



Employment Participation In India: LFPR And WPR Trends With Social Work Implications

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Abstract

LFPR and WPR are crucial indicators used to assess employment patterns and workforce involvement key indicators of economic engagement and social inclusion. In India, these indicators have shown relative stagnation in recent years despite economic growth. This paper examines trends in LFPR and WPR using secondary data from National data is drawn from major surveys such as the Periodic Labour Force Survey (PLFS) and the Annual Survey of Unincorporated Sector Enterprises (ASUSE). The study adopts a qualitative, descriptive approach to analyse structural, social, and policy-related factors contributing to stagnation. The findings highlight issues such as gender disparities, informal employment, rural-urban migration, and limited social protection. The paper argues that social work has a critical role in addressing these challenges through policy advocacy, community-based interventions, and inclusive development strategies.

Keywords: LFPR, WPR, informal sector, social work, employment, inequality, India

1. Introduction-

Employment participation serves as a vital indicator of socio-economic development, as it reflects the degree to which individuals are actively engaged in productive economic activities. In India, key indicators such as the Labour Force Participation Rate (LFPR) and the Worker Population Ratio (WPR), published by the National Statistical Office through flagship surveys like the Periodic Labour Force Survey (PLFS), offer critical insights into the structure and performance of the labour market. In recent years, India has experienced significant transformations in employment patterns, driven by structural economic shifts, the lingering effects of the COVID-19 pandemic, rapid technological change, and evolving demographic dynamics.

Notwithstanding sustained economic growth, several challenges persist, including low female labour force participation, widespread informality, underemployment, and pronounced regional disparities. Marginalized and vulnerable populations—such as women, youth, persons with disabilities, and socially disadvantaged groups—continue to encounter systemic barriers in securing decent and sustainable employment. These patterns underscore the intricate interplay of economic, social, and institutional factors influencing employment participation in contemporary India.

From a social work standpoint, analysing LFPR and WPR trends is crucial for addressing broader concerns related to social exclusion, poverty, and inequality. Social workers have a pivotal role in promoting inclusive labour market policies, enhancing access to skill development initiatives, empowering disadvantaged groups, and implementing community-based livelihood interventions. As India advances along its development pathway, the integration of labour market analysis with social work practice is essential for achieving inclusive growth and sustainable livelihood outcomes.

Stable Labour Force Participation Rate (LFPR) among Persons Aged 15 Years and Above

Rural male LFPR remained high at 80.5%, while rural female participation was stable at 45.9%, maintaining the progress achieved in recent years. In urban areas, both male and female LFPR (based on usual status, ps+ss) in 2025 showed little change compared to 2024, indicating overall stability in labour force participation.

Stable Worker Population Ratio (WPR) among Persons Aged 15 Years and Above

The Worker Population Ratio (WPR), based on usual status (ps+ss), remained largely stable in 2025 compared to 2024, indicating sustained employment levels in 2025, WPR for rural male remained robust at 78.4%, while WPR for rural female held steady at 44.9%, sustaining the significant gains made since 2022. The overall urban WPR maintained nearly at 50.0%.

