people surveyed said unemployment will be the biggest factor as they decide their vote. The second biggest issue was price rise; as many as 23% of the people surveyed said it was the biggest factor. Taken together, these two issues were quoted as the most important ones by 52% of the people surveyed.

In other words, regardless of one's voting preference, there is a growing unanimity that two of the biggest policy challenges facing Indians are joblessness and higher prices. Regular readers of [ExplainSpeaking](#) would recall that these are the two most common topics that this column has tracked since its inception.

The Lok Sabha election campaign has been shrill, and the narrative is more focused on dividing voters into religious and caste identities. But little is said about how unemployment and price rise affect different sections.

On price rise, which stays the same for all communities, ExplainSpeaking had found a simple formula to help readers figure out whether or not their salary beat the [inflation](#) rate in the Modi

years. [Read this detailed explainer](#). But simply put, if your salary or income has not increased by at least 32% since 2019 and at least 64% since 2014, then you are worse off than before the start of the Modi years (2014 to 2024).

However, even though inflation does hit the poor more than the rich, it does not, thankfully, directly differentiate between religion and caste.

Joblessness has also hurt all, but to varying degrees. Data from the Centre for Monitoring Indian Economy (CMIE) provides a good understanding of how employment-related metrics diverge among different religious groups as well as different caste groups. CMIE has data for eight years, from 2016-17 to 2023-24. As such, it provides a good understanding of who was the worst hit in the employment-related problems.

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But before looking at the data, here is some basic conceptual understanding. The seven data tables that follow provide information on the following four variables:

1. The working-age population: This is simply the total population over the age of 15 years.

2. Labour Force Participation Rate (LFPR): The LFPR is the percentage of the working-age population that is demanding a job. As such, it excludes people like a 35-year-old married woman who is not actively looking for a job or a 22-year-old who is busy pursuing higher education or a 65-year-old who no longer wants to work. Thus the LFPR represents the demand for jobs in an economy.

3. Unemployment Rate (UER): The UER is the percentage of people looking for a job but are as yet unemployed. The UER is expressed as a percentage of the labour force. All over the world, the UER is often the most widely used metric to assess the health of the labour market.

However, it is important to note that in India it can often give misleading results. That's because India's LFPR has been falling. Often this can happen if people who have been unemployed for a long time decide to stop looking for (demanding) a job.

In such a case, the UER falls not because the economy has created more jobs but because fewer people are demanding them. As such, it is best to read the UER movement in conjunction with the LFPR movement.

4. The Employment Rate (ER): The ER is often considered the best metric to assess the health of employment in the Indian context. That's because it is simply the ratio of the total number of employed people and the total size of the working-age population. By definition, it circumvents

the analytical problem posed by reading UER in an economy where the LFPR rises or falls substantially over time.

The ER provides a neat, single-shot number that best captures the health of employment in any economy. If it is going up, it implies more and more people (as a percentage of the total working-age population) are getting jobs and if it falls it shows that the percentage of people with jobs is falling.

Lastly, data here only takes into account the main religions and the main castes.

Working-age population

As **Table 1** shows, India's working-age population grew 18.1% or 17.4 crore (or 170 million) from 96.45 crore in 2016-17 to 113.86 crore in 2023-24 (which ended March 31). **Around 86% of this 17.4 crore increase is accounted for by Hindus, who also make up 86% of the working age population.**

Population Above 15 Years of Age : By Religion : All India					
In absolute numbers					
Year	All religions	Hindu	Muslim	Christian	Sikh
2016-17	96,45,03,331	83,23,64,308	9,57,57,197	1,08,43,527	2,00,94,533
2017-18	98,74,60,847	85,13,08,359	9,73,21,524	1,29,78,061	2,02,46,599
2018-19	1,01,10,21,610	86,66,75,448	10,34,99,692	1,38,25,401	2,07,21,022
2019-20	1,03,52,70,203	89,05,18,062	10,26,38,628	1,44,11,905	2,11,56,037
2020-21	1,06,00,92,260	91,89,95,134	9,80,17,271	1,48,97,607	2,13,25,128
2021-22	1,08,55,71,969	93,71,82,313	10,31,73,801	1,55,03,479	2,19,22,327
2022-23	1,11,17,28,606	95,79,40,952	10,69,88,349	1,62,22,053	2,21,90,466
2023-24	1,13,86,56,708	98,20,50,421	10,86,83,793	1,60,82,110	2,25,95,362
Total change in population size	17,41,53,377	14,96,86,113	1,29,26,596	52,38,583	25,00,829
% change in population size	18.1	18.0	13.5	48.3	12.4

Table 1.

While the Hindu working age population grew by 18% during the period, Muslim working-age population has risen by just 13.5%. Muslims account for 9.54% of the working age population. The Christian population, even though much smaller in absolute numbers (just 1.41% of working age population), has grown 48%, the highest, during the period.

Religion-wise LFPR

Typically, for a developing economy such as India, a higher LFPR is considered better than a lower LFPR. Similarly, it is better if the LFPR shows a rising trend over time rather than a falling trend.

However, **Table 2** shows disappointing numbers on both counts.

