

Unemployment Rates in India: Contradiction between National Estimates and ILOSTAT Database

The unemployment rate reported by the International Labour Organisation (ILO) for India often differs significantly from the estimates provided by the comprehensive Periodic Labour Force Survey (PLFS). Notably, ILO-reported unemployment rates are higher than national estimates derived from the Usual Principal and Subsidiary Status (UPSS) and Usual Principal Status (UPS) approachesⁱ, but lower than the Current Weekly Status (CWS)ⁱⁱ estimates for males, females, and the overall population in both the 15+ and 15–24 years age groups (as shown in Table 1 and appended figures). The UPSS and UPS methods rely on a one-year reference period, while CWS is based on the preceding week, offering a more realistic and dynamic snapshot of labour market conditions. The ILO aims to adopt a comparable framework but does not clearly explain its calculation methodology for unemployment rates, which necessitates clarification. Presently, the unemployment data published by ILOSTAT appears unjustified and lacks transparency.

"To avoid inconsistencies associated with the use of different reference periods, the ILO-Comparable statistics are adjusted and expressed in terms of annual averages (for some countries the statistical authorities may consider a specific period representative of the year). Although the resulting estimates could contain possible, minor discrepancies, adjusted estimates that are based on official national labour force survey data should provide the best current basis available for reasonable international comparisonsⁱⁱⁱ" – ILO.

The ILO adjusts India's PLFS data to align with international comparability standards, given that most countries use a weekly approach in their labour force surveys. Despite this adjustment, the ILO's unemployment figures still deviate significantly from the CWS-based estimates in PLFS. Even when unemployment rates from the Usual Principal and Subsidiary Status (UPSS), Usual Principal Status (UPS), and Current Weekly Status (CWS) approaches are averaged in various combinations—such as UPSS-UPS, UPSS-CWS, and UPS-CWS, the resulting figure does not align with the unemployment rates reported in the ILOSTAT data. Furthermore, it is evident that India's labour force surveys are more systematic and comprehensive, leveraging robust scientific sampling

techniques, and adopting detailed concepts and definitions to measure the key labour market indicators compared to those of many other countries.

