

# UNEMPLOYMENT HAS DECREASED, SAYS LATEST LABOUR FORCE SURVEY

Relevant for: Indian Economy | Topic: Issues Related to Poverty, Inclusion, Employment & Sustainable Development

The unemployment rate saw a decrease of 0.6% and fell to 4.2% in 2020-21, compared with 4.8% in 2019-20, according to the Periodic Labour Force Survey (PLFS) for 2020-21 released by the Ministry of Statistics and Programme Implementation here on Tuesday.

This means that only 4.2% of adults who looked for jobs could not get any work in rural and urban areas of the country in 2020-21.

Rural areas recorded an unemployment rate of 3.3% and urban areas recorded an unemployment rate of 6.7%.

The National Statistical Office (NSO) uses “rotational panel sampling design” in urban areas to assess the Labour Force Participation Rate (LFPR), Worker Population Ratio (WPR) and the unemployment rate, and visits selected households in urban areas four times. There was, however, no revisit for the rural samples.

The sample size for the first visit during July 2020-June 2021 in rural and urban areas was 12,800 first-stage sampling units (FSU) in 7,024 villages and 5,776 urban frame survey blocks.

## First-stage sampling

Out of this, 12,562 FSUs (6,930 villages and 5,632 urban blocks) were surveyed for canvassing the PLFS schedule.

“The number of households surveyed was 1,00,344 (55,389 in rural areas and 44,955 in urban areas) and number of persons surveyed was 4,10,818 (2,36,279 in rural areas and 1,74,539 in urban areas),” the Ministry said in a release.

The LFPR, the percentage of persons in the labour force (that is, working or seeking work or available for work) in the population was 41.6% during 2020-21. It was 40.1% in the previous year. The WPR was 39.8%, an increase from 38.2% of the previous year. WPR is defined as the percentage of employed persons in the population.

Migrants are defined in the survey as a household member whose last usual place of residence, at any time in the past, was different from the present place of enumeration. The migration rate, according to the survey, is 28.9%. The migration rate among women was 48% and 47.8% in rural and urban areas, respectively.

## Rural jobs

Experts point out that a second visit to the households in rural areas could have provided a bigger and larger picture of unemployment, which did not happen in the survey.

“Overall, the report suggests shifting the government’s policy directions as it has become more rural centric. Creation of rural jobs other than in the agricultural sector and MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act) could be priorities for the

government at the Union and State levels,” Sridhar Kundu, senior research analyst at the Indian School of Business, said.

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