GENERAL STUDIES IV

PLFS Annual Report 2025 – UPSC Mains 2027

Faculty/Author: Faculty Editorial Board
Platform: Civil Service Gurukul Research Wing
Date: 19 October 2026
Reading Time: 5 Mins

Explore the PLFS Annual Report 2025 with key findings on unemployment, LFPR, WPR, women workers, youth employment, self-employment, manufacturing, vocational education and the challenges of job quality in India. Complete UPSC Mains 2027 notes by Civil Service Gurukul.

CIVIL SERVICE GURUKUL

Excellence in Civil Services Preparation

Indian Economy | Employment | UPSC Mains 2027

PLFS Annual Report 2025: India's Employment Reality Beyond the Unemployment Rate

A comprehensive analysis of employment, labour force participation, women workers, youth unemployment, structural transformation and the future of India's workforce.

UPSC Mains 2027 Indian Economy NSO PLFS 2025 GS Paper III

Executive Summary

The Periodic Labour Force Survey Annual Report 2025 was released by the National Statistics Office under the Ministry of Statistics and Programme Implementation on 27 March 2026.

It covers January to December 2025 and uses the revamped PLFS sampling design introduced in January 2025.

The survey reports an overall Labour Force Participation Rate of 59.3%, Worker Population Ratio of 57.4% and Unemployment Rate of 3.1% under the usual-status principal-plus-subsidiary measure for persons aged 15 years and above.

The report shows a modest improvement in regular wage employment and a reduction in measured youth unemployment.

CIVIL SERVICE GURUKUL
www.civilservicegurukul.com

However, challenges persist in the quality of employment, female economic participation, vocational training and the transition from low-productivity activities to productive formal employment.

59.3% Labour Force Participation Rate

57.4% Worker Population Ratio

3.1% Unemployment Rate

Important Data Qualification: The above indicators are based on usual status (principal plus subsidiary status) for persons aged 15 years and above. These annual estimates should not be mixed directly with monthly unemployment rates based on Current Weekly Status. The sampling design changed in January 2025, so longitudinal comparisons require methodological care.

Table of Contents

1. Introduction
2. Survey Methodology
3. Key Labour Indicators
4. Major Findings
5. Women and Employment
6. Youth Unemployment
7. Nature of Employment
8. Sectoral Transformation
9. Education and Skills
10. Job Quality
11. Major Challenges
12. Government Initiatives
13. Way Forward
14. UPSC Questions
15. Model Answer
16. Quick Revision
17. FAQs

1. Introduction: Why PLFS Matters

Employment is central to economic development, household welfare and inclusive growth.

However, assessing employment requires more than counting people who are unemployed.

CIVIL SERVICE GURUKUL
www.civilservicegurukul.com

A comprehensive labour-market assessment must examine the participation of different population groups, the share actually employed, the quality of jobs, working conditions, earnings and skills.

PLFS is one of India's most important official data systems for understanding labour-market conditions.

Core UPSC Argument: The real success of employment policy should be evaluated through productive, adequately remunerated and secure employment, not merely a low headline unemployment rate.

2. PLFS Methodology and the 2025 Redesign

Survey Conducting Agency

The Periodic Labour Force Survey is conducted by the National Statistics Office under MoSPI.

Reference Period

The PLFS Annual Report 2025 covers January to December 2025.

Major Methodological Change

From January 2025, the sampling design was revised and the annual reporting period shifted from July–June to January–December.

Expanded Coverage

The redesigned PLFS supports monthly Current Weekly Status estimates for both rural and urban India.

Quarterly reporting also covers both rural and urban areas.

Survey Size

2.70 lakh Households surveyed

11.49 lakh Persons surveyed

22,594 First-stage units surveyed

Why Comparability Matters

A change in survey design may influence the composition of the sample and the statistical properties of estimates.

Therefore, comparisons with earlier surveys must account for changes in sample design, reference periods and measurement concepts.

CIVIL SERVICE GURUKUL
www.civilservicegurukul.com

3. Understanding Key Labour Market Indicators

Labour Force Participation Rate

Percentage of the population either employed or unemployed but seeking or available for work.