Labour Participation Rate : By Religion : All India					
In Per cent					
Year	All religions	Hindu	Muslim	Christian	Sikh
2016-17	46.22	46.60	43.79	44.47	44.45
2017-18	43.71	43.92	41.89	45.20	43.14
2018-19	42.85	43.02	41.26	43.02	42.95
2019-20	42.68	42.85	40.99	42.87	42.99
2020-21	40.03	40.18	38.54	39.28	39.77
2021-22	40.09	40.28	37.98	40.29	39.88
2022-23	39.47	39.65	37.29	39.95	40.26
2023-24	40.42	40.53	38.58	42.14	41.07
Percentage point change	-5.80	-6.07	-5.21	-2.33	-3.38

Table 2.

India's overall LFPR was low in 2016-17 and has further declined by 5.8% over the past eight years. Again, the biggest contributors in this fall are Hindus, given that they constitute the bulk or 86% of the population. The percentage of working-age Hindus openly looking for a job has fallen from 46.6 per cent in 2016-17 to just 40.53% as of March 2024. That's a fall of over 6 percentage points. It is noteworthy that Muslims had, and continue to have the lowest LFPR, although the decline in their LFPR was a bit lower at 5.2 percentage points.

Religion-wise Unemployment Rate (UER)

Given that LFPR is falling, one should presume that the unemployment rate would fall too. That's because a smaller proportion of the working-age population is demanding jobs. But as can be seen from **Table 3**, India's unemployment rate at 8.03% in 2023-24 is higher than 7.42% in 2016-17. But in the interim years, it hasn't quite shown a consistent trend of rising or dropping. It was lowest at 4.69% in 2017-18 and highest at 8.73% in the Covid year, 2020-21.

Unemployment Rate : By Religion : All India						
In Per cent						
Year	All religions	Hindu	Muslim	Christian	Sikh	Buddhist
2016-17	7.42	7.28	8.79	8.00	6.40	8.35
2017-18	4.69	4.53	5.31	5.91	7.27	5.80
2018-19	6.25	6.22	6.17	4.78	8.86	6.13
2019-20	7.45	7.40	7.68	5.39	10.04	7.43
2020-21	8.75	8.73	9.22	7.16	9.09	7.25
2021-22	7.65	7.61	8.53	5.36	8.28	4.68
2022-23	7.55	7.59	7.67	4.40	8.53	4.47
2023-24	8.03	8.07	8.00	4.06	8.94	6.34
Percentage point change	0.61	0.79	-0.79	-3.94	2.54	-2.01

Table 3.

Given that almost 86% of the working age population is Hindus, the UER among Hindus influenced the overall UER. At 7.28% in 2016-17, it was highest in the Covid year 2020-21 at 8.73%, but dropped by more than a percentage point over the next two years to 7.59% in 2022-23, and rose to 8.07% in 2023-24.

The unemployment rate among Muslims was highest among all communities in 2016-17 at 8.79%. It was lowest at 5.31% in 2017-18, and hit 9.22% in the Covid year, 2020-21. It dropped

by 1.5 percentage points over the next two years, but ended 2023-24 with an UER of 8%, marginally less than that for Hindus.

In percentage terms, however, it is the Sikhs that are the worst affected. In 2016-17, they had the lowest UER at 6.4%. In 2023-24, it stood at 8.94%, which is almost similar to 9.09% in the Covid year, 2020-21, when unemployment levels for all communities was one of the highest during the eight year period

Religion-wise Employment Rate

This is the most important metric in the Indian context. **Table 4** shows that India's overall ER fell by 5.6 percentage points over the past eight years. **In other words, the proportion of working-age Indians with a job dropped from 42.8% in 2016-17 to 37.2% in 2023-24.**

Employment Rate : By Religion : All India					
In Per cent					
Year	All religions	Hindu	Muslim	Christian	Sikh
2016-17	42.79	43.21	39.95	40.91	41.60
2017-18	41.66	41.93	39.66	42.53	40.00
2018-19	40.17	40.35	38.72	40.97	39.14
2019-20	39.50	39.68	37.85	40.56	38.68
2020-21	36.53	36.67	34.99	36.47	36.16
2021-22	37.02	37.21	34.74	38.13	36.58
2022-23	36.49	36.64	34.42	38.19	36.83
2023-24	37.18	37.26	35.50	40.43	37.40
Percentage point change	-5.61	-5.95	-4.45	-0.48	-4.20

Table 4.

The employment rate among Hindus fell the most — almost 6 percentage points to 37.26% in 2023-24. The ER among Muslims was lowest in 2016-17 and dropped 4.45 percentage points to 35.5% in 2023-24, the lowest among all religious communities.

What about castes within Hindus?

As the data above shows, in absolute numbers the number of those employed among the Hindus has dropped the highest over the last eight years.

But which castes have seen more job losses within the Hindu fold? To answer this one needs to look at the following data tables.

In the chart, the intermediate castes grouping refers to castes such as Marathas, Jats, Gujjars, and others who often aspire to be included in the OBC category, to benefit from reservation.

