

Issues in the Indian Labor Market: Insights from PLFS Survey

K R Shyam Sundar & Rahul Suresh Sapkal

Post-demonetization years followed by the introduction of GST have been characterized by “jobless growth”. The shrill debate in the absence of credible official data of the magnitude and character, the erstwhile National Sample Survey (NSS) database became controversial and even served fodder for electoral discourses. For controversial reasons the NDA Government withheld the release of the revised and refined Periodic Labor Force Survey (PLFS) till April 2019. This article analyses the PLFS data and the NSS data to bring out the contemporary features of labor market and traces the temporal patterns during 2004/05 – 2017/18. It shows that there is not only “job crisis”, but rising unemployment and deterioration in the conditions of employment.

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Introduction

The Committee on Experts on Unemployment Estimates chaired by Prof. Dantwala set up by the erstwhile Planning Commission in the early 1970s studied the detailed dimensions of employment and unemployment in the labor market in India and recommended the standard indices to measure employment and unemployment for the pre-liberalized Indian economy. These measures were implemented in the National Sample Surveys (NSS) by NSS Organization (NSSO) till the 68th round (2011-12) with a few amendments. The NSSO data base formed the basis for active policy intervention in the Indian labor market for long. Since 2014 with the assumption of power by the Bharatiya Janata Party (BJP)-led National Democratic Alliance (NDA) at the Centre, the NSSO data base was challenged on various grounds: the quinquennial NSS fails to reflect the dynamics of employment correctly and does not adequately capture the new kinds of jobs that are being created in the modern and the conventional service sectors, such as jobs in the gig economy and other modern services (both personal and social) and there is a need for a statistical system to cap-

ture the changes taking in the short term. Considering the importance of the availability of labor force data at more frequent time intervals (say, for every quarter), on the recommendation of the National Statistical Commission (NSC), the Ministry of Statistics and Program Implementation (MOSPI) constituted a Committee on Periodic Labor Force Survey (PLFS) to develop the survey methodology including the sample design for generating monthly/quarterly labor market data. After a good deal of delay and procrastination the NDA government has after its thumping victory in the recent general elections released the full PLFS report on 31st May, 2019.

The report defines that if a person is employed or seeking work for more than half the time (“majority time”) during the preceding 365 days before the date of the survey then his or her “usual status” is that he/she belongs to the labor force; but if the person does not succeed in getting work for more than half the time then he or she is considered of “usual status unemployed”. All individuals who are outside of the labor force, according to this definition, are unemployed, but if they have worked for not less than 30 days during the reference year they are classified as “subsidiary status” workers. The total labor force then is defined as “Usual Status (Principal Status plus Subsidiary Status, PS+SS)” workers. If a person has worked or sought work for at least one hour on at least one day during the 7 days preceding the date of survey then his or her is current weekly status (CWS). In the subsequent sections, we make analysis of labor market profile and working conditions in

the post-reform period on the basis of the data presented in this report.

Labor Force Participation

The labor force participation rate (LFPR) is defined as the percentage of persons in the labor force among the persons in the population. It is a broad indicator widely used to assess the number of people who are actively engaged in market activities for their livelihood. During 2017-18 labor force participation rate is significantly lower for females than for males in both rural and urban areas. According to the usual status (PS+SS), 54.9 percent of rural males and 18.2 percent of rural females were in the labor force and 54.4 percent of rural males and 16.1 percent of rural females were in the labor force according to CWS approach. In urban areas, about 56.7 percent of males and 15.3 percent of females were in the labor force. On either estimate female labor supply is abysmally low. More worryingly, the female LFPR in the rural areas by both usual status and CWS status declined steeply over the period 2004/05-2017/18; in terms of usual status, from 33.3 percent to 18.2 percent and 28.7 percent to 16.1 percent respectively (Table 1). At the same time, quite surprisingly, the male LFPR remained almost constant ranging from 54 to 57 percent depending on the measure and area (urban or rural).

The female LFPR in the rural areas by both usual status and CWS status declined steeply over the period 2004/05-2017/18.