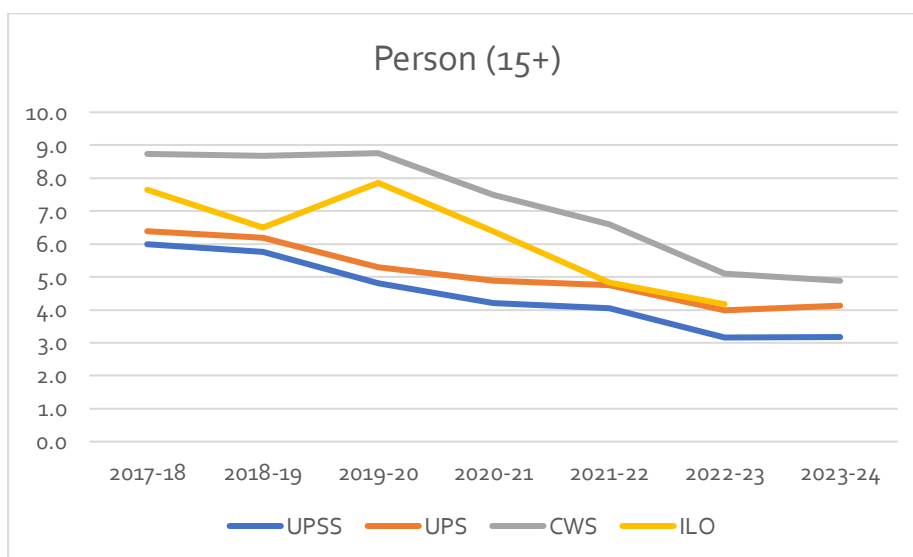
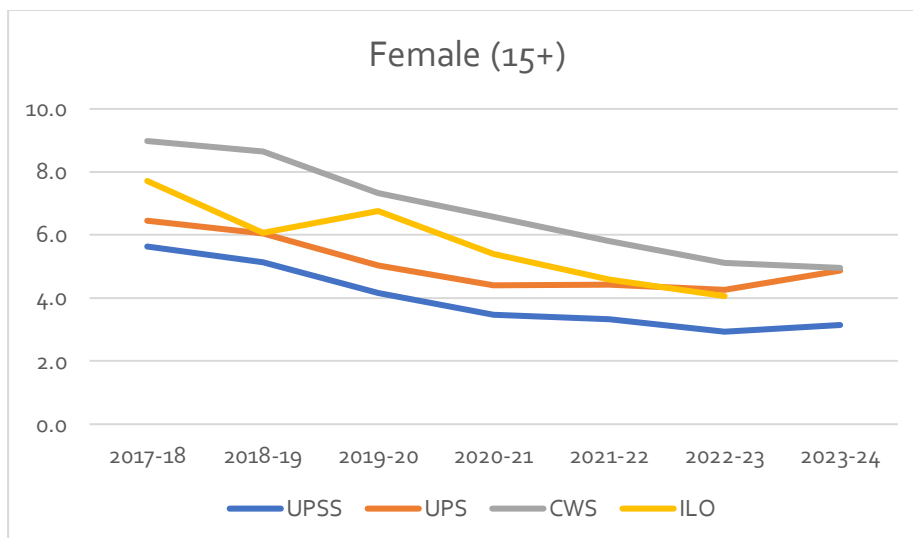
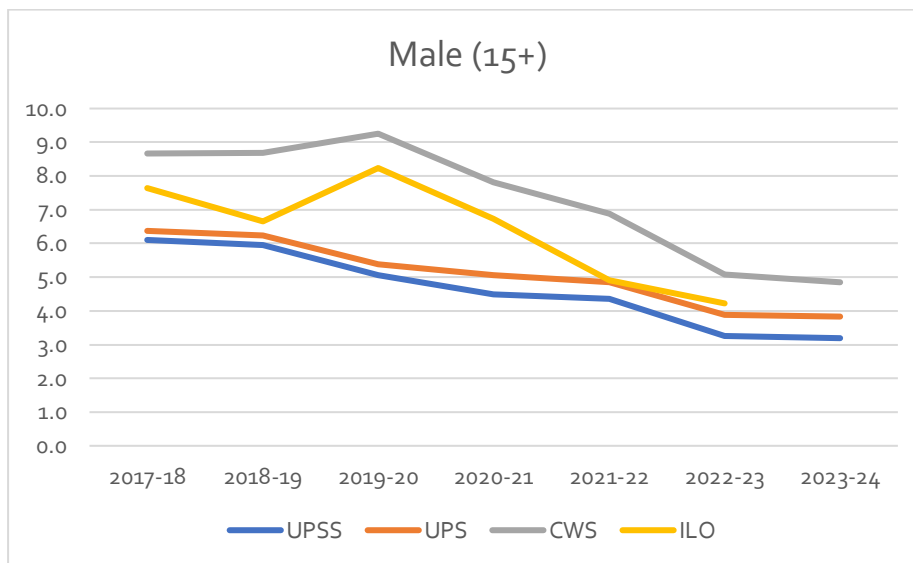
Table 1 – Unemployment Rates in India

