

Third annual report on Periodic Labour Force Survey (PLFS)

July 27, 2021

In news

The third annual report on Periodic Labour Force Survey (PLFS), conducted by the National Statistical Office (NSO) between July 2019 and June 2020 has been released recently.

Highlights of the third report

- NSO data revealed that labour indicators recorded an all-round improvement in 2019-20 compared with the previous two years.
- **The unemployment rate fell** to 4.8 per cent in 2019-20. In 2018-19, it stood at 5.8 per cent and 6.1 per cent in 2017-18.

Worker Population Rate has improved to 38.2% in 2019-20 compared with 35.3% in 2018-19 and 34.7% in 2017-18.

- **Labour Force Participation Ratio (LFPR)** has increased to 40.1% in 2019-20 from 37.5% and 36.9%, respectively, in the last two years.
- **Gender Based Unemployment Rate:** The Unemployment rate for both male and female fell to 5.1% and 4.2%, respectively, in 2019-20 from 6% and 5.2% in 2018-19.

About Periodic Labour Force Survey (PLFS)

- The National Statistical Office (NSO) launched the Periodic Labour Force Survey (PLFS) in April 2017.
- The first Annual Report (July 2017- June 2018) covering both rural and urban areas giving estimates of all important parameters of employment and unemployment in

both usual status (ps+ss) and current weekly status (CWS) was released in May 2019.

- The second Annual Report (July 2018 – June 2019) was released in June 2020.
- PLFS gives estimates of Key employment and unemployment Indicators like the Labour Force Participation Rates (LFPR), Worker Population Ratio (WPR), Unemployment Rate (UR), etc

The objective of PLFS is primarily twofold:

- 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.

Conceptual Framework of Key Employment and Unemployment 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. The higher the LFPR, the better.
- **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.

Activity Status- 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.