

UPSC & STATE PCS CURRENT AFFAIRS · [UJIYARI.COM](https://ujiyari.com)

EDITORIAL ANALYSIS

Youth Unemployment Has a Household Cost

 THE HINDU

25 August 2026 ·

ECONOMY

SOCIAL ISSUES

GS3

GS1

CURATED & WRITTEN BY

**Bharat Choudhary**

UPSC Educator & Content Creator

 linkedin.com/in/epicbharat

ALSO FROM THE CREATOR

BharatNotesFree UPSC notes, MCQs, PYQ analysis. **100% Free.**bharatnotes.com → **ADVERTISE****Advertise with Ujiyari**

Reach thousands of UPSC aspirants daily.

 epicbharat@gmail.com

Youth Unemployment Has a Household Cost

The Hindu

25 August 2026

GS3

GS1



INTERVIEW ANGLE

"India's unemployment statistics count individuals, but the cost of a jobless graduate is absorbed by a family. Should labour force surveys report household-level dependency burden alongside the individual unemployment rate?"

Source: [Original editorial](#)

The Hindu

✓ Every fact web-verified against primary sources

THE LIFT LINE

The unemployment rate counts people without work. It does not count the people who feed them.

WHY THIS EDITORIAL MATTERS FOR YOUR EXAM

Employment data is among the most heavily examined GS3 areas, and aspirants typically prepare the measurement concepts without the distributional argument. This editorial supplies the second half.

GS Paper 3: Growth and development; employment; inclusive growth; issues relating to planning and mobilisation of resources.

GS Paper 1: Indian society; poverty and developmental issues.

CONCEPT	MEANING	WHY IT IS TESTABLE
Periodic Labour Force Survey (PLFS)	The National Statistical Office's survey measuring employment and unemployment	The data source underlying every unemployment claim
Labour Force Participation Rate (LFPR)	Persons working or seeking work, as a share of population	The denominator that determines whether joblessness even registers
Educated unemployment	The pattern in which unemployment rises with educational attainment	The structural feature that makes the household the relevant unit

BACKGROUND AND CONTEXT

The Data Architecture

The **Periodic Labour Force Survey (PLFS)** is conducted by the **National Statistical Office** under the **Ministry of Statistics and Programme Implementation**. It was launched in **2017-18**, replacing the quinquennial Employment and Unemployment Surveys of the National Sample Survey Office, and shifted to a **monthly** release cycle from **January 2025**.

The three headline measures aspirants must be able to distinguish:

MEASURE	DEFINITION
Labour Force Participation Rate (LFPR)	Persons either working or seeking or available for work, as a percentage of population
Worker Population Ratio (WPR)	Persons employed, as a percentage of population
Unemployment Rate (UR)	Persons unemployed, as a percentage of the labour force , not of population

Two reference periods are used. **Usual Status (principal plus subsidiary)** uses a 365-day recall and captures long-term activity. **Current Weekly Status** uses a seven-day recall and captures short-term and seasonal work. The same population yields different unemployment rates under each, which is why quoting a figure without naming its status is meaningless.

The Structural Pattern

Two features of Indian unemployment are well established and central to this editorial's argument:

- Unemployment is concentrated among the **young**, conventionally the **15 to 29** age group.
- Unemployment **rises with educational attainment** rather than falling with it, the inverse of the pattern in most industrialised economies.

The **ILO and Institute for Human Development India Employment Report 2024** found that youth accounted for roughly **83 per cent** of India's unemployed workforce, and that the share of educated persons among unemployed youth had risen substantially over two decades.

THE ANALYSIS

1. The unit of analysis is the argument. The unemployment rate is an individual-level statistic expressed as a share of the labour force. It carries no information about dependants. Two households with identical unemployment rates can face entirely different welfare outcomes depending on how many earners support

how many non-earners. The statistic that drives policy is therefore silent on the variable that determines the harm.

