Periodic Labour Force Survey and Annual Survey of Unincorporated Sector Enterprises

Mains: *GS III – Economy*

Why in News?

Recently, Periodic Labour Force Survey (PLFS) 2025 and the Annual Survey of Unincorporated Sector Enterprises (ASUSE) 2025 was released.

What PLFS and ASUSE?

- **PLFS** – *Periodic Labour Force Survey*
- **Conducted by** – The *National Statistics Office (NSO)* under the Ministry of Statistics and Programme Implementation (MoSPI).
- **Introduced in** – 2017, it replaced the earlier Employment-Unemployment Surveys to provide more frequent and reliable labour market data.
- **Objectives**
  - Estimate employment and unemployment indicators
  - Measure labour force participation in rural and urban areas
  - Generate annual and quarterly labour market statistics
  - Support evidence-based policymaking on employment and skill development
- **Key Indicators**
- **Labour Force Participation Rate (LFPR)** – Percentage of the population that is either employed or actively seeking work.
- **Worker Population Ratio (WPR)** – Percentage of the population that is employed.
- **Unemployment Rate (UR)** – Percentage of the labour force that is unemployed but actively seeking work.
- **Current Weekly Status (CWS) and Usual Status (US)** – Two different reference periods used to estimate employment and unemployment.
- **ASUSE** – *The Annual Survey of Unincorporated Sector Enterprises.*
- **Conducted by** – National Statistics Office NSO.
- **Coverage** –It provides information on Employment generation, Number of enterprises, Gross Value Added (GVA), Productivity, Wages and emoluments and Ownership patterns.
- It primarily includes Manufacturing units, Trade establishments and Service enterprises.
- It covers unincorporated non-agricultural enterprises, excluding construction.
- ASUSE serves as an important source of policy inputs for MSMEs, urban development, and labour reforms.

The National Statistical Office (NSO)
• It is the apex statistical agency of the Government of India, operating under the Ministry of Statistics and Programme Implementation (MoSPI). • Formed in 2019 by merging the Central Statistics Office (CSO) and the National Sample Survey Office (NSSO). • It is responsible for compiling macroeconomic indicators (such as GDP, IIP, and CPI) and conducting large-scale socio-economic surveys.

What are the key findings in PLFS?

- **Rising Labour Force Participation –** The Labour Force Participation Rate (LFPR) for persons aged 15 years and above increased from *47.7% in 2017–18 to 52.4% in 2025*, indicating greater involvement of the working-age population in economic activities.
- This steady increase reflects expanding employment opportunities and stronger labour market engagement.
- Female LFPR rose sharply from *19.8% in 2017–18 to 27.2% in 2025,* representing a remarkable increase of 7.4 percentage points.
- Male participation also improved modestly, rising from *74.2% to 75.9%* during the same period.
- These trends suggest that economic growth in major cities is gradually becoming more inclusive.
- **Growth in Employment –** The Worker Population Ratio (WPR), which measures the proportion of employed persons in the population, also recorded consistent growth.
- Overall WPR increased from *43.9% in 2017–18 to 49.8% in 2025,* reflecting the expansion of employment opportunities across large urban centres.
- Women's employment witnessed particularly strong progress. Female WPR increased from *17.9% to 25.5%,* while male WPR rose from *68.6% to 72.6%.*
- The faster increase among women indicates improving access to jobs and greater workforce participation, although a considerable gender gap still persists.
- **Declining Unemployment –** Another notable achievement is the sustained decline in unemployment.
- The overall Unemployment Rate (UR) under the usual status fell from *7.9% in 2017–18 to 4.9% in 2025.*
- Male unemployment declined significantly from *7.5% to 4.5%,* while female unemployment reduced from a peak of *10.4% in 2018–19* to *6.1% in 2025.*
- The unemployment rate in million-plus cities is now almost identical to the urban national average, indicating healthy labour market conditions in major metropolitan areas.
- **Employment Pattern in Million-Plus Cities –** The occupational structure of million-plus cities differs considerably from other urban areas.
- More than *58% of workers* are engaged in *regular wage or salaried employment,* compared to only *42.9%* in other urban regions.
- Casual labour accounts for only *6.3%,* less than half the corresponding urban average.
- These cities also have a larger concentration of employment in transport, communication, financial services, and other service sectors, while agriculture contributes only **1***.6%* of employment.