Table 1 Distribution of LFPR by Usual Status (PS+SS), 2004-05 to 2017-18

Categories of Approaches	LFPR (in percent)							
	2004-05	2009-11	2011-12	2017-18	2004-05	2009-11	2011-12	2017-18
	Male				Female			
	Rural							
Usual (PS+SS)	55.5	55.6	55.3	54.9	33.3	26.5	25.3	18.2
CWS	54.5	54.8	54.5	54.4	28.7	23.1	21.5	16.1
	Urban							
Usual (PS+SS)	57.0	55.9	56.3	57.0	17.8	14.6	15.5	15.9
CWS	56.6	55.6	56.1	56.7	16.8	14.1	14.8	15.3

Note: Unless and otherwise mentioned, the following Notes and Source will apply as relevant to such usage in the subsequent tables.

1. Usual Status – “The activity status on the basis of the reference period of last 365 days preceding the date of survey is known as the usual activity status of the person” (GoI, 2019:17)
 2. PS – Usual principal activity of a person
 3. SS – Usual subsidiary activity of a person
 4. CWS – Current Weekly Status
 5. The figures are to be read along with the explanatory note for comparability (as cautioned by the Government of India in its PLFS Report)
 6. LFPR – Percentage of persons in the labor force in the population.
 7. PLFS – Periodic Labor Force Survey
 8. The statistics earlier than 2017-18 were collected in various rounds by the NSSO
- Source: Statement No.7:51, for this table. For this and other tables in the paper, *Annual Report, Periodic Force Survey, July 2017 – June 2018*, Government of India, Ministry of Statistics and Implementation, National Statistical Office, May 2019

During the period between 2004-05 and 2011-12 and 2011-12 and 2017-18, among persons of age 15-29 years (the younger cohort constitutes 27 percent of India’s population), the LFPR among males and females in both rural and urban areas declined (Table 2). But the extent of decline was higher in rural areas than in urban areas for both males (almost twice in rural than in urban) and females (over six times in rural than in urban). The LFPR among 15 and above age group witnessed a sharper decline among males (9.5 percentage points) and females (24.8 percentage points) in ru-

ral than for them in urban (4.7 and 4.0 percentage points respectively) areas during 2004/05- 2017/18. A sharp decline in the labor force participation rate in all categories shows that the economic agents especially in the rural areas and females are less willing to enter the labor market either for want of jobs or because they want to pursue education or because neither option was attractive.

Worker-Population Rate

Worker-Population Rate (WPR) is the percentage of persons employed

Table 2 Labor Force Participation Rates (LFPR) (%) in Usual Status (PS+SS) During 61st (2004- 2005), 66th (2009-2010), 68th (2011-2012) Rounds and PLFS (2017-2018) for Persons of Age 15-29 Years and 15 Years and Above

Age Group	Rural			Urban			Rural+Urban		
	Male	Female	Person	Male	Female	Person	Male	Female	Person
PLFS (2017-18)									
15-29 Years	58.9	15.9	38.1	58.5	17.5	38.5	58.8	16.4	38.2
15 Years and Above	76.4	24.6	50.7	74.5	20.4	47.6	75.8	23.3	49.8
2011-12									
15-29 Years	64.9	27.1	46.4	60.7	18.1	40.5	63.6	24.4	44.6
15 Years and Above	81.3	35.8	58.7	76.4	20.5	49.3	79.8	31.2	55.9
2009-10									
15-29 Years	68.0	30.2	49.6	61.0	16.8	40.1	65.9	26.3	46.8
15 Years and Above	82.5	37.8	60.4	76.2	19.4	48.8	80.6	32.6	57.1
2004-05									
15-29 Years	77.2	42.8	60.2	68.3	21.7	46.6	74.6	37.1	56.4
15 Years and Above	85.9	49.4	67.7	79.2	24.4	53.0	84.0	42.7	63.7

Source: Statement No.8:53, *ibid*.

among the population. The WPR and LFPR are of course closely related. For a developing country like India WPR appears to be a robust metrics to examine the dynamics of labor market activities given the unlimited supply of low skilled workers. The WPR for all persons in both rural (about 34 percent) and

urban areas (about 35 percent) was quite close (Table3).