2. Review of Literature

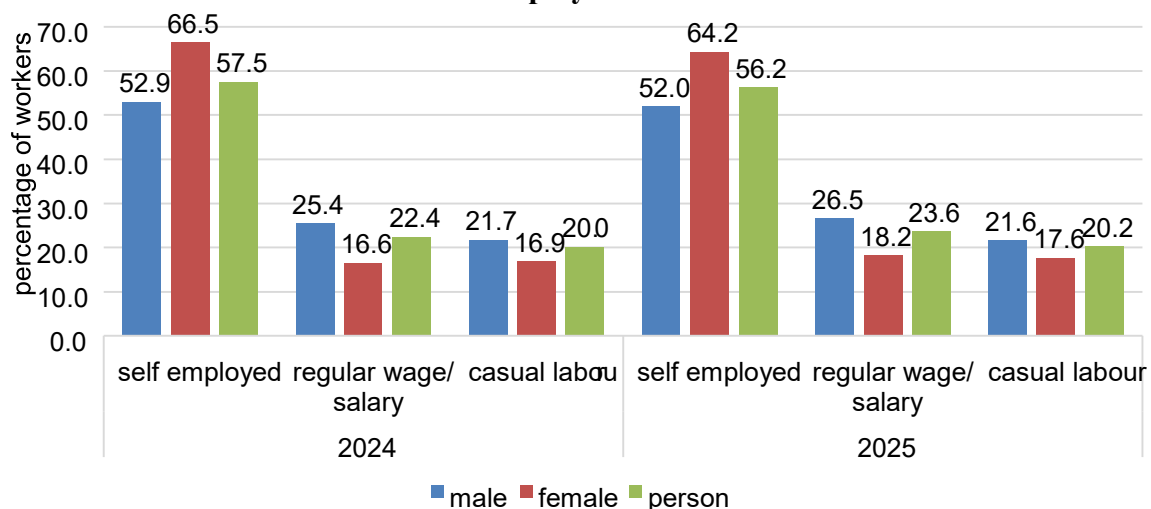
Existing studies highlight several dimensions of labour force participation in India. Research based on PLFS data shows declining female labour force participation and high dependence on informal employment. Scholars have linked this trend to socio-cultural norms, lack of safe workplaces, and limited skill development opportunities.

Studies on the informal sector indicate that a significant proportion of the workforce is engaged in low-paid, insecure jobs without social protection. ASUSE data further reveals the vulnerability of unincorporated enterprises and their workers.

Recent literature also emphasizes the impact of economic reforms, globalization, and technological change on employment patterns. While these changes have created new opportunities, they have also increased inequality and job insecurity.

From a social work perspective, scholars argue for a more inclusive approach to employment policies that address structural inequalities and promote equitable access to opportunities.

Fig 4: Percentage distribution of workers (in usual status) by status in employment



