Indian Economy · GS - III

A marginal decline in the unemployment rate does not necessarily indicate a corresponding improvement in the quality of employment. Examine this statement in the context of India's labour market, with reference to female labour force participation and rural employment.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 16/11/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
10	~150 words

Answer Hint

PLFS, unemployment rate, LFPR, WPR, female workforce participation, informal employment, underemployment, rural economy, job quality, skill development.

Model Answer

Introduction

The Periodic Labour Force Survey (PLFS) provides important indicators of India's employment situation. A decline in unemployment is encouraging, but must be assessed alongside labour force participation and employment quality.

Interpreting Labour Market Indicators

- Unemployment rate measures unemployed persons as a share of the labour force.
- LFPR indicates the proportion of the population working or seeking work.
- WPR measures the proportion of the population actually employed.
- Rising female participation, particularly in rural areas, can expand household incomes and economic inclusion.

Challenges in Employment Quality

- A significant workforce remains engaged in informal and insecure employment.
- Underemployment and low productivity affect earnings and job stability.
- Rural women may face unpaid family work, wage disparities and limited access to formal opportunities.
- Skill mismatches restrict access to productive employment.

Way Forward

Promote labour-intensive manufacturing, rural non-farm employment, women's skills, childcare facilities and formalisation of jobs.

Conclusion

India must move beyond reducing unemployment towards generating productive, remunerative and secure employment. A comprehensive assessment should consider LFPR, WPR, wages and job quality together.

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