2. Educated unemployment converts a forgone wage into a realised loss. When the unemployed person is unskilled, the household loses income it never had. When the unemployed person is a graduate, the household has already spent, frequently by borrowing, on an education whose return has not materialised. The second is a balance-sheet loss, not merely an income shortfall, and it is the more common Indian case.

3. The protection gap is structural, not incidental. India's social security architecture, principally the **Employees' Provident Fund Organisation** and the **Employees' State Insurance Corporation**, is contributory. **Entitlement** presupposes prior formal employment. A first-time jobseeker has no contribution record and therefore no claim on any scheme. The **Atal Beemit Vyakti Kalyan Yojana** provides relief to insured persons who lose employment, which by definition excludes those who have never been employed. The group with the highest unemployment incidence is the group with the least protection.

4. The household absorbs the shock through channels that are themselves developmental. Prolonged dependency is financed by borrowing at informal rates, distress sale of assets, withdrawal of younger siblings from education, and postponement of household investment. Each of these transmits a single labour-market outcome into the next generation's outcomes, which is what makes this a distributional problem rather than a purely cyclical one.

5. The counter-argument is correct about causation. None of the above creates jobs. The binding constraint remains inadequate creation of productive formal employment, and there is a genuine risk that a welfare framing shifts attention from demand-side policy toward transfers that sustain consumption without improving employability. The honest position is that the reframing improves *measurement and protection*, and does not substitute for *job creation*.

DATA AND INSTITUTIONS VAULT

PRELIMS-GRADE FACTS:

PLFS launched 2017-18, conducted by the National Statistical Office under MoSPI; replaced the quinquennial NSSO Employment and Unemployment Surveys; moved to monthly release from January 2025.

Unemployment Rate is measured as a share of the labour force, not of the population. LFPR and WPR are measured as a share of population.

Reference periods: Usual Status (ps+ss), 365-day recall; Current Weekly Status, seven-day recall.

“Youth” is conventionally the 15 to 29 age group.

ILO-IHD India Employment Report 2024: youth were approximately 83 per cent of India’s unemployed workforce.

Contributory social security bodies: EPFO and ESIC. Atal Beemit Vyakti Kalyan Yojana covers insured persons who lose employment, not first-time jobseekers.

*The Unemployment Rate uses the **labour force** as its denominator, while LFPR and WPR use **population**. A falling unemployment rate accompanied by a falling LFPR can mean people have stopped looking for work rather than found it, which is a discouraged-worker effect and not an improvement.*

THE DEBATE

FOR (reframe unemployment as a household burden): The affected unit is the family, not the individual. Educated unemployment destroys a realised household investment, the protection architecture excludes first-time jobseekers entirely, and the headline statistic cannot show dependency depth. Measurement that hides the burden produces policy that does not address it.

AGAINST (the labour-market framing is the correct one): Unemployment is caused by insufficient creation of productive formal jobs, and no amount of household-level measurement changes that. Income support risks entrenching dependence and diverting fiscal space from the investment that would generate employment. The lever is labour-intensive manufacturing, services growth and resolution of skill mismatch.

