

Centre Revamps PLFS to Improve Labour Data Accuracy and Policy Impact

May 15, 2025 • vajiramandravi.com



What's in Today's Article?

- Periodic Labour Force Survey Latest News
- Periodic Labour Force Survey (PLFS)
- Revamp of PLFS from January 2025
- Periodic Labour Force Survey FAQs

Periodic Labour Force Survey Latest News

- The Union Government has decided to revamp the Periodic Labour Force Survey (PLFS), started in 2017, to include employment and unemployment data from rural areas too.

Periodic Labour Force Survey (PLFS)

- PLFS is a large-scale survey conducted by the National Statistical Office (NSO) under the Ministry of Statistics and Programme Implementation (MoSPI).

Aim

- PLFS was launched in 2017:
 - To generate quarterly estimates of key employment and unemployment indicators for urban areas using the Current Weekly Status (CWS) approach, and
 - To provide annual estimates for both rural and urban areas using both Usual Status (ps+ss) and CWS approaches.
 - Usual Status (ps+ss) assesses a person's activity over the **past 365 days**, while Current Weekly Status (CWS) assesses it over the **past 7 days** prior to the survey.

Objective

- Its main objective is to provide reliable and timely data on:
 - Employment and unemployment levels
 - Labour force participation rate (LFPR)
 - Worker population ratio (WPR)
 - Unemployment rate (UR)
 - Nature of employment (e.g., regular salaried, self-employed, casual labour)

Significance

- India lacks reliable high-frequency employment data — PLFS fills that gap.
- Helps track labour market trends in real-time or near real-time.
- Used by government, economists, researchers, and international organizations like the ILO, World Bank, etc.
- Aids in assessing the impact of policies, economic cycles, or crises (e.g., COVID-19) on employment.

Revamp of PLFS from January 2025

- The National Statistical Office (NSO) under MOSPI is actively enhancing the frequency, scope, and relevance of NSS surveys.
- Efforts include faster data dissemination and improved access to survey findings.

Introduction of Monthly Estimates at All-India Level

- The revamped PLFS will now provide monthly estimates of key labour market indicators — Labour Force Participation Rate (LFPR), Worker Population Ratio (WPR), and Unemployment Rate (UR) — using the Current Weekly Status (CWS) approach.
- First monthly bulletin (April 2025) to be released in May 2025.
- Enables timely, high-frequency policy insights.

Quarterly Estimates Extended to Rural Areas

- Previously limited to urban areas, quarterly estimates will now also be available for rural areas, providing a comprehensive national picture of employment and unemployment.
- First quarterly bulletin (April-June 2025) to be released in August 2025.

Shift to Calendar Year-Based Annual Reporting

- Annual PLFS results will now be aligned with the calendar year (January-December) instead of the earlier July-June cycle.
- Enhances consistency with international labour statistics databases.

Enhanced Data Scope

- Additional data points have been incorporated:
 - **Household Income Sources:** Rent from land/building; Interest from savings/investments; Pension received; Remittances received.
 - **Land Ownership:** Land possessed; Land leased out.
 - **Vocational/Technical Training:** Nature of certifying body
 - **Education Details** (5 new items): Years of education completed; Months attended in last academic year; Details on secondary education.

Enhanced Sample Size and Coverage

- There has been significant increase in sample size and a shift to a panel design, with households visited four times (First with a full schedule, followed by three revisits).
- **Total sample size:** ~2.72 lakh households, a 2.65x increase from previous ~1.02 lakh

Improved District-Level Representation

- Districts designated as primary geographical units (basic strata) in most cases.
- Improves spatial representation and reliability of labour market estimates.
- Stratification based on location (e.g., proximity to towns or cities) to better capture variations in labour dynamics.

Comparability with Previous PLFS Data

- Users must **consider methodological changes** when comparing data post-January 2025 with earlier PLFS rounds.
- A back-series may be released for continuity.

Periodic Labour Force Survey FAQs

Q1. What is the new PLFS methodology?

Ans. The new PLFS uses cluster sampling for better representation, especially in urban areas, improving accuracy and policy relevance.

Q2. Why was the PLFS changed?

Ans. To provide real-time data, address sampling issues, and align labour statistics with global best practices for employment trends.

Q3. Who will benefit from this revamp?

Ans. Policymakers, researchers, and job market analysts will benefit from more granular, accurate labour and employment statistics.

Q4. What is the impact on quarterly surveys?

Ans. Urban PLFS will now offer improved quarterly estimates by selecting new samples each time, unlike before.

Q5. Will this help with job creation policies?

Ans. Yes, better labour data helps tailor employment policies, monitor outcomes, and guide evidence-based job creation initiatives.

Source: IE | PIB | TH

Source: <https://vajiramandravi.com/current-affairs/centre-revamps-plfs-to-improve-labour-data-accuracy/>

© Vajiram & Ravi. For personal use only.