

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT
RAJYA SABHA
UNSTARRED QUESTION NO.560
TO BE ANSWERED ON 26TH JUNE, 2019**

METHODOLOGY FOR CALCULATING UNEMPLOYMENT RATE

560. SHRI MOHD. ALI KHAN:

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

- (a) whether Government has changed its methodology in calculating unemployment rate;**
- (b) if so, the details thereof; and**
- (c) whether the new methodology is aimed at capturing the data more accurately?**

ANSWER

**MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT
(SHRI SANTOSH KUMAR GANGWAR)**

(a) & (b): National Sample Survey (NSS), Ministry of Statistics and Programme Implementation has launched a new regular employment-unemployment survey, namely, Periodic Labour Force Survey (PLFS) during 2017-18 with some changes in survey methodology, data collection mechanism and sampling design vis-à-vis the earlier quinquennial (once in every five years) Employment and Unemployment surveys of NSSO. The methodology adopted for the PLFS is given at Annexure- I

(c): The PLFS was launched with the objective of measuring quarterly changes of various statistical indicators of the labour market in urban areas as well as generating the annual estimates of different labour force indicators both in rural and urban areas.

Annexure referred to in reply to part (a & b) of the Rajya Sabha Unstarred Question No. 560 due for reply on 26-06-2019

1. Sampling design

- a) Frame for PLFS (2017-18):** The list of latest available Urban Frame Survey (UFS) blocks was the sampling frame for urban areas. For nearly one-half of the towns, UFS frame 2012-17 was used and for another half of the towns, UFS frame 2007-12 was used. List of 2011 Population Census villages (Panchayat wards for Kerala) constituted the rural sampling frame.
- b) Sampling design for PLFS:** A stratified multi-stage design was adopted. The first stage units (FSU) were the Urban Frame Survey (UFS) blocks in urban areas and 2011 Population Census villages (Panchayat wards for Kerala) in rural areas. The ultimate stage units (USU) were households. As in usual NSS a round, in the case of large FSUs one intermediate stage unit, called hamlet group/sub-block, was formed.
- c) A rotational panel sampling design has been used in urban areas.** In this rotational panel scheme, each selected household in urban areas is visited four times – first time with first visit schedule and other three times with revisit schedule. For rural areas, in each quarter, only 25% FSUs of annual allocation (as is done in each sub-round of NSS rounds) were covered so that independent estimates can be generated for each quarter. There was no revisit for the rural samples.

2. Stratification and Sub-stratification

- a) Stratification for first stage units in PLFS:** In urban areas strata were formed within each NSS region on the basis of size class of towns as per Population Census 2011.

stratum 1 :	all towns with population less than 50,000
stratum 2 :	all towns with population 50,000 or more but less than 3 lakhs
stratum 3 :	all towns with population 3 lakhs or more but less than 15 lakhs
stratum 4, 5, 6,... :	each city with population 15 lakhs or more

The rural areas of each NSS region constituted rural stratum.

b) Sub-Stratification in PLFS:

- i) **Urban:** In urban areas there was no sub-stratification.
- ii) **Rural:** 'r/8' sub-strata were formed in each rural stratum, if 'r' was the annual sample size allocated for a rural stratum. The villages within a stratum as per frame were first arranged in ascending order of population. Then sub-strata 1 to 'r/8' were demarcated in such a way that each sub-stratum comprised a group of villages of the arranged frame and had more or less equal population.

3. Sample Size and sample selection

a) **Sample size for PLFS:** A total number of 12,800 FSUs (7,024 villages and 5,776 UFS blocks) was allotted for the survey at the all-India level during July 2017-June 2018.

b) **Selection of first stage units in PLFS:** Urban FSUs were selected by probability proportional to size with replacement (PPSWR) scheme, size being the number of households in the UFS block. Samples for a panel within each stratum were drawn in the form of two independent sub-samples. To implement the rotational scheme, 4 groups of sample FSUs of equal size (each multiple of size 2, half for each of sub-sample 1 and sub-sample 2) were drawn randomly. In the rural areas, samples for a stratum/sub-stratum were drawn randomly in the form of two independent sub-samples with probability proportional to size with replacement (PPSWR) scheme, size being the population of the village.

c) Second stage strata formation in PLFS:

composition of SSS (rural)	SSS	number of members	number of households to be surveyed	
			FSU without hamlet group (hg) formation	FSU with hg formation (for each hg)
number of members in the household having level of general education as secondary (10th standard) or above	SSS 1	2 or more	2	1
	SSS 2	1	4	2
	SSS 3	0	2	1
TOTAL			8	
composition of SSS (urban)	SSS	number of members	number of households to be surveyed	
			FSU without sub-block (sb) formation	FSU with sb formation (for each sb)
number of members in the household having level of general education as secondary (10th standard) or above	SSS 1	3 or more	2	1
	SSS 2	2	2	1
	SSS 3	1	2	1
	SSS 4	0	2	1
TOTAL			8	