

Periodic Labour Force Survey

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What's in today's article?

- **Why in News?**
- **About National Statistical Office (NSO)**
- **About Periodic Labour Force Survey (PLFS)**

- **What is Current Weekly Status?**
- **Calculating Unemployment Rate**
- **What is Labour Force Participation Rate?**
- **Latest PLFS Report by NSO**
- **Halting of Structural Transformation**
- **Rise of Construction Sector**

Why in News?

- Data released by the **National Statistical Office** (NSO) in its annual report **Periodic Labour Force Survey** (PLFS) offers insights into the process of structural transformation in the Indian economy.

About National Statistical Office (NSO)

- In May 2019, the Central Government merged the **National Sample Survey Office** (NSSO) and the **Central Statistics Office** (CSO) under the Ministry of Statistics and Programme Implementation (MoSPI).
- The merger created an overarching body i.e., **National Statistical Office** (NSO).
- Hence, the ***statistical wing of the MoSPI is now called the NSO.***
- NSO acts as the ***nodal agency for planned development of the statistical system in the country.***
 - It lays down and maintains norms and standards in the field of statistics, involving concepts and definitions, methodology of data collection, processing of data and dissemination of results.

About Periodic Labour Force Survey (PLFS)

- The National Statistics Organisation (NSO) had launched the Periodic Labour Force Survey (PLFS) in **April 2017**.
- It was ***launched as part of efforts to get a better sense of the job situation and provide reliable and timely data.***
- The PLFS is designed with two major objectives for measurement of employment and unemployment –
 - First, to measure the dynamics in labour force participation and employment status in the short time interval of three months for only the urban areas in the Current Weekly Status (CWS).
 - Second, for both rural and urban areas, to measure the labour force estimates on key parameters in both usual status and Current Weekly Status.

What is Current Weekly Status?

- The Current Weekly Status (CWS) approach to measuring unemployment uses **seven days preceding the date of survey as the reference period**.

Calculating Unemployment Rate

- The **unemployment rate** is not the percentage of the total adult population without jobs, but rather the percentage of adults who are in the labour force but who do not have jobs:
 - $\text{Unemployment rate} = (\text{Unemployed people} / \text{Total labour force}) \times 100$

What is Labour Force Participation Rate?

- The labour force consists of persons who are of age 15 years or older, and belong to either of the following two categories:
 - Employed
 - Unemployed and are willing to work and are actively looking for a job
- There is a crucial commonality between the two categories — they both have people “demanding” jobs. This demand is what **Labour Force Participation Rate** (LFPR) refers to.
- While those in category 1 succeed in getting a job, those in category 2 fail to do so.
- Essentially, LFPR is the number of people ages 15 and older who are employed or actively seeking employment, divided by the total non-institutionalized, civilian working-age population.
 - LFPR represents the demand for jobs in an economy.
- On the other hand, Unemployment Rate (UER), which is routinely quoted in the news, is nothing but the number of unemployed (category 2) as a proportion of the labour force.

Latest PLFS Report by NSO

The NSO’s latest annual PLFS report was released for the **2021-22 (July-June) period**.

Farm Sector –

Farm sector’s share in the country’s employed labour force is at **45.5%**.

H3: Image Caption: Farm Sector Data

The above chart shows the share of agriculture in the total workforce over a longer time period, based on previous years’ PLFS reports.

The **share of agriculture in the total workforce has fell from 64.6% in 1993-94 to 42.5% in 2018-19**.

The biggest decline, from 58.5% to 48.9%, happened between 2004-05 and 2011-12.

The share of the labour force employed in manufacturing peaked at 12.6% in 2011-12.

Halting of Structural Transformation

- Since 2011-12, the structural transformation from agriculture to manufacturing has slowed, with the share of agriculture in employment not falling fast enough and, in fact, rising after 2018-19.
- The ***share of manufacturing has dropped behind even that of construction and trade, hotels & restaurants.***
- In 2021-22, manufacturing's share, at **11.6%**, was below that of **construction (12.4%)** as well as **trade, hotels & restaurants (12.1%)**.
- In other words, structural transformation hasn't just slowed — it has stalled, if not reversed. ***There is not much labour transfer taking place from farms to factories.***

Rise of Construction Sector

- The jobs that are getting generated outside agriculture are mostly in construction and low-paid services, whose share has overtaken that of manufacturing.
- The ***construction sector has now become the second-largest employer after agriculture.***
- Five years ago, it was at No. 4, after agriculture, manufacturing and trade, hotels & restaurants. Today, manufacturing has been relegated to the fourth spot.

Q1) What is an Organized Sector?

Organized sector covers those enterprises or places of work where the terms of employment are regular and therefore, people have assured work.

Q2) What is meant by Labour Force?

The labour force, or currently active population, comprises all persons who fulfil the requirements for inclusion among the employed (civilian employment plus the armed forces) or the unemployed.

Source: [What India's labour force and national income data tell us about jobs shifting from agriculture](#)

Video: https://www.youtube.com/watch?v=e_p3UZCV9E

Source: <https://vajiramandravi.com/current-affairs/periodic-labour-force-survey/>

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