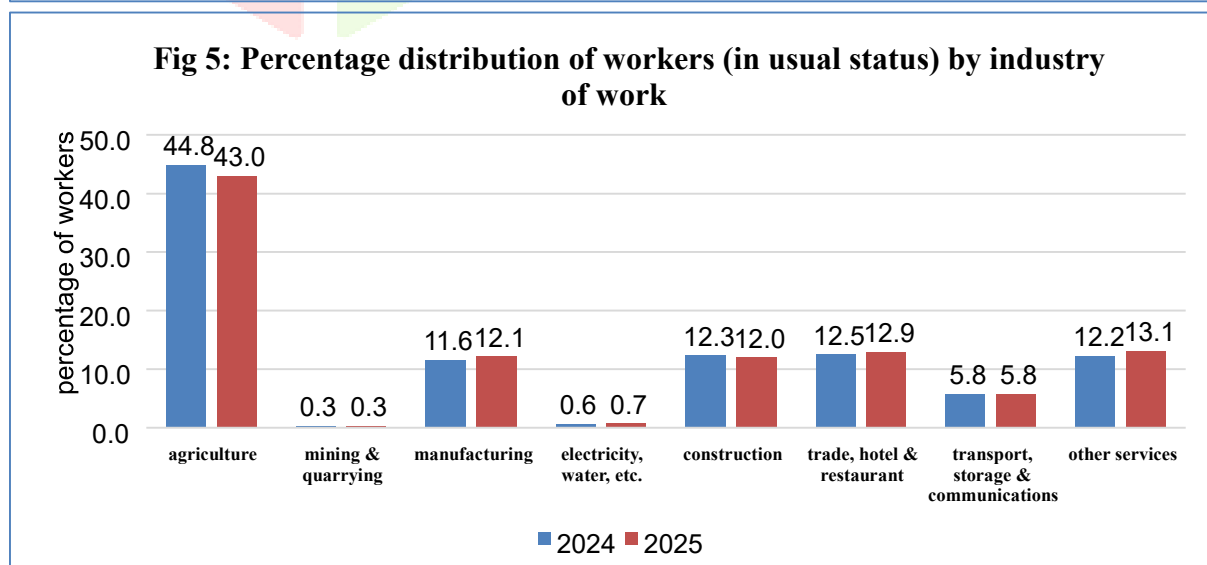
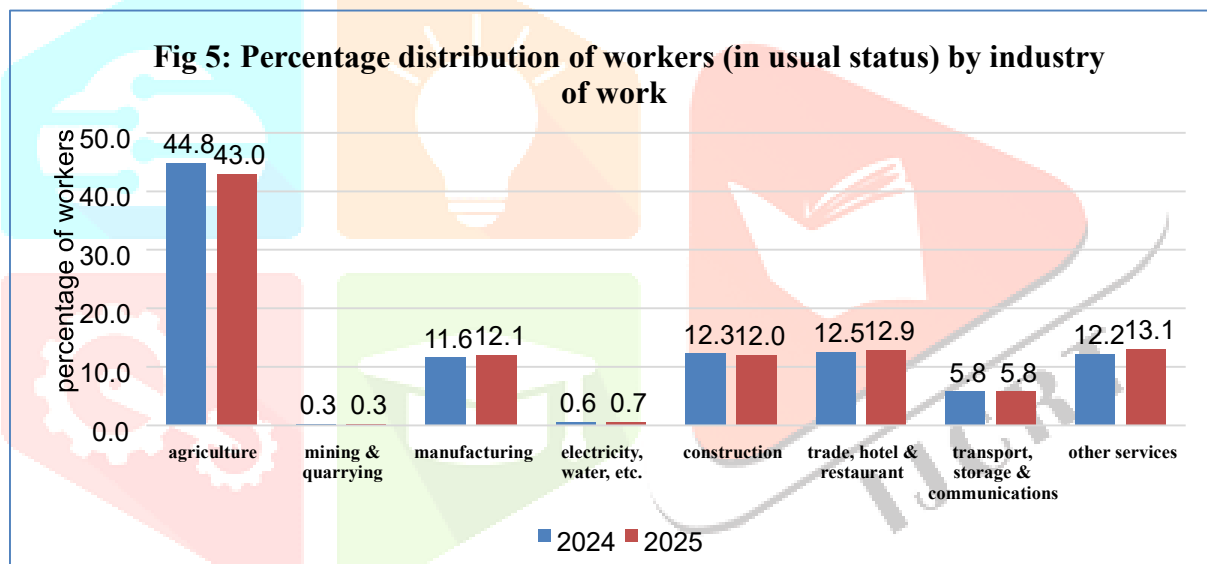
The distribution of workers by employment status indicates a modest shift in 2025. The proportion of self-employed workers declined slightly from 57.5% in 2024 to 56.2% in 2025, with reductions observed among both males (from 52.9% to 52.0%) and females (from 66.5% to 64.2%).

Concurrently, the share of workers in regular wage and salaried employment increased from 22.4% to 23.6%, with gains recorded for males (from 25.4% to 26.5%) as well as females (from 16.6% to 18.2%).

The share of casual labour remained largely stable at around one-fifth of total employment, rising slightly from **20.0% in 2024 to 20.2% in 2025**, with minimal variation across gender.

Manufacturing and service sectors witnessed enhanced worker participation-

The distribution of workers by industry shows a largely stable sectoral pattern in 2025, with some noticeable changes. Agriculture remains the largest source of employment; however, its share declined from **44.8% in 2024 to 43.0% in 2025**. The share of employment in construction has decreased marginally (12.3% to 12.0%), while manufacturing has seen improvement from 11.6% to 12.1%. Other services have also recorded an increase (12.2% to 13.1%).