- This highlights the advanced and diversified nature of metropolitan economies.
- **Higher Earnings and Better Working Conditions –** Workers in million-plus cities enjoy higher average earnings across all categories of employment.
- Average monthly earnings reached *Rs.30,858* for self-employed workers, *Rs.28,808* for regular salaried employees, and *Rs.624 per day* for casual labourers.
- These earnings exceed the corresponding urban India averages by substantial margins.
- Additionally, workers in these cities generally reported longer working hours and lower levels of youth unemployment.
- The proportion of youth aged 15–29 years who were *Not in Employment, Education or Training (NEET)* stood at *22.2%,* lower than the urban average of **25%**, indicating better opportunities for young people.
- **Reasons for Remaining outside the Labour Force –** The survey also highlights persistent social and educational factors affecting labour participation.
- Among men who were outside the labour force, over *53%* cited continuation of studies as the primary reason.
- In contrast, nearly *69% of women* reported childcare responsibilities and household commitments as the main reason for remaining outside the workforce.
- This finding underlines the need for improved childcare infrastructure, flexible work arrangements, and supportive social policies to increase female labour force participation further.

What are the key findings of ASUSE?

- **Urban Unincorporated Enterprise Landscape –** The ASUSE 2025 report provides the first detailed statistical assessment of the unincorporated non-agricultural sector in India's million-plus cities.
- Together, these 46 cities account for 13% of India's establishments, 16% of employment, and 21% of Gross Value Added (GVA) generated by the country's unincorporated non-agricultural sector.
- These figures clearly demonstrate the central role of metropolitan cities in India's entrepreneurial ecosystem and urban economy.
- **Centres of Entrepreneurship –** Some cities have emerged as major entrepreneurial hubs.
- Kolkata, Surat, and Greater Hyderabad together account for more than 22% of all unincorporated establishments among million-plus cities.
- Similarly, Greater Hyderabad, Delhi, and Kolkata employ nearly 22% of the workforce engaged in the unincorporated sector.
- The concentration of enterprises in these cities reflects better infrastructure, larger consumer markets, improved connectivity, and favourable business ecosystems.
- **Women Entrepreneurship and Employment –** Women are playing an increasingly important role in urban entrepreneurship.
- In 32 out of 46 cities, more than 20% of establishments are owned by women.
- Particularly impressive performances were observed in *Surat, Vadodara, and Pune*, where women-owned enterprises account for over **40%** of all proprietary establishments.
- Women also constitute a significant share of the workforce.

- In 19 cities, female workers represent more than 30% of total employment in the unincorporated sector, highlighting the growing contribution of women to India's urban economy.
- **Productivity and Enterprise Performance –** Million-plus cities outperform other urban areas in terms of productivity.
- Gross Value Added per worker is estimated at *Rs.2.11 lakh*, compared to *Rs.1.80 lakh* in other urban areas.
- Similarly, GVA per establishment is significantly higher at *Rs.4.17 lakh,* reflecting greater efficiency and value creation.
- Cities such as *Pimpri Chinchwad, Greater Hyderabad, Delhi, and Faridabad* emerged as top performers in productivity, demonstrating the importance of industrial clusters, skilled labour, and modern infrastructure.
- **Employment Generation Capacity –** Enterprises in million-plus cities demonstrate stronger employment potential.
- Nearly 24.3% of establishments regularly employ hired workers compared to 19% in other urban areas.
- Cities such as *Srinagar, Greater Hyderabad, and Delhi* recorded the highest proportion of establishments employing regular workers.
- This indicates that metropolitan enterprises are not only more productive but also contribute significantly to formal and semi-formal job creation.
- **Policy Significance –** These reports represent an important milestone in strengthening India's urban statistical system.
- The availability of city-level estimates enables governments to formulate evidence-based policies on employment generation, skill development, urban planning, infrastructure investment, women's economic empowerment, and enterprise promotion.
- Improved statistical coverage also supports the broader vision of Viksit Bharat by facilitating better governance and efficient resource allocation.

What lies ahead?

- The NSO's PLFS 2025 and ASUSE 2025 reports demonstrate that India's million-plus cities are becoming increasingly dynamic centres of employment, entrepreneurship, and productivity.
- Rising labour force participation, declining unemployment, growing female workforce participation, higher earnings, stronger enterprise productivity, and expanding women-led businesses collectively highlight the transformative role of urban India in the country's economic development.
- However, challenges such as gender disparities in labour participation and balancing work with family responsibilities remain.
- Going forward, targeted policies that promote inclusive growth, skill development, women's employment, and enterprise expansion will be essential to fully realise the potential of India's metropolitan economy.

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