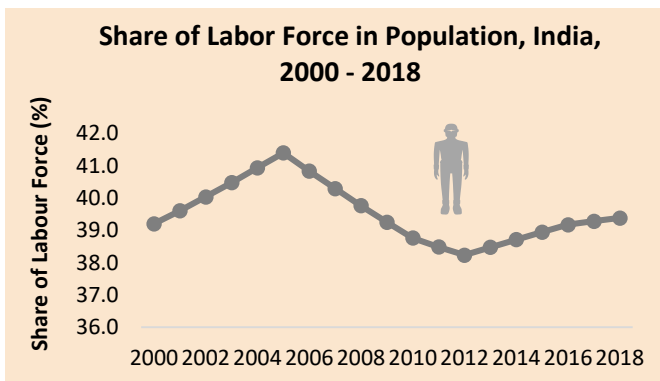
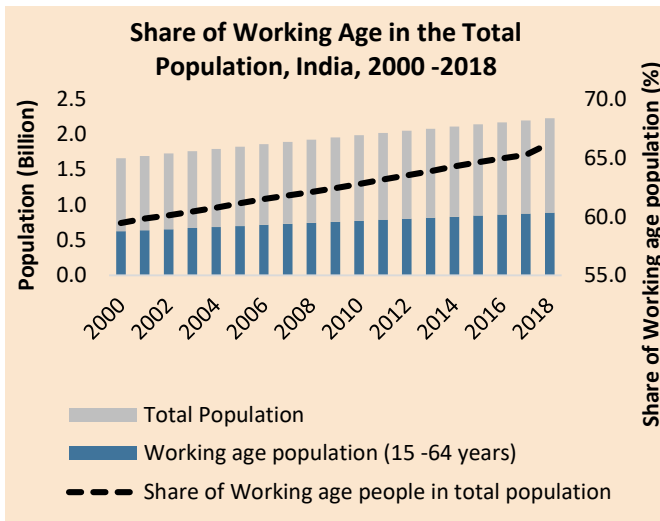
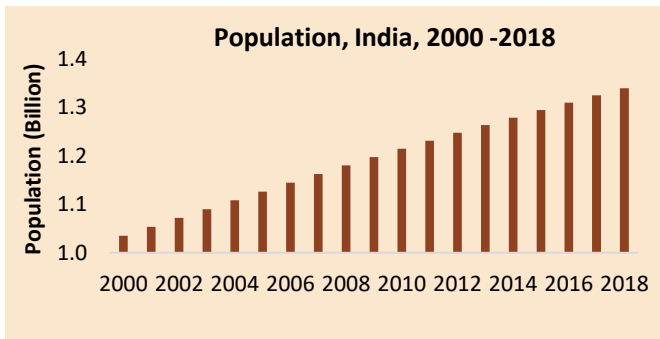


Is India's Labour Force Participation Rate Declining?

- India is the second most populated country in the world after China.
- Between 2000 -2018, Indian population has grown at a CAGR of **1.44%**, whereas the world population has grown at a CAGR of **1.23%**.
- In 2019, the population of the country is expected to be near about **1.4 billion**.
- A country with such a huge population can always be a significant source of labour pool.
- Abundant supply of labour can always be helpful for the growth of industries. More the numbers of labours, reasonable or cheaper will be the wages and lower will be the prices of products or services accordingly. This will increase the accessibility of the finished goods in international and domestic markets.
- Hence, it is expected that the huge source of labour can support India's economic growth.

Let us examine the matter detail...



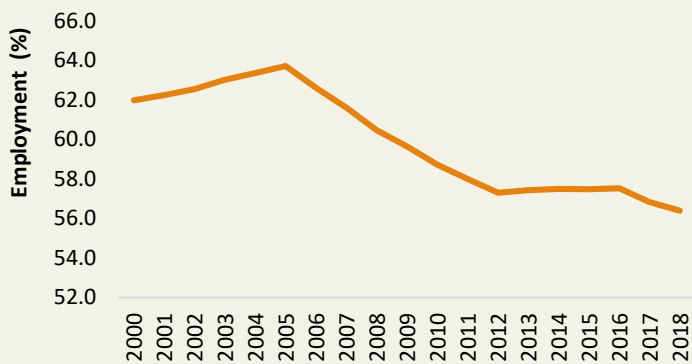
The share of India in the world population has increased from **17.12 %** to **17.78%** between 2000 to 2018.