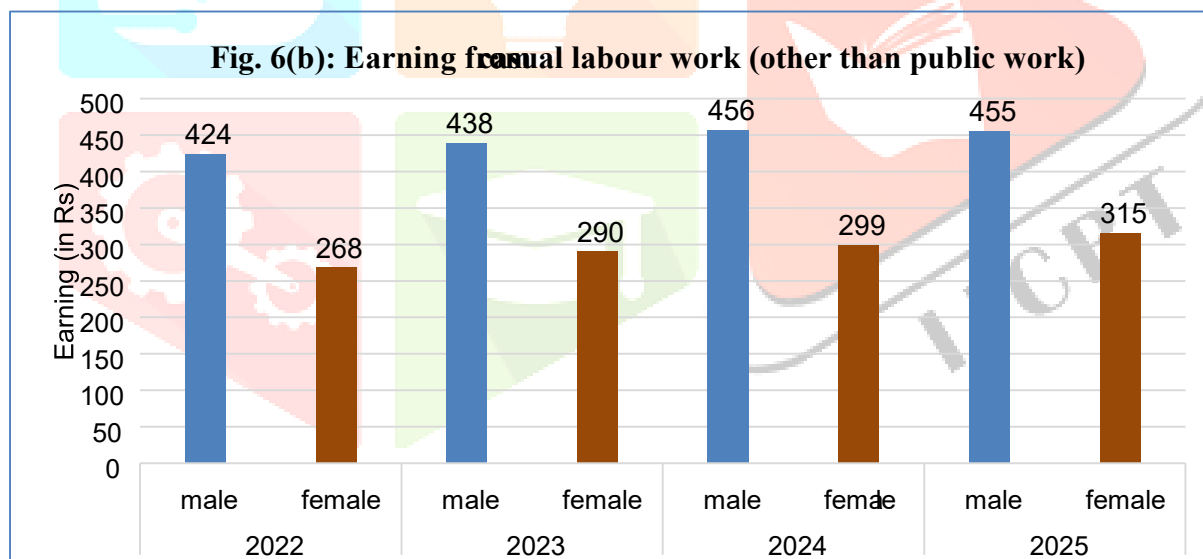
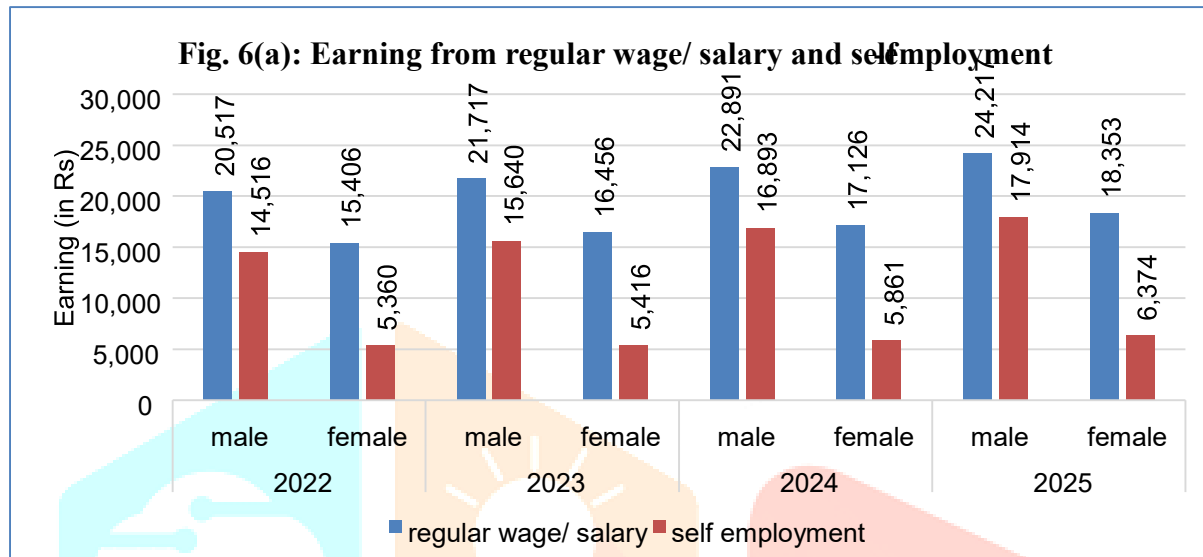
Earnings of female workers have seen a notable shift -

Workers' earnings have shown a noticeable increase in recent years across categories, with growth observed for both males and females in nominal terms. In regular wage and salaried employment,

average earnings for males rose from ₹22,891 in 2024 to ₹24,217 in 2025 (approximately 5.8% growth), while female earnings increased from ₹17,126 to ₹18,353 (around 7.2% growth).