Worker Population Ratio

Percentage of the population classified as employed.

Unemployment Rate

Percentage of unemployed persons within the labour force.

Usual Status

Employment classification using a reference period of 365 days, including principal and qualifying subsidiary activities.

Important Formulas

LFPR = Labour Force / Population × 100

WPR = Employed Persons / Population × 100

UR = Unemployed Persons / Labour Force × 100

Current Weekly Status

CWS uses the seven-day reference period preceding the survey to classify labour-market activity under its prescribed criteria.

Principal and Subsidiary Status

Principal status is based on the activity pursued for the relatively longer part of the preceding 365 days.

Subsidiary status recognises qualifying economic activity pursued for at least 30 days during that period.

UPSC Prelims Trap: Unemployment Rate is calculated using the labour force as the denominator, not the entire population.

4. Major Findings of PLFS Annual Report 2025

Indicator 2025	Interpretation
Overall LFPR, age 15+	59.3%	Broad stability in workforce participation.
Male LFPR	79.1%	Substantially higher than female participation.
Female LFPR	40.0%	Large gender participation gap remains.

CIVIL SERVICE GURUKUL
www.civilservicegurukul.com

Overall WPR	57.4%	Broadly stable employment ratio.
Male WPR	76.6%	Higher employment ratio among men.
Female WPR	38.8%	Lower measured workforce participation.
Overall unemployment	3.1%	Usual-status rate, age 15+.
Youth unemployment, age 15–29	9.9%	Higher than the overall rate.
Regular wage/salaried workers	23.6%	Increased share in employment composition.
Self-employed workers	56.2%	Largest employment category.

Scale of Employment

Using projected population figures, the report estimated approximately 61.6 crore employed persons aged 15 years and above during 2025.

Of these, approximately 41.6 crore were male and 20.0 crore female.

Economic Interpretation: The absolute size of India's workforce demonstrates the importance of creating high-productivity employment and strengthening workers' earning capacity.

5. Female Labour Force Participation

Female LFPR stood at 19.0% in 2025, compared with 79.1% for males.

Female WPR was 38.8%, against 76.6% for males.

Rural–Urban Differences

Rural female LFPR stood at 45.9%.

Rural female WPR was 44.9%.

These figures demonstrate that women participate in economic activities through diverse employment arrangements, including self-employment and family enterprises.

Reasons for Non-Participation

Among females outside the labour force, 44.4% cited childcare or personal commitments related to homemaking as the main reason.

Policy Implications

1. Affordable childcare facilities.
2. Safe public transport.
3. Accessible skill training.
4. Flexible and decent employment opportunities.
5. Improved recognition of unpaid care responsibilities.

CIVIL SERVICE GURUKUL
www.civilservicegurukul.com

6. Support for women-owned enterprises.

Critical Perspective: A rise in female employment should be assessed alongside earnings, working hours, employment conditions and the nature of work. Participation alone does not establish job quality.

6. Youth Unemployment: A Continuing Challenge

The unemployment rate among persons aged 15–29 years declined from 10.3% in 2024 to 9.9% in 2025.

Youth Unemployment 2024 2025		
All India	10.3%	9.9%
Rural	8.7%	8.3%
Urban	14.3%	13.6%

Why Youth Unemployment Matters

Young workers are central to India's demographic dividend.

Difficulty entering productive employment can affect household income, skill accumulation and long-term earnings.

Education-Employment Mismatch

The unemployment rate among educated persons with secondary education or above declined from 7.0% in 2024 to 6.5% in 2025.

Yet the persistence of educated unemployment points to the importance of employment opportunities that match qualifications.

7. Nature of Employment: Self-Employment versus Salaried Jobs

Employment Status 2024 2025		
Self-employment	57.5%	56.2%
Regular wage/salaried	22.4%	23.6%
Casual labour	20.1%	20.2%

Self-Employment

Self-employment includes own-account workers, employers and helpers in household enterprises.

This is a heterogeneous category containing both productive entrepreneurs and workers with limited alternative opportunities.