- ✓ People aged **15 to 64 years** is said to comprise the working age population in India.
- ✓ The concepts of Working age population and Labour force are not the same.
- ✓ **Working age population** is the part of population which comprises of the people who are suitable for doing work.
- ✓ The maximum and minimum age ceiling may vary from country to country. In the less developed or developing countries, inclusion of younger age in the working population is common for providing financial support in the family.
- ✓ **Labour force** is the sum of employed and unemployed person who are willing to work.
- ✓ In India, between 2000 to 2018, the working age population has expanded at a CAGR of **1.95%**.
- ✓ The share of working age in the total population has increased from **59.44%** to **66.23%** from 2000 to 2018.
- ✓ The Labour force in India has increased at a CAGR of **1.47%** between 2000 to 2018.
- ✓ The share of labour force participation in the overall population which was 39.20% in 2000, increased to 41.29% in 2005 but fell to 39.38% in 2018.

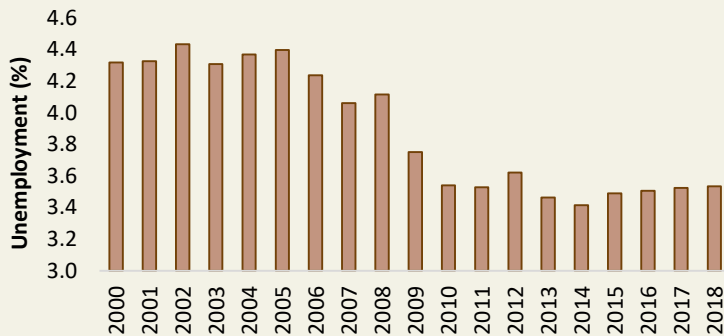
Which other indicators in the labour force are changing drastically ?



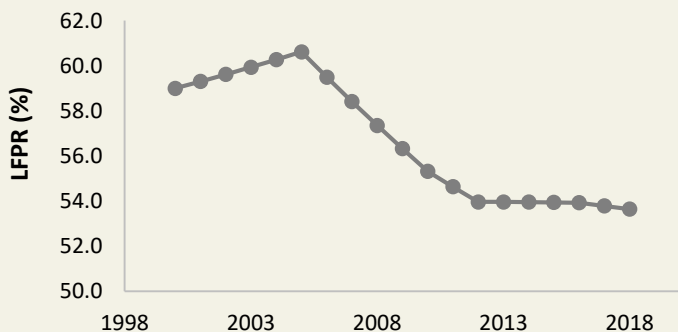
Share of Employment in the Working age population, India, 2000 - 2018



Unemployment, India, 2000 - 2018



Labour Force Participation Rate (LFPR) , India, 2000 - 2018



- The numbers of employed persons have increased at a CAGR of **1.42%** between 2000 – 2018, but compared to the expansion of overall and working age population, this growth is not significant.
- **62%** in the working age population of India were employed in 2000. This figure fell to **56.4%** in 2018.
- Though, the rate of unemployment has decreased over the years, it is found to be growing again since 2014.
- According to a latest report, in 2017 - 2018, the unemployment rate actually stood at **6.1%** which is the highest since 1972 -73.
- Labour force participation rate (LFPR) is the number of persons who are currently employed or actively looking for jobs.
- It represents the interest of an individual in the labour force to get a job, to be in a job or to continue with the current job.
- Over the years, along with the fall in labour force and employment rate, LFPR has also declined.
- The value of LFPR which was **59%** in 2000 came down to **53.65%** in 2018.