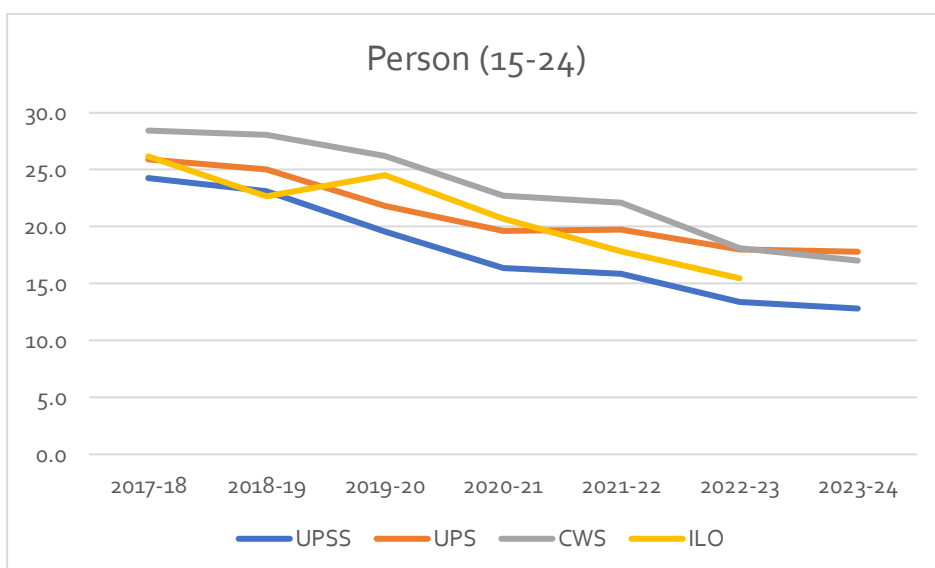
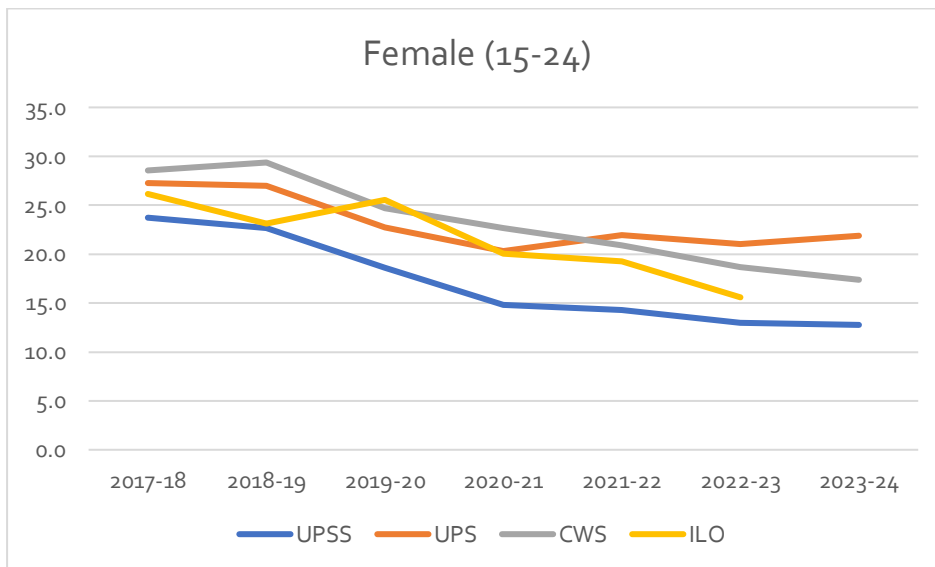
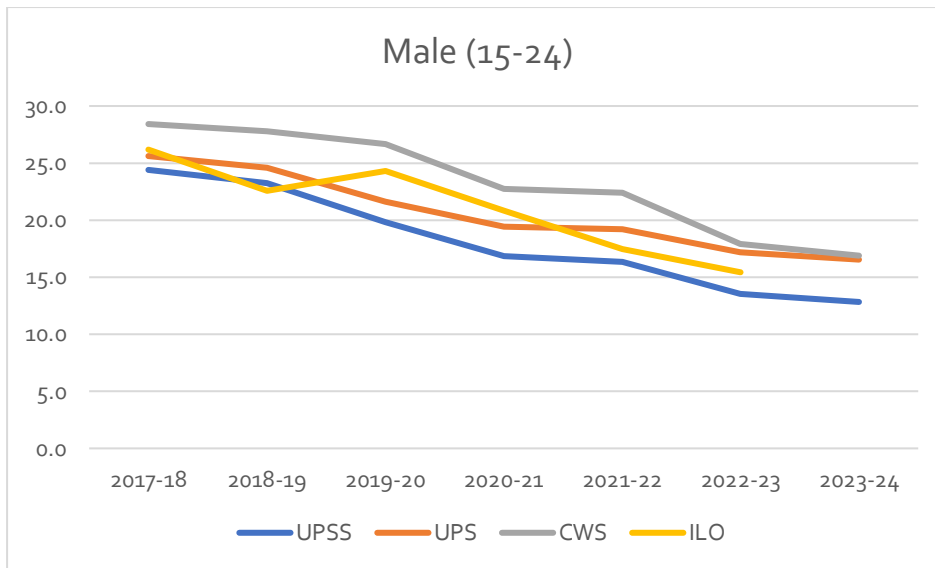
Gender	Year	Age 15+ Years				Age 15-24 Years			
		National Estimates			ILOSTAT	National Estimates			ILOSTAT
		UPSS	UPS	CWS		UPSS	UPS	CWS	
Male	2017-18	6.1	6.4	8.7	7.6	24.4	25.6	28.4	26.2
	2018-19	6.0	6.2	8.7	6.7	23.3	24.6	27.8	22.6
	2019-20	5.1	5.4	9.3	8.2	19.8	21.6	26.6	24.3
	2020-21	4.5	5.1	7.8	6.7	16.9	19.4	22.8	20.8
	2021-22	4.4	4.9	6.9	4.9	16.3	19.2	22.4	17.5
	2022-23	3.3	3.9	5.1	4.2	13.5	17.2	17.9	15.4
	2023-24	3.2	3.8	4.8	-	12.8	16.5	16.9	-
Female	2017-18	5.6	6.5	9.0	7.7	23.7	27.3	28.5	26.2
	2018-19	5.1	6.1	8.7	6.1	22.7	27.0	29.4	23.1
	2019-20	4.2	5.0	7.3	6.8	18.6	22.8	24.7	25.5
	2020-21	3.5	4.4	6.6	5.4	14.8	20.3	22.7	20.1
	2021-22	3.3	4.4	5.8	4.6	14.3	22.0	20.9	19.3
	2022-23	2.9	4.3	5.1	4.1	13.0	21.0	18.7	15.6
	2023-24	3.2	4.9	5.0	-	12.8	21.9	17.4	-
Total	2017-18	6.0	6.4	8.7	7.7	24.3	25.9	28.4	26.2
	2018-19	5.8	6.2	8.7	6.5	23.1	25.0	28.1	22.7
	2019-20	4.8	5.3	8.8	7.9	19.5	21.8	26.2	24.5
	2020-21	4.2	4.9	7.5	6.4	16.4	19.6	22.7	20.7
	2021-22	4.1	4.7	6.6	4.8	15.8	19.7	22.1	17.9
	2022-23	3.2	4.0	5.1	4.2	13.4	18.0	18.1	15.5
	2023-24	3.2	4.1	4.9	-	12.8	17.8	17.0	-

