

Periodic Labour Force Survey (PLFS)

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Topic- Growth & Development [GS Paper-3]

Context- Recently, the National Statistical Office (NSO) released the Periodic Labour Force Survey (PLFS).

Key Highlights

- The unemployment ratio is elucidated as the percentage of persons unemployed among the persons in the labour force.
- The unemployment rate was 6.6% for men and 9.4% for women, which was 9.3% and 11.6% in the period of July-September 2021.
- The Worker-Population Ratio (WPR) is defined as the percentage of employed persons in the population.
- The WPR in urban areas for persons aged 15 and above stood at 44.5% which was 42.3% in July-September 2021.
- The WPR among men was 68.6% and 19.7% among women which was 66.6% and 17.6% respectively 2021.
- The Labour Force Participation Rate (LFPR) is defined as the percentage of persons in the labour force who are working or seeking or available for work in the population, in urban areas for persons aged 15 and above.
- The LFPR increased to 47.9% (46.9% in July-September 2021).
- The LFPR among men was 73.4% and 21.7% among women (73.5% and 19.9%, in July-September 2021).

Periodic Labour Force Survey

- Considering the significance of the availability of labour force data at more frequent time intervals, the National Statistical Office (NSO), Ministry of Statistics & Programme Implementation launched the Periodic Labour Force Survey (PLFS) in April 2017.
- The objective of PLFS is primarily twofold i.e.
 - To estimate the key employment and unemployment indicators such as 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 Usual Status and CWS in both rural and urban areas annually.

Unemployment

- Unemployment means when a person who is actively searching for employment is unable to find work.
- Unemployment is used as a measure of the health of the economy.
- National Statistical Office defines employment and unemployment on the following activity statuses of an individual
 - Engaged in an economic activity i.e., 'Employed'.
 - Seeking or available for work i.e., 'Unemployed'.
 - Neither seeking nor available for work.
- The first two activity constitute the labour force and unemployment rate is the percent of the labour force that is without work.
- Unemployment rate is calculated as $(\text{Unemployed Workers} / \text{Total labour force}) \times 100$.

Different Types of Unemployment

- **Disguised Unemployment:**
 - It is a phenomenon when more people are employed than actually needed.
 - It is primarily traced in the agricultural and the unorganised sectors in India.
- **Seasonal Unemployment:**
 - It occurs during certain seasons of the year as agricultural labourers in India rarely have work throughout the year.
- **Structural Unemployment:**
 - It is a unemployment arising from the mismatch between the jobs available in the market and the skills of the available workers in the market.
 - Many people in India do not get employment due to lack of requisite skills and due to poor education level, it becomes difficult to train them.
- **Cyclical Unemployment:**
 - It is a result of the business cycle, where unemployment rises during recessions and declines with rising economic growth.

- This type of unemployment figures in India are negligible.
- This phenomenon is mostly found in capitalist economies.
- **Technological Unemployment:**
 - It means the loss of jobs due to changes in technology.
 - In 2016, World Bank data predicted that the proportion of jobs threatened by automation in India is 69% throughout many years.
- **Frictional Unemployment:**
 - The Frictional Unemployment called as Search Unemployment, refers to the time lag between the jobs when an individual is searching for a new job or is switching between the jobs.
 - In other words, an employee needs time for searching a new job or shifting from the existing to a new job, this inevitable time delay causes frictional unemployment.
- **Vulnerable Employment:**
 - This employment means, people working informally, without proper job contracts and thus sans any legal protection.
 - These persons are called 'unemployed' since records of their work are never maintained.
 - It is one of the most prevalent types of unemployment in India.

Major Causes of Unemployment in India

- **Social Causes:**
 - In India the caste system is majorly prevalent.
 - The work is prohibited for certain specific castes in some areas.
 - Particularly in big joint families having big business, many such persons will be available who do not do any work and depend on the joint income of the family.
- **Rapid Growth of Population:**
 - Constant growth in population has been a big problem in India.
 - It is one of the main reasons of unemployment.
- **Dominance of Agriculture:**
 - Still in India almost half of the workforce is dependent on Agriculture.
 - However, Agriculture is underdeveloped in India.
 - Also, it causes seasonal employment.
- **Fall of Cottage and Small industries:**
 - The industrial development had negative effects on cottage and small industries.
 - The production of cottage industries began to fall and due to this many artisans became unemployed.
- **Immobility of Labour:**
 - Mobility of labour in India is very low. Particularly due to attachment to the

family, people do not go to far off areas for jobs.

- Factors such as language, religion, and climate are also responsible for low mobility.

- **Defects in Education System:**

- 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.
- Hence, many people who are willing to work become unemployed due to lack of skills.