In self-employment, male earnings increased from ₹16,893 in 2024 to ₹17,914 in 2025 (around 6.0% growth), while female earnings rose from ₹5,861 to ₹6,374 (around 8.8% growth), reflecting stronger growth among female.

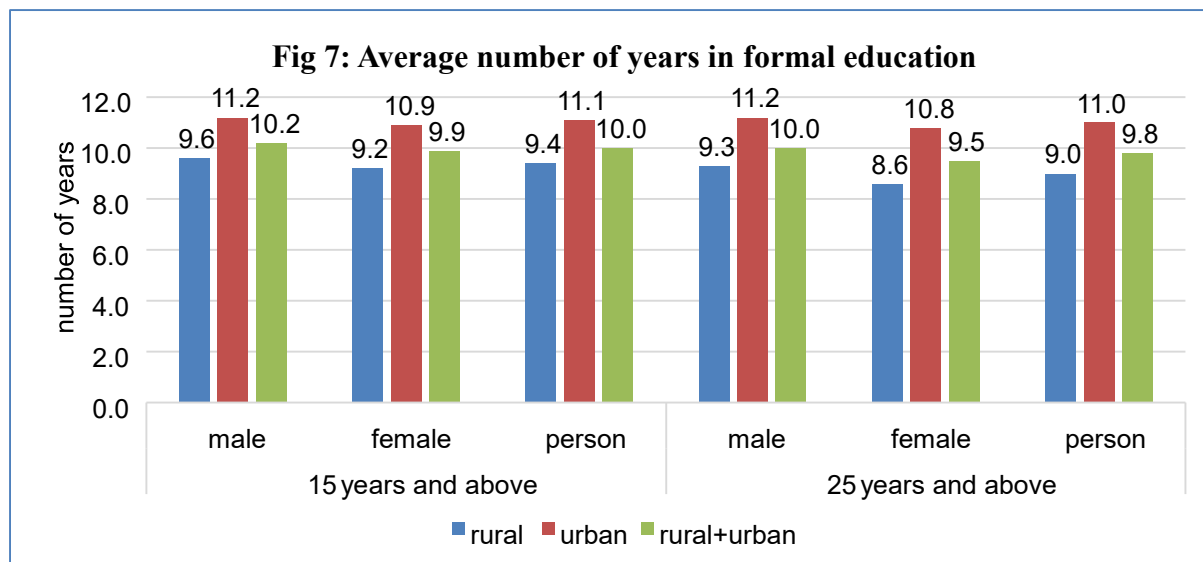
Earnings for male casual labourers remained largely unchanged, at ₹456 in 2024 and ₹455 in 2025. In contrast, female earnings increased from ₹299 to ₹315, reflecting an approximate 5.4% growth.



Average Years of Formal Education

For individuals aged 15 years and above, the average years of formal education at the all-India level reached 10.0 years in 2025, with male at 10.2 years and female at 9.9 years. Urban areas reported higher average number of years in formal education (11.2 years for male and 10.9 years for female) compared to rural areas (9.6 years and 9.2 years, respectively).

A similar pattern is observed for persons aged 25 years and above, where the overall average is 9.8 years, with male at 10.0 years and female at 9.5 years in formal education. Urban attainment remains higher (11.2 years for male and 10.8 year for female), while rural levels stand at 9.3 years and 8.6 years, respectively.