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Table 3 Worker-Population Ratio (WPR) (%) in Usual Status (PS+SS) During 61st Round (2004-05) to PLFS (2017-18)

Round (Year)	Rural			Urban			Rural+Urban		
	Male	Female	Person	Male	Female	Person	Male	Female	Person
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
PLFS (2017-18)	51.7	17.5	35.0	53.0	14.2	33.9	52.1	16.5	34.7
68 th (2011-12)	54.3	24.8	39.9	54.6	14.7	35.5	54.4	21.9	38.6
66 th (2009-10)	54.7	26.1	40.8	54.3	13.8	35.0	54.6	22.8	39.2
61 st (2004-05)	54.6	32.7	43.9	54.9	16.6	36.5	54.7	28.7	42.0

Source:Statement No.10: 56, *ibid*.

In both rural and urban areas, WPRs for females were considerably lower than those for males. In rural areas, WPRs for males and females were 51.7 percent and 17.5 percent respectively while in urban areas WPRs for males and females were nearly 53 percent and 14.2 percent respectively. The profile is the same when we look at WPR by CWS data also (see Statement 9:55 in the Report). It clearly shows that female population was outpacing the number of jobs created for them in both rural and urban areas. As compared with growth in female population the rate of growth of number of jobs for women workers is shrinking and will eventually push them

Female population was outpacing the number of jobs created for them in both rural and urban areas.

to the margin of vulnerability. The rate of decline in WPR for both male and female workers during 2004-05 to 2017-18 in the rural areas was far higher than that for them in the urban areas, though the decline was marginal (by 2.9 percentage points) for rural male workers as compared to the steep fall for rural female workers (15.2 percentage points).

More worryingly, the WPRs for the youth cohort from 53.3 percent in 2004-05 to 31.4 percent in 2017-18. Seen at a disaggregate manner, the decline was sharper in the rural areas for both males and females while it was so only in the case of urban males (Table 4). The decline in WPR for rural males was 25.6 percentage points, for urban males was 14.7 percentage points, while the same for rural and urban females were 23.8 and 5.6 percentage points.

Table 4 WPR (%) in Usual Status (PS+SS) during 61st (2004-05), 66th (2009-10), 68th (2011-12) Rounds and PLFS (2017-18) for Persons of Age 15-29 Years (Younger Cohort)

Rounds	Rural			Urban			Rural+Urban		
	Male	Female	Person	Male	Female	Person	Male	Female	Person
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
PLFS (2017-18)	48.6	13.8	31.8	47.6	12.8	30.6	48.3	13.5	31.4
68 th (2011-12)	61.6	25.8	44.1	55.8	15.7	36.8	59.8	22.8	41.9
66 th (2009-10)	64.8	28.8	47.2	56.4	14.4	36.5	62.3	24.7	44.1
61 st (2004-05)	74.2	41.0	57.7	62.3	18.4	41.9	70.7	34.9	53.3

Source: Statement No.11:57, *ibid.*

The report also shows that across the income classes based on the MPCE (Monthly Per Capita Expenditure) deciles classes, the WPR among the bottom decile classes was much lower than upper decile classes indicating that work participation among the poorer house-

holds has reduced relative to higher income households (Table5).

Work participation among the poorer households has reduced relative to higher income households.

