



Periodic Labour Force Survey 2020-21

For Prelims: Periodic Labour Force Survey (PLFS), National Statistical Office (NSO), Unemployment Rate, Labour Force

For Mains: Employment, Growth & Development, Human Resource, Types of Unemployment in India, Recent Initiatives by Government to fight Unemployment

Why in News?

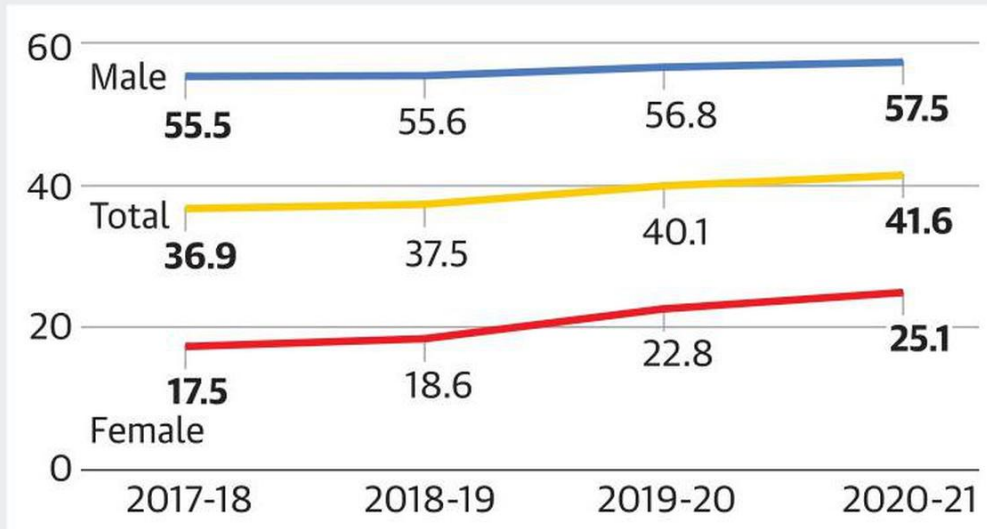
Recently the [Periodic Labour Force Survey \(PLFS\)](#) for 2020-21 released by the [Ministry of Statistics and Programme Implementation\(MOSPI\)](#)

What are the Highlights of PLFS?

- **Unemployment Rate:**
 - It shows that the **unemployment rate fell to 4.2% in 2020-21, compared with 4.8% in 2019-20.**
 - **The rural areas** recorded an unemployment rate of **3.3%** and **urban areas** recorded an unemployment rate of **6.7%**.
- **Labour Force Participation Rate (LFPR):**
 - The percentage of persons in the labour force (that is, working or seeking work or available for work) in the population **increased from 40.1%** in the previous year to **41.6%** during 2020-21.
- **Worker Population Ratio (WPR):**
 - It increased from **38.2%** of the previous year to **39.8%**.
- **Migration Rate:**
 - The migration rate is 28.9%. The **migration rate among women was 48% and 47.8%** in rural and urban areas, respectively.

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Looking for work | The labour force participation rate (LFPR) has continued to improve further in 2020-21, according to the latest Periodic Labour Force Survey. The graph shows LFPR over years across genders



Key Terms

- **Unemployment Rate:** The unemployment rate is defined as the **percentage of unemployed persons in the labour force**.
- **Labour Force:** The Labour force, according to **Current Weekly Status (CWS)**, is the number of persons either employed or unemployed on an average in a week preceding the date of the survey.
- **Current Weekly Status (CWS) Approach:** The urban unemployment PLFS is based on the CWS approach.
 - Under CWS, a person is considered **unemployed if he/she did not work even for one hour on any day during the week but sought or was available for work at least for one hour on any day during the period**.
- **Worker Population Ratio (WPR):** WPR is defined as the percentage of employed persons in the population.

What is the Periodic Labour Force Survey?

- Considering the importance of the availability of labour force data at more frequent time intervals, the **National Statistical Office (NSO)** launched the Periodic Labour Force Survey (PLFS) in April 2017.
- The objective of PLFS is primarily two fold:
 - 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 **CWS**.
 - To **estimate employment and unemployment indicators** in both usual Status and CWS in both rural and urban areas annually.

What are Recent Initiatives to fight Unemployment?

- [Support for Marginalised Individuals for Livelihood and Enterprise \(SMILE\)](#)
- [PM-DAKSH \(Pradhan Mantri Dakshta Aur Kushalta Sampann Hitgrahi\)](#)
- [Mahatma Gandhi National Rural Employment Guarantee Act \(MGNREGA\)](#)
- [Pradhan Mantri Kaushal Vikas Yojana \(PMKVY\)](#)
- [Start Up India Scheme](#)

Types of Unemployment in India

- **Disguised Unemployment:** It is a phenomenon wherein **more people are employed than actually needed.**
 - It is primarily traced in the agricultural and unorganised sectors of India.
- **Seasonal Unemployment:** It is unemployment that occurs **during certain seasons** of the year.
 - Agricultural labourers in India rarely have worked throughout the year.
- **Structural Unemployment:** It is a category of 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 jobs due to a lack of requisite skills and due to poor education levels, it becomes difficult to train them.
- **Cyclical Unemployment:** It is a **result of the business cycle**, where unemployment rises during recessions and declines with economic growth.
 - Cyclical unemployment figures in India are negligible. It is a phenomenon that is mostly found in capitalist economies.
- **Technological Unemployment:** It is 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% year-on-year.
- **Frictional Unemployment:** Frictional Unemployment also called **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 requires time for searching for a new job or shifting from the existing to a new job, this inevitable time delay causes frictional unemployment.
 - It is often considered voluntary unemployment because it is not caused due to the shortage of jobs, but in fact, the workers themselves quit their jobs in search of better opportunities.
- **Vulnerable Employment:** This means, people, working informally, **without proper job contracts and thus sans any legal protection.**
 - These persons are deemed 'unemployed' since records of their work are never maintained.
 - It is one of the main types of unemployment in India.

UPSC Civil Services, Previous Year Questions(PYQ)

Q. Disguised unemployment generally means (2013)

- (a) large number of people remain unemployed
- (b) alternative employment is not available
- (c) marginal productivity of labour is zero
- (d) productivity of workers is low

Ans:(d)

Exp:

- An economy demonstrates disguised unemployment when **productivity is low** and **too many workers are filling too few jobs.**
- Marginal productivity refers to the additional output that is gained by addition of one unit of labour.
- Since, in disguised unemployment, more number of labour than required are already engaged in the work, the marginal productivity of labour is zero.

- Therefore, option (c) is the correct answer.

[Source:TH](#)

PDF Refernece URL: <https://www.drishtias.com/printpdf/periodic-labour-force-survey-2020-21>