CIVIL SERVICE GURUKUL
www.civilservicegurukul.com

Regular Salaried Employment

The increase to 23.6% indicates a modest change in employment composition.

However, a regular salary classification does not by itself guarantee a formal contract or comprehensive social-security coverage.

Casual Employment

Casual employment may involve irregular work availability and earnings uncertainty.

UPSC Analytical Point: The composition of employment matters as much as the number of people employed.

8. Structural Transformation: Agriculture to Manufacturing

The 2025 report indicates a reduction in agriculture's share of employment and a modest increase in manufacturing.

Sector 2024 2025		
Agriculture	44.8%	43.0%
Manufacturing	11.6%	12.1%
Construction	12.3%	12.0%
Other service	12.2%	13.1%

What Is Structural Transformation?

Structural transformation refers to the movement of production and workers across sectors and enterprises, often towards higher-productivity economic activities.

Significance

1. Supports productivity growth.
2. Can create diversified employment opportunities.
3. Improves the potential for industrial learning.
4. Reduces exclusive dependence on agriculture.
5. May support income growth when accompanied by better jobs.

Remaining Challenges

Manufacturing expansion must become more labour-absorbing and productivity-enhancing.

Migration, housing, transport, skill training and social protection are important complements to sectoral reallocation.

CIVIL SERVICE GURUKUL
www.civilservicegurukul.com

9. Education, Skills and Employability

The PLFS report highlights important gaps between formal education, vocational training and labour-market needs.

Education Attainment

Among persons aged 15 years and above, 67.8% had attained at least secondary education.

Average years of formal education among those with formal education were estimated at 10.0 years.

Vocational Training

Only 4.2% of persons aged 15–59 reported having received or receiving formal vocational or technical training.

NEET Indicators

The share of persons not in employment, education or training was 21.0% among those aged 15–24, and 25.0% among those aged 15–29.

Policy Priorities

1. Improve industry-linked vocational education.
2. Strengthen apprenticeships and work-based learning.
3. Expand women's access to technical training.
4. Support regional employment clusters.
5. Improve career counselling and placement services.
6. Promote continuous reskilling.

UPSC Value Addition: Education attainment and job readiness are related but distinct concepts. Formal qualifications do not automatically translate into productive employment.

10. Why Unemployment Alone Is Insufficient

The overall unemployment rate of 3.1% is an important survey estimate.

However, it does not measure every aspect of labour-market distress.

Underemployment

Some workers may have fewer hours or less productive work than they desire.

Disguised Unemployment

In some activities, additional workers may contribute little to output at the margin.

CIVIL SERVICE GURUKUL
www.civilservicegurukul.com

Low Earnings

Employment may coexist with inadequate income or financial insecurity.

Informality

Workers may lack formal contracts, social protection or reliable grievance mechanisms.

Unpaid Family Work

Employment classifications can include economic activity undertaken within household enterprises, which may not generate individual cash earnings.

Critical UPSC Insight: India's labour-market performance should be assessed through employment quantity, employment quality, labour productivity and earnings security.

11. Key Challenges Revealed by PLFS 2025

Challenge Evidence or Concern		Policy Response
Gender participation gap	Female LFPR 40.0%	Childcare, safety and employment opportunities.
Youth unemployment	9.9% for age 15–29	Skills and job creation.
High self-employment	56.2% of workers	Enterprise productivity and formal finance.
Agricultural employment concentration	43.0% of workers	Rural diversification and industry.
Vocational training gap	4.2% of persons aged 15–59	Industry-linked training.
Employment quality	Not fully represented by unemployment rate	Better wage, security and working-hours indicators.

12. Government Policies Related to Employment

Skill India Mission

Aims to improve vocational capability and employability.

Pradhan Mantri Kaushal Vikas Yojana

Provides skill development opportunities under notified programme arrangements.

National Apprenticeship Promotion Scheme

Encourages apprenticeship training and workplace learning.

CIVIL SERVICE GURUKUL
www.civilservicegurukul.com

Make in India

Supports manufacturing capacity and industrial development.