Table 5 WPRs (%) in Usual Status (PS+SS) by Decile Classes of Usual Monthly Per Capita Consumer Expenditure (UMPCE) During 2017-18 (PLFS)

Decile Classes of Population by UMPCE	Rural			Urban		
	Male	Female	Persons	Male	Female	Persons
PLFS (2017-18)						
0-10	45.5	16.5	30.8	45.7	11.1	28.1
10-20	48.0	16.0	32.1	49.4	12.2	30.5
20-30	49.1	16.2	33.0	50.8	13.5	32.3
30-40	48.6	15.2	32.2	52.2	13.2	32.9
40-50	51.1	16.7	34.5	54.2	14.8	34.6
50-60	53.3	16.0	35.2	54.2	13.4	34.3
60-70	53.2	19.1	36.8	54.1	15.3	35.3
70-80	54.8	20.2	38.2	56.5	14.4	36.5
80-90	55.2	19.4	37.8	55.7	14.0	35.8
90-100	57.8	19.7	39.6	56	19.9	38.8

Source: Statement No. 12:60, *ibid.*

Profile of Employment Status

Like in the past the Survey classifies employment into three categories: self-employment, regular wage/salaried employment and casual labor. According to the survey, in 2017-18 more than 50 percent of males (57.8 percent) and females (57.7 percent) workers are engaged in the self-employed category at all India level (Table 6). The proportion of population employed in the self-employed category is more in rural than in urban areas. Male workers are highly represented in the own account workers/employers than female workers in both urban and rural areas. Female workers are more likely to be

Male workers are highly represented in the own account workers/employers than female workers in both urban and rural areas.

employed as a helper in the household enterprise than male workers. It is interesting to note that female workers are slightly more engaged as casual labor in rural areas than male workers i.e. 4.6 percent whereas in the urban areas, female-male casual labor gap is much lower at 2 percentage points. Again, the gap between the shares of females and males in the regular employment is less, just 2.4 percentage points. While in urban areas females (52.1 percent) are more as compared to males (45.7 percent) in regular wage and salaried employment while in the rural areas it is the reverse, i.e. females (10.5 percent) are lower than males (14.0 percent). This peculiar gender dimension especially in the urban areas with regard to the securing regular wage and salaried employment is striking and it is likely to add evidence to the “feminization of workforce” argument, though we require detailed data analysis to establish this strongly.

Table 6 Percentage Distribution of Workers in Usual Status (PS+SS) by Status in Employment During 2017-2018 (PLFS)

Category of Persons	Category of Employment					
	Self-Employment Own Account Worker and Employer	Helper in Household Enterprise	All Self- Employed	Regular Wage/Salary	Casual Labor	All
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Rural						
Male	48.0	9.8	57.8	14.0	28.2	100.0
Female	19.0	38.7	57.7	10.5	32.8	100.0
Person	41.0	16.9	57.8	13.1	29.1	100.0
Urban						
Male	34.9	4.3	39.2	45.7	15.1	100.0
Female	23.7	11.0	34.7	52.1	13.1	100.0
Person	32.6	5.7	38.3	47.0	14.7	100.0
Rural+Urban						
Male	44.1	8.2	52.3	23.4	24.3	100.0
Female	20.2	31.7	51.9	21.0	27.0	100.0
Person	38.6	13.6	52.2	22.8	24.9	100.0

Source: Statement No. 14:62, *ibid.*

Conditions of Employment

As the labor market processes begin to integrate with global value chains and production activities tend to become smaller in scale, new forms of informal employment find their ways in the economic activities. Workers without any form of a written contract are not a new phenomenon in India. Oral conversations and assurances are taken as one distinct form of employment relationship that governs the entire informal economy. Among the regular wage/salaried employees in the non-agriculture sector in 2017-18, 72.3 percent of males and 66.8 percent of females did not have a written job contract (Table 7). The overall picture of almost equally worse treatment to both females and males at the aggregate level hides the gaps between

the two in the rural areas. In the rural areas a much lower share of female workers (58.5 percent) as compared to male workers (71.7 percent) did not have formal contracts.

This forms the basis for extreme vulnerabilities and exploitation.

