Ministry of Labour & Employment

Rebuttal on "Official India jobless data is not accurate, say top independent economists: Reuters poll"

Reuters article suffers from a lack of statistical foundation and relies on unverifiable perceptions rather than data-driven evidence

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Part I: Issues in Methodology

The Reuters article dated 22 July 2025 presents a sceptical narrative regarding the accuracy of India's official unemployment statistics, primarily relying on a perception-based survey of around 50 unnamed economists. It questions the reliability of official estimates without referencing any independent, data-driven empirical analysis. The portrayal of a deteriorating employment scenario in India stands contradicted by robust, credible, and internationally accepted official data.

The article's foundation on expert opinions rather than verifiable data raises significant concerns about methodological rigour. There is no disclosure about who these economists are, the basis of their selection, or whether they reflect a cross-section of independent, academic, public, or private sector analysts. This lack of transparency introduces potential for selection bias and ideological filtering. Furthermore, the article does not clarify if the opinion of the economists is based on rigorous surveys and analysis, the structure of questions asked, the metrics used, or the standards for interpreting data—thus undermining the replicability and credibility of its conclusions. No information is provided on sampling variability, statistical significance, or correlation with macroeconomic indicators.

While expert opinion can offer valuable insights, it cannot be a substitute for large-scale, representative, and methodologically robust surveys.

In contrast, the Periodic Labour Force Survey (PLFS), conducted by the National Statistical Office (NSO) under the Ministry of Statistics and Programme Implementation (MoSPI), is globally recognized as an empirical and statistically robust source of employment and unemployment data in India. It is based on a large-scale, stratified, multi-stage random sampling framework that covers both rural and

urban regions across the country. Since January 2025, the PLFS has transitioned to generating monthly estimates in addition to its existing annual and quarterly outputs, enabling timely and granular tracking of labour market trends.

The PLFS methodology is aligned with international standards, particularly the definitions and classifications prescribed by the International Labour Organization (ILO), such as Usual Principal Status (UPS) and Current Weekly Status (CWS). Its data collection and reporting protocols are consistent with global practices used by institutions like the World Bank, UNDP, and ILOstat, enhancing its comparability with international datasets.

What further sets PLFS apart is its transparency. The NSO publishes detailed documentation including sampling design, survey instruments, weightings, and margins of error. These are accessible to researchers, policymakers, and international agencies, allowing for independent scrutiny and validation. The survey also captures the seasonality and structural nuances of India's labour market, reflecting both short- and long-term shifts including migration trends, the dynamics of urban informal employment, and rural agricultural seasonality.

Internationally, PLFS data is extensively used for Sustainable Development Goals (SDG) reporting, labour market diagnostics, and comparative employment analyses by institutions such as the World Bank, Asian Development Bank, and ILO. This wide acceptance underscores its credibility and relevance in the global statistical ecosystem.

Reuters article suffers from a lack of statistical foundation and relies on unverifiable perceptions rather than data-driven evidence. In contrast, the PLFS stands as a scientifically designed, transparent, and internationally benchmarked mechanism for tracking India's diverse and evolving labour market. While constructive debate on methodologies is essential, it must be grounded in rigorous scientific principles and full disclosure—standards that are consistently upheld by the PLFS.

Part II : Current Employment Scenario

As per PLFS data, the Labour Force Participation Rate (LFPR) for individuals aged 15 years and above has increased from 49.8% in 2017–18 to 60.1% in 2023–24. During the same period, the Worker Population Ratio (WPR) rose from 46.8% to 58.2%, while the Unemployment Rate (UR) declined sharply from 6.0% to 3.2%. These indicators suggest greater absorption of the workforce into productive employment. Notably, the youth unemployment rate fell from 17.8% to 10.2%, which is lower than the global youth unemployment rate of 13.3% as per ILO's World Employment and Social Outlook 2024. These statistics refute the false narrative regarding widespread youth disengagement, and substantiate stronger labour market participation.

The Reserve Bank of India's KLEMS database further substantiates the positive employment trend. Total employment in the country increased from 47.5 crore in 2017–18 to 64.33 crore in 2023–24—an addition of 16.83 crore jobs over six years.

Formal employment is rising steadily, with over 1.29 crore net EPFO subscribers added in 2024–25, up from 61.12 lakh in 2018–19. Since September 2017, more than 7.73 crore net subscribers have joined, including 19.14 lakh in April 2025 alone—indicating a strengthened formal workforce and greater social protection coverage.

A structural shift is also underway: PLFS data indicates that self-employment increased from 52.2% to 58.4%, while casual labour declined from 24.9% to 19.8%. This reflects a move toward entrepreneurial, autonomous livelihoods, supported by government initiatives.

Furthermore, the claim that wages have stagnated is not supported by official data. According to PLFS estimates, the average daily wage for casual labourers (excluding public works) increased from ₹294 in July–September 2017 to ₹433 in April–June 2024. Similarly, the average monthly earnings of regular salaried employees rose from ₹16,538 to ₹21,103 during the same period. These upward trends demonstrate not only increased income levels but also enhanced job stability and quality.

The recent rise in agricultural employment is linked to strengthened rural activity and policy support, including ₹122.5 crore in funding for agri-startups—driving innovation and sustainability in the sector.

The Government's multi-pronged approach—through Skill India, Digital India, and the NEP 2020—has boosted graduate employability from 33.95% (2013) to 54.81% (2024) (India Skills Report). The new ₹99,446 crore Employment Linked Incentive (ELI) Scheme aims to create 3.5 crore jobs, especially in manufacturing.

The Government has also implemented a range of schemes aimed at both direct and indirect employment generation, including the MGNREGS, PMEGP, DDU-GKY, PMMY, DAY-NRLM, and DAY-NULM, alongside record capital expenditure. Startups, GCCs, digital services, and the gig economy are further diversifying job opportunities.

Moreover, India's demographic dividend is being actively cultivated through targeted initiatives, which aim to bridge the gap between education and employment. The economy is also witnessing job growth in emerging sectors such as startups, global capability centres (GCCs), digital services, and the gig economy, creating new and diverse employment opportunities for the youth.

It is essential to recognise that perception-based polls, such as the one cited in the Reuters article, inherently involve subjective biases and cannot substitute systematically collected, statistically sound data. The PLFS is a nationally representative survey conducted using a robust and structured methodology that adheres to international statistical norms and best practices. The Reuters poll is based solely on the perceptions of a select group of economists, which, while offering viewpoints, are prone to personal bias and do not offer the methodological rigor or empirical depth of a national-level labour force survey.

Part III: Conclusion

In conclusion, India's employment narrative is one of forward momentum, not decline. Official data clearly indicates increasing participation, declining unemployment, rising earnings, and expanding opportunities across traditional and emerging sectors. These positive outcomes are the result of sustained, inclusive, and data-driven policymaking aimed at building a resilient and future-ready workforce.

The representation in the article is therefore not only misleading but fails to acknowledge the structural improvements underway in India's labour market.

Reuters article suffers from a lack of statistical foundation and relies on unverifiable perceptions rather than data-driven evidence. In contrast, the PLFS stands as a scientifically designed, transparent, and internationally benchmarked mechanism for tracking India's diverse and evolving labour market. While constructive debate on methodologies is essential, it must be grounded in rigorous scientific principles and full disclosure—standards that are consistently upheld by the PLFS.

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