OPINION

# India's growth story needs jobs, not just GDP headlines

The first monthly jobs data shows one in six young people in cities is out of work. Strong growth means little if graduates can't find jobs that match their skills.

By Ananya Rao · 20 May 2025 · 2 min read




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### In 60 seconds

1. India's first monthly jobs survey put unemployment at 5.1% in April 2025.
2. Among 15-29 year olds in cities, it was 17.2%, and 23.7% for young urban women.
3. Growth has been led by sectors that need relatively few workers.
4. Easier rules for small factories and better skills links could help.

India is once again the world's fastest-growing large economy. But for millions of young graduates, the headline number means little if the jobs they trained for are not there.

## What the new data shows

The government's first monthly labour survey, released in May, put India's unemployment rate at 5.1% in April 2025. That sounds manageable. Look closer, though, and the picture is more worrying. Among people aged 15 to 29 in cities, unemployment was 17.2%: roughly one in six young urban job-seekers could not find work. For young women in cities, it was 23.7%.

## Growth without enough jobs

Much of India's recent growth has been led by capital-intensive industries and high-end services such as IT and finance, which need relatively few workers. Manufacturing, which could absorb large numbers of people with moderate skills, still makes up a modest share of the economy.

> *A growth story that does not create work is a story only half told.*

## What would help

The fix is not a single scheme. It means:

- Easier rules for small factories, so that firms are not afraid to grow and hire.
- Better links between colleges and employers, so that courses teach the skills companies actually need.
- Affordable cities, with housing and transport that let workers live near where the jobs are.
- Support for women's work, through safe transport, childcare and flexible jobs.

GDP will keep making headlines. Jobs should make the policy agenda.

The views expressed are the author's own.