Employees working without a formal (i.e. written) employment contract represents what we call a *fundamental precarity* in the labor market. This not only deprives these workers any legal basis for claiming or reclaiming their entitlements as promised by labor laws and regulations but also push them beyond the boundaries of decent work, i.e. this forms the basis for extreme vulnerabilities and exploitation. Employees

Table 7 Percentage of Regular Wage/Salaried Employees without Written Job Contract Among Regular Wage/Salaried Employees in Usual Status (PS+SS) in Non-Agriculture Sector During NSS 61st (2004-05), 66th (2009-10), 68th (2011-12) Rounds and PLFS (2017-18)

NSS Round (Survey Period)	Rural			Urban			Rural+Urban		
	Male	Female	Person	Male	Female	Person	Male	Female	Person
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
PLFS (2017-18)	71.7	58.5	69.2	72.7	71.4	72.4	72.3	66.8	71.1
68 th Round (2011-12)	65.4	61.9	64.7	64.4	65.9	64.7	64.7	64.6	64.7
66 th Round (2009-10)	61.1	55.3	60.0	65.1	64.8	65.0	63.7	61.5	63.3
61 st Round (2004-05)	59.4	56.8	58.9	58.6	61.2	59.1	58.9	59.6	59.1

Source:Statement No.19 :70, *ibid.*

working without any contract also indicate the erosion of standard employment relationship that falls outside the purview of legal recourse and become a subject of systematic and continuous violation of labor rights and standards. In 2017-18, employees working without any formal written contract in the regular wage and salaried employment in the non-agricultural sectors is slightly higher in urban areas than in rural areas. However, over the period 2004-05 to 2017-

18, male employees seem to have suffered more from this form of precarity than female employees as the proportion of males not having formal employment contract has risen more sharply than that for female employees. Though in the urban areas female employees are quite worse off (as compared to those in rural areas) like having a formal written contract, access to paid leave also indicate the quality of employment and decent work.

Table 8 Percentage of Regular Wage/Salaried Employees Not Eligible for Paid Leave Among Regular Wage/Salaried Employees in Usual Status (PS+SS) in Non-Agriculture Sector During NSS 61st (2004-05), 66th (2009-10), 68th (2011-12) Rounds and PLFS (2017-18)

	Rural			Urban			Rural+Urban		
	Male	Female	Person	Male	Female	Person	Male	Female	Person
PLFS (2017-18)	58.1	47.9	56.2	53.1	51.8	52.8	55.2	50.4	54.2
68 th round (2011-12)	51.7	48.1	51	49.5	49.1	49.4	50.2	48.8	50
66 th round (2009-10)	50.2	47.6	49.7	46.6	44.7	46.3	47.8	45.7	47.4
61 st round (2004-05)	47.3	48.7	47.6	44.8	48	45.5	45.8	48.3	46.2

Source:Statement No.20 :71, *ibid.*

It is puzzling that while 71.1 percent of the employees in the non-agricultural sectors having regular wage and salaried employment in both urban and rural areas do not have formal employment contracts only 54 percent of such employees do not have entitlements for paid leave in 2017-18 (Table 8). What is more worrying is that in the case of employees not having formal employment contracts and not having leave entitlements over the period 2004/05-2017/18 have increased sharply – in the former case from 59.1 to 71.1 percent and in the latter case from 46.2 to 54.2 percent. Even

though male employees are slightly worse off than female employees, given that the maternity leave for female employees has been legalized decades ago slightly more than half of the female employees having regular employment do not enjoy paid leaves. The fact that this precarity is almost gender neutral makes it more disturbing especially when the government, as we have seen in the earlier pages, has been striving to attract more females into the labor market and into formal employments. These statistics should provide food for considerable thought for the policy makers.

Table 9 Percentage of Regular Wage/Salaried Employees Not Eligible for Any Social Security Benefit* Among Regular Wage/Salaried Employees in Usual Status (PS+SS) in Non-Agriculture Sector During NSS 61st (2004-05), 66th (2009-10), 68th (2011-12) Rounds and PLFS (2017-18)

Survey Period	Rural			Urban			Rural+Urban		
	Male	Female	Person	Male	Female	Person	Male	Female	Person
PLFS (2017-18)	51.9	55.1	52.5	47.0	50.1	47.7	49.0	51.8	49.6
68 th Round (2011-12)	56.8	63.4	58.0	53.5	56.2	54.1	54.7	58.7	55.4
66 th Round (2009-10)	55.8	61.5	56.9	52.9	53.0	52.9	53.9	56.0	54.2
61 st Round (2004-05)	55.5	60.8	56.5	51.9	59.6	53.4	53.2	60.0	54.5

Note: *For the purpose of the survey, the social security benefits considered were provident fund, pension, gratuity, healthcare and maternity benefit.
Source: Statement 21 :73, *ibid*.