Sources: Unit Level Data, PLFS Annual Estimates; ILOSTAT Database, ILO

Notes: UPSS – Usual Principal and Subsidiary Status Combined; UPS – Usual Principal Status; CWS – Current Weekly Estimates

Appendices: Unemployment Rates in India





ⁱ *"Usual activity status: The usual activity status relates to the activity status of a person during the reference period of 365 days preceding the date of survey. The activity status on which a person spent relatively long time (major time criterion) during the 365 days preceding the date of survey was considered the usual principal activity status of the person. To decide the usual principal activity of a person, he/ she was first categorised as belonging to the labour force or not, during the reference period on the basis of major time criterion. Persons, thus adjudged as not belonging to the labour force were assigned the broad activity status 'neither working nor available for work'. For the persons belonging to the labour force, the broad activity status of either 'working' or 'not working but seeking and/ or available for work' was then ascertained again on the basis of the relatively long time spent in the labour force during the 365 days preceding the date of survey. Within the broad activity status so determined, the detailed activity status category of a person pursuing more than one such activity was determined again on the basis of the 'relatively long time spent' criterion" – Annual Report, PLFS 2023-24.*

ⁱⁱ *"The current weekly activity status (CWS) of a person is the activity status obtaining for a person during a reference period of 7 days preceding the date of survey. It is decided on the basis of a certain priority cum major time criterion. According to the priority criterion, the status of 'working' gets priority over the status of 'not working but seeking or available for work', which in turn gets priority over the status of 'neither working nor available for work'. A person is considered working (or employed) if he/ she worked for at least one hour on at least one day during the 7 days preceding the date of survey or if he/she had work for at least 1 hour on at least one day during the 7 days preceding the date of the survey but did not do the work. A person is considered 'seeking or available for work (or unemployed)' if during the reference week no economic activity was pursued by the person but he/ she made efforts to get work or had been available for work for at least one hour on any day during the reference week. A person who had neither worked nor was available for work any time during the reference week, is considered to be engaged in non-economic activities (or not in labour force). Having decided the broad current weekly activity status of a person on the basis of 'priority' criterion, the detailed current weekly activity status is again decided on the basis of 'major time' criterion if a person was pursuing multiple economic activities" – Annual Report, PLFS 2023-24.*

ⁱⁱⁱ <https://www.ilo.org/media/316641/download>