Production Linked Incentive Schemes

Encourage additional production in specified sectors, with employment outcomes depending on investment, technology and labour intensity.

National Career Service

Supports employment-related information and career services.

e-Shram

Provides a registration platform for unorganised workers to support worker databases and relevant welfare initiatives.

13. Way Forward: From Employment Numbers to Quality Jobs

1. Promote Labour-Intensive Manufacturing

Strengthen textiles, food processing, electronics assembly and competitive industrial clusters.

2. Support Women's Employment

Expand childcare, safe transport and workplace inclusion.

3. Improve Apprenticeships

Link skill training with actual demand from enterprises.

4. Encourage MSME Growth

Improve finance, technology adoption, market access and business productivity.

5. Strengthen Rural Non-Farm Employment

Support agro-processing, local enterprises, logistics and services.

6. Improve Employment Quality

Focus on wages, contracts, safety, social protection and career progression.

7. Reduce Care-Work Barriers

Recognise the effect of unpaid care responsibilities on labour participation.

8. Improve Labour Statistics

Use consistent indicators and explain survey design changes clearly.

CIVIL SERVICE GURUKUL
www.civilservicegurukul.com

9. Align Education and Industry

Promote practical learning and sector-specific skills.

10. Track Productivity and Real Earnings

Assess whether employment expansion also raises real living standards.

Policy Principle: The employment strategy for Viksit Bharat 2047 should prioritise productive jobs, rising real wages, gender inclusion and social security.

14. UPSC Syllabus Relevance

Paper	Relevant Topic
GS II	Social justice and vulnerable groups.
GS III	Indian Economy and employment.
GS III	Inclusive growth and industrial policy.
GS III	Human capital and skill development.
Essay	Demographic dividend and quality employment.

15. UPSC Mains 2027 Practice Questions

Question 1 | 150 Words | 10 Marks Distinguish between LFPR, WPR and Unemployment Rate. Explain their significance in assessing India's labour market.

Question 2 | 250 Words | 15 Marks"India's employment challenge extends beyond unemployment to the quality and productivity of jobs." Discuss using PLFS 2025.

Question 3 | 250 Words | 15 Marks Analyse the implications of the gender gap in labour force participation for inclusive growth.

Question 4 | 150 Words | 10 Marks Explain how the 2025 PLFS redesign affects the interpretation of labour-market statistics.

Question 5 | 250 Words | 15 Marks Examine the role of structural transformation and vocational education in creating productive employment in India.

16. UPSC Mains Model Answer

Question

"The PLFS Annual Report 2025 shows relative stability in employment indicators but continuing challenges in job quality." Critically examine. (250 Words)

CIVIL SERVICE GURUKUL
www.civilservicegurukul.com

Introduction

The PLFS Annual Report 2025 provides evidence on India's labour market during January–December 2025. It reports an LFPR of 59.3%, WPR of 57.4% and unemployment rate of 3.1% for persons aged 15 years and above under usual status.

Positive Developments

1. Broad stability in labour participation and employment.
2. Regular salaried employment rose to 23.6%.
3. Youth unemployment declined to 9.9%.
4. Manufacturing's employment share increased modestly.

Continuing Challenges

1. Female LFPR remained below male participation.
2. Self-employment accounted for 56.2% of workers.
3. Agriculture employed 43.0% of workers.
4. Formal vocational training coverage was limited.
5. Unemployment statistics do not capture every dimension of job insecurity.

Way Forward

India should prioritise labour-intensive manufacturing, women's employment, skills, enterprise growth and adequate social protection.

Better labour-market measurement and comparable time-series data are also necessary.

Conclusion

The demographic dividend can become an economic dividend only when employment opportunities generate higher productivity, better earnings and inclusive development.