3. Methodology-

This study adopts a qualitative and descriptive research design to examine trends in the Labour Force Participation Rate (LFPR) and Worker Participation Rate (WPR) in India from a social work perspective. The analysis is based on secondary data drawn from multiple credible sources, including the Periodic Labour Force Survey (PLFS) and the Annual Survey of Unincorporated Sector Enterprises (ASUSE), both conducted by the National Statistical Office, as well as government reports, policy documents, peer-reviewed journals, books, and other academic literature.

The data are analysed using a thematic approach to identify key trends, patterns, and challenges associated with employment participation. Furthermore, the findings are interpreted within the framework of social work policy and practice, with particular emphasis on issues such as inequality, labour informality, and access to sustainable livelihood opportunities.

4. Trends in LFPR and WPR in India

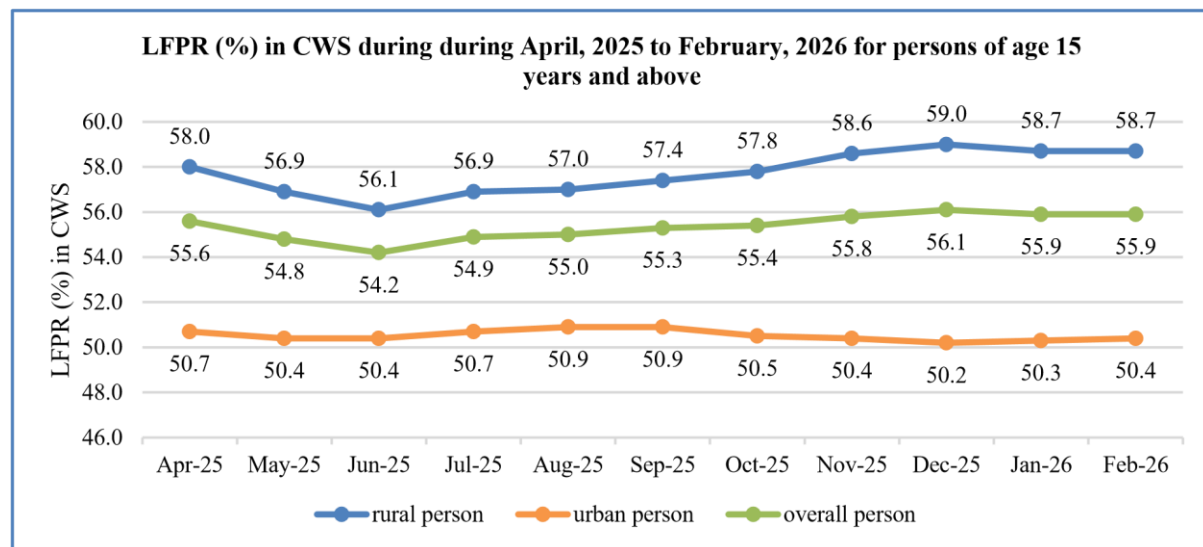
Recent data indicates that LFPR and WPR in India have remained relatively stable, with only marginal fluctuations.

- **LFPR Trends:** Male participation remains high, while female participation is significantly lower.
- **WPR Trends:** Employment rates show slow growth, with a large share of workers in informal sectors.
- **Rural-Urban Differences:** Rural areas show higher participation rates due to agricultural activities, while urban areas face higher unemployment.

These trends indicate structural imbalances in the labour market.