Caste-wise working-age population

Table 5 shows the data. Almost 60% of the total working-age population belongs to the OBCs and another 23% is accounted for by SCs. These two groups account for almost 82% of the total working-age population among Hindus and have experienced the maximum growth.

Population Above 15 Years of Age : By Caste : All India						
Absolute numbers						
Year	All castes	Upper caste	Intermediate caste	OBC	SC	ST
2016-17	96,45,03,331	19,57,06,088	10,17,94,076	36,57,96,715	21,79,54,587	6,98,98,573
2017-18	98,74,60,847	19,39,10,060	9,77,99,174	39,11,11,812	22,35,75,777	6,76,86,422
2018-19	1,01,10,21,610	19,98,68,244	9,60,58,109	40,98,53,733	22,72,94,454	6,45,35,880
2019-20	1,03,52,70,203	20,63,13,705	9,75,89,685	42,02,21,333	23,33,58,150	6,44,35,144
2020-21	1,06,00,92,260	20,69,10,891	10,13,97,491	43,02,64,580	24,44,01,510	6,36,78,134
2021-22	1,08,55,71,969	21,11,99,738	10,27,89,270	43,93,99,870	24,99,85,636	6,82,88,650
2022-23	1,11,17,28,606	21,50,07,160	10,55,48,253	45,26,37,729	25,52,27,382	6,92,42,940
2023-24	1,13,86,56,708	21,79,16,240	10,62,97,798	46,86,50,382	25,93,77,818	7,06,27,755
Change	17,41,53,377	2,22,10,152	45,03,722	10,28,53,667	4,14,23,231	7,29,182
% change	18.1	11.3	4.4	28.1	19.0	1.0

Table 5.

Caste-wise LFPR

The LFPR has fallen for all castes. But, as Table 6 shows, upper-caste Hindus have the lowest LFPR.

Labour Participation Rate : By Caste : All India						
In Per cent						
Year	All castes	Upper caste	Intermediate caste	OBCs	SCs	STs
2016-17	46.22	42.35	45.50	46.38	48.36	51.51
2017-18	43.71	40.37	42.61	43.31	46.10	49.96
2018-19	42.85	40.51	41.77	42.34	45.03	48.18
2019-20	42.68	40.63	41.77	41.99	44.68	48.73
2020-21	40.03	38.04	39.44	39.43	41.46	47.09
2021-22	40.09	37.58	39.57	39.40	41.76	47.95
2022-23	39.47	37.21	39.09	38.48	41.12	48.30
2023-24	40.42	38.25	40.44	39.34	42.05	48.98
Change (in percentage points)	-5.80	-4.10	-5.06	-7.04	-6.31	-2.53

Table 6.

In terms of the percentage decline in LFPR, the OBCs and SCs — the two biggest working-age population groups — have experienced the sharpest fall in LFPR.

Caste-wise unemployment rate

When LFPR falls, the unemployment rate should ideally fall. As Table 7 shows, this happens for OBCs where the UER falls from 7.7% to 7.4%. However, this relationship does not hold true for upper caste Hindus. The UER among upper castes was 8.62% in 2016-17, but at 9.83% in 2023-24, almost touched double-digits.

Unemployment Rate : By Caste : All India						
In percent						
Year	All castes	Upper caste	Intermediate caste	OBC	SC	ST
2016-17	7.42	8.62	7.19	7.74	6.54	4.66
2017-18	4.69	5.68	4.64	4.50	4.29	3.51
2018-19	6.25	8.31	6.10	5.92	5.63	4.31
2019-20	7.45	9.83	7.16	7.02	6.94	4.87
2020-21	8.75	9.47	7.85	8.25	9.98	6.15
2021-22	7.65	9.24	7.83	7.05	8.04	5.01
2022-23	7.55	9.09	8.31	7.16	7.39	4.64
2023-24	8.03	9.83	9.60	7.38	7.62	5.60
Change in percentage points	0.61	1.21	2.41	-0.36	1.08	0.94

Table 7.

Caste-wise Employment Rate

ERs have fallen across the board as shown in **Table 8**. The OBCs and SCs, which had much higher ER compared with the upper caste in 2016-17, were the worst affected with their ERs in 2023-24 lower by 6.36 percentage points for both the categories, compared with a 4.21 percentage point fall for upper castes.

Employment Rate : By Caste : All India						
In per cent						
Year	All castes	Upper caste	Intermediate caste	OBC	SC	ST
2016-17	42.79	38.70	42.23	42.79	45.20	49.12
2017-18	41.66	38.08	40.63	41.36	44.12	48.21
2018-19	40.17	37.15	39.22	39.83	42.50	46.11
2019-20	39.50	36.64	38.78	39.04	41.58	46.35
2020-21	36.53	34.44	36.34	36.18	37.32	44.20
2021-22	37.02	34.11	36.47	36.63	38.40	45.55
2022-23	36.49	33.83	35.84	35.72	38.08	46.06
2023-24	37.18	34.49	36.55	36.43	38.84	46.24
Change in percentage points	-5.61	-4.21	-5.68	-6.36	-6.36	-2.88

Table 8.

The upper caste Hindus had the lowest employment rate in 2016-17 and the story continues to be the same, albeit at an even lower level.