Periodic Labour Force Survey - NSSO

Why in news?

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The NSSO recently released a draft report on unemployment based on the periodic labour force survey (PLFS).

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Why is there a need for an annual survey?

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- Earlier, the NSSO used to conduct quinquennial (5-year) surveys.
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- This was the first time that the NSSO conducted the Periodic Labour Force Survey, which is an annual survey mapping unemployment to provide a closer trace of unemployment.
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- Moreover, the five-yearly surveys used to come with a lag of over one or two years, thus reducing the possibility of timely analysis.
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What does the survey reveal?

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- The report found that the **unemployment rate was 6.1%** in 2017-18, which was at 2.2% in 2011-12.
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- The only year of comparable data when the unemployment rate was higher was in 1972-73.
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- The joblessness rate among the youth (15-29 years) was at a significantly high level compared to the previous years and much higher compared to that in the overall population.
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- It also showed that joblessness was higher in urban India (7.8%) than in rural

India (5.3%).
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- Within this, it stood at 17.4% for rural males and 13.6% for rural females.
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- In urban India, joblessness was at 18.7% among males and a huge 27.2% among females.
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- Labour force participation rate (LFPR) is defined as the section of working population in the age group of 16-64 in the economy currently employed or seeking employment.
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- **LFPR declined** from 39.5% in 2011-12 to 36.9% in 2017-18.
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- Thus, while the phenomenon of unemployment is rising on one hand, the LFPR dipped on the other.
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- This shows that people are simply giving up on finding jobs and have stopped seeking work.
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- Thus, this sharp drop in the employment rate completely negates India's demographic dividend, since people are not in the labour force.
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What does the government say?

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- The government claimed that it was just a draft report and further work needed to be done before release.
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- It is true that as the full report is not available.
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- Comparability is also unclear due to the change in methodological factors such as the sample size and sampling design.
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- e.g The quinquennial Employment-Unemployment Survey had a single country-wide sample, involving 100,000 households. But the PLFS, being an annual survey, could have been on a smaller sample.
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- At the same time, the official website itself suggests that the PLFS will have two separate samples (one for rural and another for urban areas) which will be refreshed in differing time-periods.
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- Also, despite the change in duration, the concepts of unemployment used in the PLFS are the same as those in all the previous quinquennial surveys.
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- Thus, the government should not delay the official publication of the NSSO survey, which might present an alarming picture of joblessness in India.
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Source: Business Standard, The Hindu

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