

GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT
RAJYA SABHA
UNSTARRED QUESTION NO. 2163
TO BE ANSWERED ON 04TH AUGUST, 2022

LABOUR FORCE PARTICIPATION RATE

2163. SHRI JAWHAR SIRCAR:

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) reason for India's labour force participation ratio hovering at 47 percent of the approximate 100 crore Indians above 15 years which is among the lowest of comparable countries like Bangladesh at 57 percent, Nepal at 80 percent and most countries comfortably above 60 percent;**
- (b) whether India is not losing its demographic dividend and the youthful population staying out of the job market, as no employment is available; and**
- (c) whether the above is not reinforced by India's unemployment rate that shot up to 7.8% in June 2022, with some 13 million jobs lost, mostly in the agriculture?**

ANSWER

MINISTER OF STATE FOR LABOUR AND EMPLOYMENT
(SHRI RAMESWAR TELI)

(a) to (c): The data on Employment and Unemployment is collected through Periodic Labour Force Survey (PLFS) conducted by the Ministry of Statistics and Programme Implementation (MoSPI) since 2017-18. The survey period is July to June of next year. As per the available annual reports of PLFS, the estimated Labour Force Participation Rate (LFPR) on usual status for persons of age 15 years and above was 50.2%, 53.5% and 54.9% during 2018-19, 2019-20 and 2020-21, respectively.

The LFPR is the percentage of population which is either working (employed) or seeking for work (unemployed). The complete working age population may not be in labour force since a substantial portion of working age population is either pursuing education or engaged in unpaid activities like unpaid domestic activities or caregiving services for household members, volunteering, training, etc. However, the available data shows that LFPR has an increasing trend which indicates that more and more people are joining the Labour Force.

The estimated Unemployment Rate (UR) on usual status for persons of age 15 years and above was 5.8%, 4.8% and 4.2% during 2018-19, 2019-20 and 2020-21, respectively. This indicates that unemployment rate has a declining trend.

The estimated percentage of workers on usual status in Agriculture sector was 42.5%, 45.6% and 46.5% during 2018-19, 2019-20 and 2020-21, respectively, which also indicates an increasing trend of employment in agriculture sector during this period.