The Central Government has been implementing substantial amount of procedural reforms concerning registration under various schemes and compliance of labor laws, especially with respect to social security schemes like the EPF and ESI schemes and the pay-roll data has even achieved legitimacy as representing employment data if not formal jobs data. Table 9 shows that the government

needs to cover a lot of ground in this regard as even though the shares of regularly employed male and female employees not being eligible for any social se-

Even in 2017-18 around a half of the regular employees in the non-agricultural sectors are not eligible for any social security.

curity benefit have declined over 2004/05-2017/18 (the fall for female employees is greater than that for male employees). Even in 2017-18 around a half of the regular employees in the non-agricultural sectors are not eligible for any social security.

Wages

In 2017-18 on an average a worker having a regular wage and salaried employment earned a little over Rs. 16,000 in urban areas and a little over Rs. 11,000 in rural areas. In rural area a male regular wage/salaried employee earned nearly

1.4 to 1.7 times the earnings of a female regular wage/salaried employee while in urban area a male regular wage/salaried person earned nearly 1.2 to 1.3 times the earnings of a female regular wage/salaried employee. Almost in all four quarters the wages/salaries have increased marginally (1.19 percentage points) for both males and females in rural areas. However, the rates of increase for both genders in urban areas (simple rates of growth are 10.78 per cent and 12.74 per cent respectively) over the four quarters are far less impressive as compared to those for both genders in rural areas (6 percent and 4.26 per cent respectively). (Table 10).

Table 10 Average Wage/Salary Earnings (in Rs.) During the Preceding Calendar Month for the Regular Wage/Salaried Employees During the Survey Period 2017-18 (PLFS)

Survey Period 2017-18	Rural			Urban		
	Male	Female	Person	Male	Female	Person
July-September 2017	12,659	8,777	11,878	17,314	13,895	16,538
October-December 2017	13,005	8,534	12,133	18,014	15,078	17,359
January-March 2018	14,445	8,549	13,351	18,277	14,779	17,483
April-June 2018	14,024	9,895	13,207	18,353	14,487	17,473

Source: Statement 22 :74, *ibid.*

As noted above, self-employment as a distinct employment category has highest number of workers engaged in the economic activities. Even the NDA-1 Government has laid tremendous emphasis on promoting self-employment and

entrepreneurship as opposed to wage employment. Is the former a good economic option? Do people in self-employment earn more than those in wage employment? In case the self-employed earn higher than those in wage employ-

Table 11 A Snap Shot Comparison of Average Earnings (in Rs.) for Regular, Casual and Self-Employed Workers in July-September 2017-18 (PLFS)

Employment Category	Rural			Urban		
	Male	Female	Person	Male	Female	Person
Regular Wage/Salaried Employees	12,659	8,777	11,878	17,314	13,895	16,538
Self-Employed	8,493	4,342	8,111	15,935	7,488	14,824
Casual Labor	7,590	4,980	6,960	9,420	5,760	8,820

ment then one could surmise that self-employment is a voluntary choice and not a coerced one.

As per Factories Act 1948, every adult (a person who has completed 18 years of age) cannot work for more than 48 hours in a week (section 51) and not more than 9 hours in a day (section 54). According to Section 56 of the Act, the spread over should not exceed 10½ hours. The Minimum Wages Act, 1948 requires fixation of normal working hours and determination of overtime in consonance with the provisions contained in Facto-

ries Act. In 2017-18 in rural areas a worker worked nearly 48 hours and in urban areas he/she worked for 56 hours in a week during the four quarters of the survey. The excess working hours in the urban areas could be attributed to either the legal overtime or illegal overtime (Table 12)

The excess working hours in the urban areas could be attributed to either the legal overtime or illegal overtime.