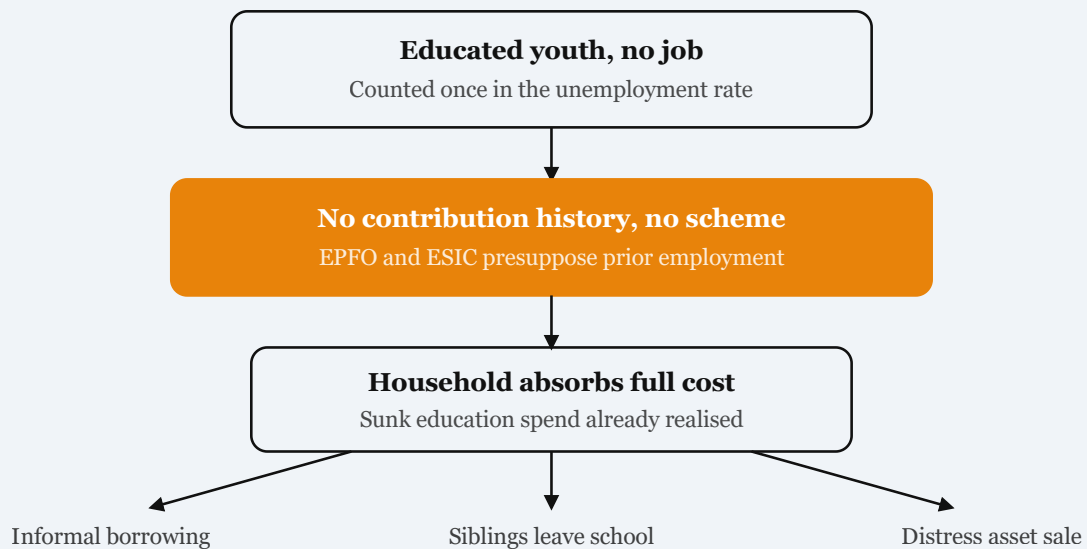
Balanced verdict: The two positions answer different questions and are not actually in conflict. The labour-market framing correctly identifies the cause; the household framing correctly identifies the incidence. Policy needs both, because a country can pursue job creation as its primary strategy while still recognising that the waiting period has a cost, that the cost falls on families, and that no scheme currently reaches them.

HOW TO THINK ABOUT THIS

Whenever you encounter an aggregate social statistic, ask what unit it counts and whether that is the unit on which the harm actually falls. Per-capita income counts individuals but is earned and spent within households. Literacy rates count persons but function through families. The unemployment rate counts jobseekers but the deprivation lands on dependants.

Where the counted unit and the harmed unit diverge, the statistic will systematically understate the depth of the problem while accurately reporting its breadth. Recognising that divergence, and saying so precisely, is what distinguishes an analytical answer from a descriptive one.

DIAGRAM-IN-WORDS



The statistic stops at the first box. Everything that determines the welfare loss happens below it, and none of it is measured.

TAKEAWAY BOX

The unemployment rate counts people without work. It does not count the people who feed them.

PLFS launched 2017-18 by the NSO under MoSPI, monthly from January 2025; UR is a share of the labour force while LFPR and WPR are shares of population; Usual Status uses 365-day recall and CWS uses seven-day recall; youth is the 15-29 group; ILO-IHD India Employment Report 2024 put youth at about 83 per cent of the unemployed.

Should India extend social protection to first-time jobseekers who have no contribution history, or would that weaken the contributory principle on which the system rests?

Connects to past UPSC Mains questions on jobless growth, on the demographic dividend, and on the adequacy of India's social security architecture.

"India's unemployment statistics count individuals while its unemployment burden is borne by households." Critically examine the policy implications of this divergence.

Source: Youth Unemployment Has a Household Cost — Ujiyari.com | Free UPSC & State PCS Editorial Analysis

• KEY ARGUMENTS AT A GLANCE

Writing in The Hindu, Gargi Sridharan and Basit Abdullah argue that India's youth unemployment debate wrongly centres the individual jobseeker, because the measurable burden of prolonged joblessness among educated youth falls on the entire household, imposing sustained financial strain on families with limited earning capacity and making the problem distributional and social-security in character rather than purely a labour-market one.



SUPPORTING

- Unemployment in India is disproportionately concentrated among the educated and the young, which means the affected person is typically one in whom the household has already made a substantial and often debt-financed educational investment, so the loss is a realised cost rather than merely a forgone wage.
- Because India has no meaningful unemployment insurance for first-time jobseekers, who have no contribution history, the entire consumption cost of a jobless period is absorbed by the family, converting an individual's labour-market outcome directly into household deprivation.
- The headline unemployment rate reports the share of the labour force that is unemployed and therefore cannot show how many dependants each unemployed person has, which means the statistic that drives policy is silent on the variable that determines the welfare loss.



