Periodic Labour Force Survey

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Why is in news? How to read India's latest employment data

Last week, the Ministry of Statistics and Programme Implementation released the results of the Periodic Labour Force Survey for the period July 2022 to June 2023. This is the sixth PLFS report and each tracks a 12 month period between July and June.

Significance of PLFS reports:

The annual PLFS — as well as its predecessor, the quinquennial **Employment-Unemployment Surveys** — are conducted by the **National Sample Survey Office** in order to get an **understanding about the state of employment in India.**

The PLFS **provides data on different metrics** so that the policymakers can understand the proportion of people demanding work, the proportion of people among them who failed to get a job, the gender differences in employment as well as wages etc.

The PLFS **also tells the sectoral distribution of workers** in the economy — what percentage is involved in agriculture, for instance.

It also **records the type of work people do** — for instance, how many are engaged in casual labour, how many work for themselves and how many have regular salaried jobs etc.

About:

The national survey compiled data from 5,639 first-stage sampling units (FSUs) and encompassed 1,67,916 individuals residing in 44,190 urban households.

The survey focused on individuals **aged 15 years and above**.

Considering the importance of availability of labour force data at more frequent time intervals, **National Sample Survey Office** (NSSO) launched Periodic Labour Force Survey (PLFS) in **April 2017**.

Objective:

To **estimate the key employment and unemployment indicators** (viz. Worker Population Ratio, Labour Force Participation Rate, Unemployment Rate) in the **short time interval of three months** for the urban areas only in the 'Current Weekly Status' (CWS).

To estimate **employment and unemployment indicators in both 'Usual Status' (ps+ss) and CWS** in both rural and urban areas annually.

Latest findings:

Increasing Trend in Labour Force Participation Rate (LFPR) for persons of age 15 years and above:

Usual status:Rural areas- increased from 50.7% in 2017-18 to 60.8% in 2022-23,**Urban areas -**increased from 47.6% to 50.4%.**Male**- increased from 75.8% in 2017-18 to 78.5% in 2022-23,**Female**- increased from 23.3% to 37.0%.

Current Weekly Status:Rural areas- increased from 48.9% in 2017-18 to 56.7% in 2022-23,**Urban areas -** increased from 47.1% to 49.4%**Male**- increased from 75.1% in 2017-18 to 77.4% in 2022-23,**Female**- increased from 21.1% to 31.6%.

Increasing Trend in Worker Population Ratio (WPR) for persons of age 15 years and above:

Usual status: Rural areas- increased from 48.1% in 2017-18 to 59.4% in 2022-23,**Urban areas**- increased from 43.9% to 47.7%**Male**– increased from 71.2% in 2017-18 to 76.0% in 2022-23,**Female**- increased from 22.0% to 35.9%.

CWS:Rural areas- increased from 44.8% in 2017-18 to 54.2% in 2022-23,**Urban areas**- increased from42.6% to 46.0%**Male**– increased from68.6% in 2017-18 to 73.5%in 2022-23,**Female**- increased from 19.2% to 30.0%.

Decreasing Trend in Unemployment Rate (UR) for persons of age 15 years and above:

Usual status: Rural areas- decreased from 5.3% in 2017-18 to 2.4% in 2022-23,**Urban areas**- decreased from 7.7% to 5.4%**Male**- decreased from 6.1% in 2017-18 to 3.3% in 2022-23,**Female**- decreased from 5.6% to 2.9%.

CWS: Rural areas- increased from8.4% in 2017-18 to 4.4%in 2022-23,**Urban areas**- increased from9.5% to 7.0% **Male**– increased from8.7% in 2017-18 to 5.1%in 2022-23,**Female**- increased from9.0% to 5.1%.

Indicators:

Labour Force Participation Rate(LFPR): LFPR is defined as the percentage of persons in labour force (i.e. working or seeking or available for work) in the population.

Worker Population Ratio(WPR): WPR is defined as the percentage of employed persons in the population.

Unemployment Rate(UR): UR is defined as the percentage of persons unemployed among the persons in the labour force.

Activity Status:

Usual Status: The activity status of a person is determined on the basis of the activities pursued by the person during the specified reference period. When the activity status is determined on the basis of the reference period of last 365 days preceding the date of survey, it is known as the usual activity status of the person.

Current Weekly Status (CWS): The activity status determined on the basis of a reference period of last 7 days preceding the date of survey is known as the current weekly status (CWS) of the person.

Principal activity status: The activity status on which a person spent relatively long time (major time criterion) during 365 days preceding the date of survey, was considered the usual principal activity status of the person.

Subsidiary economic activity status: The activity status in which a person in addition to his/her usual principal status, performs some economic activity for 30 days or more for the reference period of 365 days preceding the date of survey, was considered the subsidiary economic activity status of the person.

Types of Unemployment in India:

Disguised Unemployment: This is a situation in which more people are employed than are required. It is mostly seen in India's agricultural and unorganised sectors.

Seasonal unemployment: Unemployment that happens only during particular seasons of the year. In India, agricultural labourers rarely work throughout the year.

Structural Unemployment: This is a type of unemployment that occurs when there is a mismatch between the jobs available and the abilities of the available workers.

Cyclical unemployment: Unemployment that rises during recessions and falls with economic expansion. It is mostly a phenomenon of capitalist economies.

Frictional Unemployment: It is also known as Search Unemployment, is the time lag between jobs when someone is looking for a new job or moving jobs.

<u>Causes of Unemployment in India:</u>

Jobs in the capitalist world have become highly specialised but India's education system does not provide the right training and specialisation needed for these jobs.

In India nearly half of the workforce is dependent on Agriculture – even though agriculture is underdeveloped in India and only provides seasonal employment.

Mobility of labour in India is low due to factors like language, religion, and climate.

The industrial development had adverse effects on cottage and small industries – as the cottage industries fall, many artisans become unemployed.

Constant increase in population has been a big problem and one of the main causes of unemployment.

Certain work is prohibited for specific castes in some areas and this also contributes to unemployment.

<u>Employment Generation Schemes/ Programmes of Government of India:</u>

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)

National Career Service (NCS) Project

Garib Kalyan Rojgar Abhiyaan (PMGKRA)

Aajeevika – National Rural Livelihoods Mission (NRLM)

Atma Nirbhar Bharat Rojgar Yojana (ABRY)

Pt. DeenDayal Upadhyaya Grameen Kaushlya Yojana (DDU-GKY)

Production-Linked Incentive (PLI) Scheme, etc

<u>Way Forward:</u>

The report suggests shifting the government's policy directions as it has become more rural centric.

Creation of rural jobs other than in the agricultural sector and MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act) could be priorities for the government at the Union and State levels.

As growth dipped in India, the proportion of rural households reporting themselves as 'self-employed', especially in non-agriculture, went up at the cost of regular wage earning/salaried households.

The report justifies the theory of large-scale reverse migration and job losses during the pandemic.

Conclusion:

The Periodic Labour Force Survey (PLFS) results reflect positive developments in India's labour market, marked by a decreasing unemployment rate, improved labour force participation, and enhanced worker-population ratios.

These trends indicate a resilient labour market recovery and may signify the nation's progress towards economic stability and job creation.