Table 12 Average Number of Hours Actually Worked in a Week by Workers in Different Statuses in Employment During the Four Quarters of the Survey Period 2017-18

Status of Employment	Rural			Urban		
	Male	Female	Person	Male	Female	Person
July- September 2017						
Self-Employed	50.0	39.8	47.8	58.9	41.5	56.1
Regular Wage/Salaried Employees	56.7	50.0	55.3	60.3	52.6	58.5
Casual Labor	46.4	39.0	44.4	49.1	42.0	47.9
All	50.0	40.8	47.9	58.1	47.7	56.1
October- December 2017						
Self-Employed	51.1	38.9	48.3	58.4	41.5	55.4
Regular Wage/Salaried Employees	57.7	50.0	56.2	60.2	52.7	58.5
Casual Labor	45.8	39.2	44.1	46.2	39.8	45.2
All	50.6	40.2	48.2	57.5	47.4	55.6
January – March 2018						
Self-Employed	50.5	38.3	47.9	58.4	41.4	55.4
Regular Wage/Salaried Employees	58.1	50.1	56.6	60.3	52.6	58.5
Casual Labor	45.3	37.3	43.4	45.4	39.4	44.5
All	50.2	39.4	47.9	57.5	47.3	55.5
April- June 2018						
Self-Employed	50.5	37.4	47.7	58.5	41.5	55.5
Regular Wage/Salaried Employees	57.8	49.5	56.2	60.1	52.7	58.4
Casual Labor	44.2	37.7	42.9	45.1	40.2	44.4
All	49.8	39.1	47.6	57.4	47.6	55.5

Source: Statement 26 :77, *ibid.*

Self-employed often self-exploit themselves in a bid to work harder than the wage and salary earners to earn enough income for their livelihood.

We take the 48 hours in a week stipulated by Factories Act as a benchmark and see how many more hours workers in various categories worked during a week. We take the higher hours worked in each category and quarter as this is more likely to be the practice in actual case in order to correct possibilities of underreporting by the respondents. In regular wage and salary employment category male workers worked 12 hours and female workers 4.7 hours more than the stipulated working hours limit prescribed by the Act (Table 12). Casual workers have mostly worked less than 48 hours. This is not surprising as they are asked to engage in works of casual nature and their work stream may not be

continuous in a week. In rural areas, the male self-employed persons actually worked 50 to 51 hours in a week and female self-employed persons worked nearly 37 to 40 hours, while in urban areas male self-employed persons worked nearly 58 to 59 hours in a week and female self-employed persons worked 41 to 42 hours in a week. These possibly suggest that self-employed often self-exploit themselves in a bid to work harder than the wage and salary earners to earn enough income for their livelihood.

Unemployment Rate

Unemployment rate (UR) is measured as the percentage of unemployed persons in the total labor force. In a developing and surplus labor economy open unemployment will be low as people wish to be employed in any kind of work as remaining unemployed is not an option for many poverty-stricken households.

Table 13 Unemployment Rates (in percent) According to Usual Status (PS+SS) and Current Weekly Status (CWS) During 2017 – 2018 (PLFS)

Status	Male	Female	Person
(1)	(2)	(3)	(4)
Rural			
Usual Status (PS+SS)	5.8	3.8	5.3
CWS	8.8	7.7	8.5
Urban			
Usual Status (PS+SS)	7.1	10.8	7.8
CWS	8.8	12.8	9.6
Rural+Urban			
Usual Status (PS+SS)	6.2	5.7	6.1
CWS	8.8	9.1	8.9

Note: Unemployment rate is the percentage of persons unemployed among the persons in the labor force.

Source: Statement No. 30 : 82, *ibid*.

As shown in Table 13 the unemployment in current weekly status is 8.9 per-

cent and usual status is 6.1 percent. In the CWS the unemployment rate is 9.6

percent in urban areas and 8.5 percent in rural areas. Similarly, in usual status, the unemployment rate is 7.8 percent and 5.3 percent in urban and rural areas re-

spectively. Female workers both in urban areas had higher unemployment rate in both approaches as compared to male workers while in rural areas it was obverse of urban picture.