17. Quick Revision Notes for UPSC

Indicator PLFS 2025 Finding	
Report period	January–December 2025
Released	27 March 2026
Survey agency	NSO, MoSPI
LFPR, age 15+	59.3%
WPR, age 15+	57.4%
UR, age 15+	3.1%

CIVIL SERVICE GURUKUL
www.civilservicegurukul.com

Male LFPR	79.1%
Female LFPR	40.0%
Youth unemployment	9.9%
Educated unemployment	6.5%
Self-employment share	56.2%
Regular wage/salaried share	23.6%
Agricultural employment share	43.0%
Manufacturing employment share	12.1%
Formal vocational training, age 15–59	4.2%
Estimated employed persons, age 15+	61.6 crore

Final UPSC Takeaway: PLFS 2025 demonstrates that employment policy must be evaluated through participation, employment, earnings, skills, productivity and social protection.

18. Frequently Asked Questions

What is PLFS?The Periodic Labour Force Survey is an official Indian survey used to estimate key labour-market indicators.

What was India's unemployment rate in PLFS 2025?3.1% under usual status (ps+ss) for persons aged 15 years and above.

What was the female LFPR in 2025?40.0% under usual status for women aged 15 and above.

What was the youth unemployment rate?9.9% for persons aged 15–29 years in usual status.

Why was PLFS methodology changed in 2025?The redesign improved survey coverage and enabled more frequent labour-market estimates for rural and urban India.

Does a low unemployment rate guarantee good jobs?No. Job quality also depends on wages, hours, productivity, safety and social security.

19. Conclusion: India's Employment Challenge Beyond Statistics

The PLFS Annual Report 2025 provides important evidence of labour-market stability and modest improvements in selected employment indicators.

However, youth unemployment, gender participation gaps, limited vocational training and the concentration of workers in low-productivity activities remain challenges.

India's future employment strategy must therefore combine economic growth with the creation of productive, adequately remunerated and secure employment.

CIVIL SERVICE GURUKUL
www.civilservicegurukul.com

Memorable UPSC Conclusion: The strength of India's demographic dividend will depend not merely on how many people are working, but on whether their work delivers dignity, productivity and rising prosperity.

SEO Topic Tags

PLFS 2025 UPSC Mains 2027 Indian Economy Unemployment India LFPR WPR Youth Employment Female LFPR Job Quality Manufacturing Employment Structural Transformation Skill Development NSO MoSPI Civil Service Gurukul

CIVIL SERVICE GURUKUL PUBLICATION

Master Indian Economy for UPSC Civil Services

These comprehensive notes form part of the book **Indian Economy**, written by **CA Dhananjay Ojha**.

The book supports conceptual understanding, economic analysis, current affairs integration and UPSC answer-writing preparation.

Purchase the Book – Indian Economy

If you want to purchase the Indian Economy book, contact Civil Service Gurukul for purchase information and availability.

Contact Us to Purchase Book Call for Book Enquiry

UPSC INTEGRATED LEARNING PROGRAMME

Integrated Guidance Program on Indian Economy

Prepare for UPSC CSE 2027

If you want structured guidance in Indian Economy, explore the **Integrated Guidance Program on Indian Economy** by Civil Service Gurukul.

The programme is intended for aspirants seeking conceptual clarity, syllabus-based learning, current affairs integration and analytical preparation for UPSC Prelims and Mains.

Join Soon – Enquire About Admission

Contact Us for Admission Contact on WhatsApp

Academic and Copyright Notice

This article is an original educational synthesis prepared for Civil Service Gurukul as part of the Indian Economy study material written by CA Dhananjay Ojha.

CIVIL SERVICE GURUKUL
www.civilservicegurukul.com

Employment statistics, survey classifications and policy developments should be checked for subsequent official updates before use in examinations.

UPSC Prelims | UPSC Mains | Indian Economy

Book: **Indian Economy**

Author: CA Dhananjay Ojha

Website: www.civilservicegurukul.com

Email: info@civilservicegurukul.com

Mobile: +91 9911020626

Purchase Indian Economy Book | Join Integrated Guidance Program on Indian Economy

© 2026 Civil Service Gurukul. All Rights Reserved.

CIVIL SERVICE GURUKUL
UPSC Preparation • Current Affairs • Mentorship • Test Series
Website: www.civilservicegurukul.com • Email: info@civilservicegurukul.com • Mobile: +91 9911020626

CIVIL SERVICE GURUKUL
www.civilservicegurukul.com