

Less than half of India's youth enter the formal workforce

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A recent report by India Spend shows that less than half of Indian youth who reach the age eligible for work become part of the formal workforce. In other words, more than 50% of the youth are stuck in the informal sector, or unemployed, or are home makers.

Tracking labour bureau data for four years since 2012, India Spend estimates that only 47.5 lakh persons become part of the workforce as against the 1.2 crores who were believed to be joining the workforce every year. While it was true that between 2001 and 2005, we had an average increase of 1.2 crores into our workforce, it has sharply declined since. Thus, our workforce as a proportion of the population has come down by a couple of percentage points to just over 50%. While the numbers might seem to suggest lesser competition for jobs, the article notes that the formal economy in India is failing to create adequate jobs [1] even for the reduced proportion of the working age population.

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Footnotes

[1] <https://thewire.us11.list-manage.com/track/click?u=6b988b13445248b1268a308f2&id=eea3f9b359&e=0415304bd5>