Table 14 Unemployment Rate (in percent) Among the Youth (15-29 Years) in Usual Status (PS+SS) During NSS 61st (2004-2005), 66th (2009-2010), 68th (2011-2012) Rounds and PLFS (2017-2018)

Category of Persons	Survey Periods			
	61 st Round (2004-05)	66 th Round (2009-10)	68 th Round (2011-12)	PLFS (2017-18)
(1)	(2)	(3)	(4)	(5)
Rural Male	3.9	4.7	5.0	17.4
Rural Female	4.2	4.6	4.8	13.6
Urban Male	8.8	7.5	8.1	18.7
Urban Female	14.9	14.3	13.1	27.2

Source:Statement No.33: 85, *ibid.*

The youth unemployment, i.e. unemployment of persons aged 15-29 years showed a tremendous spike over the period, 2004-05-2017-18 irrespective of gender or rural or urban spaces, though the rate of increase over the period was higher for rural (4.5 or 3.2 times over the period) as compared to that for urban (2.1 and 1.83 times) (Table 14). What is far more serious is that the unemployment rate of rural young males increased the fastest (4.5 times) and as a result the gulf between rural male and urban male unemployment has considerably reduced over the years (from 4.0 to 1.3 percentage points). Though youth unemployment for both males and females in urban ar-

reas remained always higher during this period wherein the urban female unemployment was always in double figures and in 2017-18 peaked at 27.2 percent. The youth unemployment in 2017-18 ranges from 13.7 to 27.2 percent and these are worrisome figures.

Conclusion

Despite much controversy the recently released the PLFS report is garnering lot of attention for providing the unexpected glimpses of the state of employment and unemployment and working conditions in the labor market in India in recent periods. The survey clearly shows that the vital metrics of Indian labor market is a cause for concern. Some serious aspects of the foregoing analyses need serious attention from the policy makers. A dramatic reduction in female labor and workforce participation rates, rise in and alarmingly higher macro un-

The youth unemployment in 2017-18 ranges from 13.7 to 27.2 percent and these are worrisome figures.

employment rates in general and higher and rising educated and youth unemployment pose not only economic problems but raise serious social concerns. Higher unemployment rate also indicate that the business promotion strategies of the government have failed to create new jobs for younger cohorts and highly educated ones. The statistical profile that has emerged in the foregoing pages in the paper show the inadequacies of the active labor market policies and other schemes by the government.

The poor and declining female labor and work participation rates perhaps indicate that the growth process has not been gender neutral and still social barriers impede women's decision to actively participate in the job market. Further the fact that 71.1 percent of regularly wage employed persons had no written job contract reveals the fundamental precarity in the labor market and all the talk of labor law reforms generating jobs should just look at this statistic alone to appreciate that employment seen as mere numbers is unforgivably inadequate. It also shows that people seek any kind of jobs so long they are unemployed and do not earn some income. Again, self-employment does not seem to be a better option than wage employment.

The NDA-1 government has sought to address this issue through providing skills and other related intervention programs. On the demand side it has introduced a few incentivizing schemes like fixed term employment to all sectors and revival packages for the textile sector, etc. to encourage the labor-intensive industries to generate jobs. However, its policies are premised on the belief that pro-market reforms will unleash economic growth rates and labor flexibilities extended to firms will incentivize them to generate jobs and together these two policy planks will take care of its agenda of generating crores of jobs. But this policy mix seems to have not generated enough jobs as has been anticipated and surely not in terms of generating good quality jobs. India is a signatory to the Decent Work Agenda of ILO and this mandate will have to be embedded in all its policies. Hence instead of undertaking pro-market reforms which will only improve India's global position at the Ease of Doing Business rankings which is cosmetic (though could be argued to send positive signals to potential investors) the newly elected government must initiate pro-people and pro-worker reforms characterized by active state intervention.