COUNTER

The counter-view holds that treating unemployment as a household welfare problem risks displacing attention from its actual cause, which is insufficient creation of productive formal jobs, and that income-support responses may entrench dependence without improving employability. On this reading the binding constraint is labour demand and skill mismatch, and the appropriate policy lever remains growth in labour-intensive manufacturing and services rather than transfers.



WAY FORWARD

The authors' framing implies that measurement must change before policy can: labour force surveys should report household-level dependency alongside the individual unemployment

rate, so that the depth of the burden becomes visible, and social protection should be extended to first-time jobseekers who are currently outside every contributory scheme.


MAINS ANSWER FRAMEWORK
QUESTION

India's youth unemployment is conventionally analysed as a labour-market failure. Examine the case for treating it instead as a distributional and social-security problem, and discuss the policy implications of that reframing. (250 words)

INTRODUCTION

India's unemployment debate is conducted almost entirely in the vocabulary of the individual jobseeker, with the unemployment rate as its central statistic. Writing in *The Hindu*, Gargi Sridharan and Basit Abdullah argue that this framing misses where the burden actually lands, since the cost of a prolonged jobless spell among educated youth is absorbed not by the individual but by the household that supports them.

BODY

Two structural features of Indian unemployment make the household the relevant unit of analysis. First, unemployment in India rises rather than falls with educational attainment, and is concentrated in the fifteen to twenty-nine age group, which means the typical unemployed person is young and educated rather than unskilled.

The household has therefore usually already sunk a substantial and frequently debt-financed investment into that person's education, so the jobless spell represents a realised loss rather than merely a wage forgone. Second, India's social protection architecture is overwhelmingly contributory, built on schemes such as the Employees' Provident Fund and Employees' State Insurance that presuppose a prior employment record.

A first-time jobseeker has no contribution history and therefore no entitlement, which means the entire consumption cost of the waiting period falls on the family. The consequence is that an individual labour-market outcome is transmitted directly into household deprivation, with effects that are themselves developmental: delayed marriage, withdrawal of younger siblings from education, distress asset sales and borrowing at informal rates.

The conventional unemployment rate, expressed as the share of the labour force that is unemployed, cannot capture any of this, because it carries no information about how many dependants sit behind each unemployed person or about how long the spell has lasted. A household with one earner supporting an unemployed graduate and two schoolchildren, and a household with three earners supporting one unemployed graduate, appear identically in the statistic and are not remotely alike in welfare terms.

CONCLUSION

A balanced answer should accept the counter-argument that the ultimate constraint is inadequate creation of productive formal jobs, and that transfers cannot substitute for demand. The reframing nonetheless

earns its place, because it identifies a measurement gap that hides the depth of the burden and a protection gap that leaves first-time jobseekers outside every existing scheme.

RELATED DAILY ARTICLES

25 Aug **UPI Completes Ten Years of Public Operation**

25 Aug **National Conclave on Tribal Languages and Museums Opens...**

23 Aug **NCSK Marks Foundation Day; Law Minister Calls for...**

22 Aug **Current Affairs Today, August 22, 2026**



CURATED & WRITTEN BY

Bharat Choudhary

UPSC Educator & Content Creator

[in linkedin.com/in/epicbharat](https://www.linkedin.com/in/epicbharat)[Read Full Article on Ujiyari →](#)<https://ujiyari.com/editorials/2026/08/th-youth-unemployment-household-cost-2026/>

ALSO FROM THE CREATOR

BharatNotes

Free UPSC study platform — subject-wise notes across all 4 GS papers, Prelims MCQs, Mains answer frameworks, PYQ analysis & progress tracking. **100% Free • No Login Required.**

[Start Preparing → bharatnotes.com](#)

📌 OPPORTUNITY

Advertise with Ujiyari

Reach **thousands of serious UPSC & State PCS aspirants** daily through our PDFs, website, and social channels.

Ideal for: Coaching institutes • EdTech platforms • Book publishers • Exam prep apps

[✉ epicbharat@gmail.com](mailto:epicbharat@gmail.com)

Write to us for rates & media kit

Free UPSC & State PCS Current Affairs · ujiyari.com · bharatnotes.com