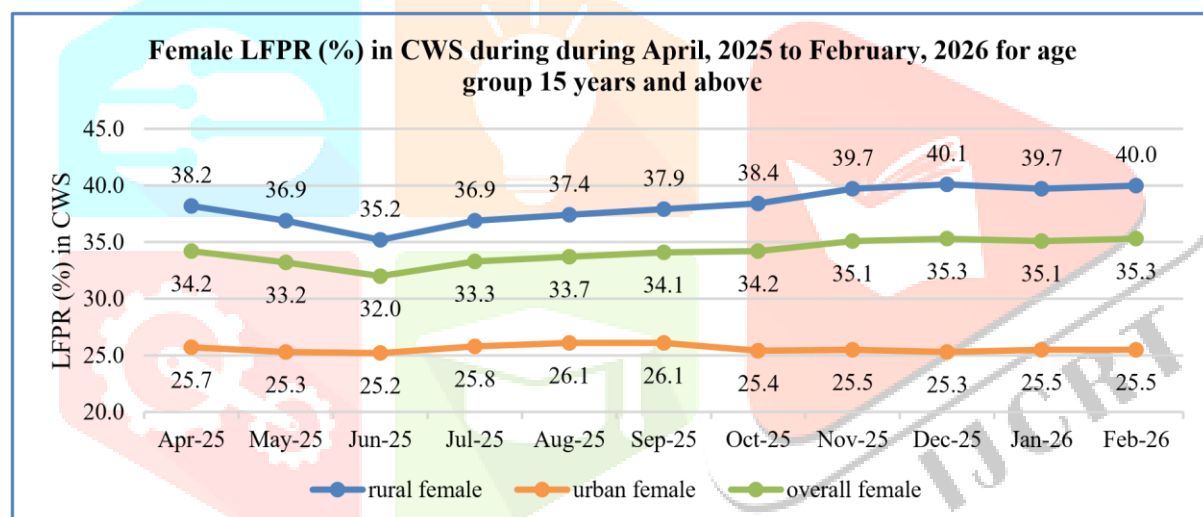
Labour Force Participation Rate (LFPR) Remains Stable-

The overall Labour Force Participation Rate (LFPR) among individuals aged 15 years and above remained stable at 55.9% in February 2026, unchanged from January 2026. In rural areas, the LFPR was recorded at 58.7%, while in urban areas it stood at 50.4%, reflecting a marginal increase from 50.3% in January 2026.



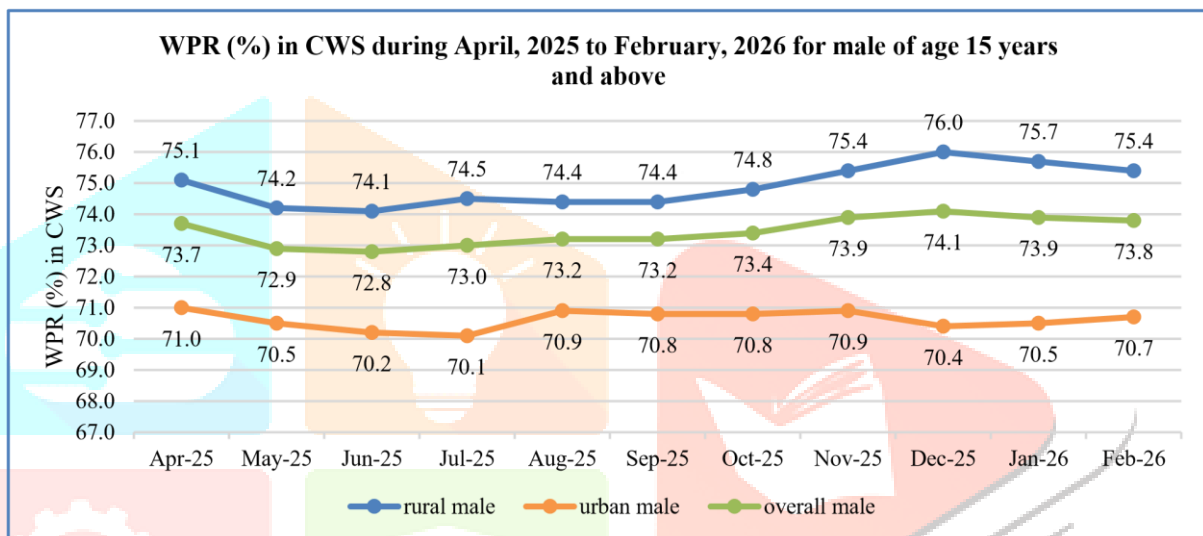
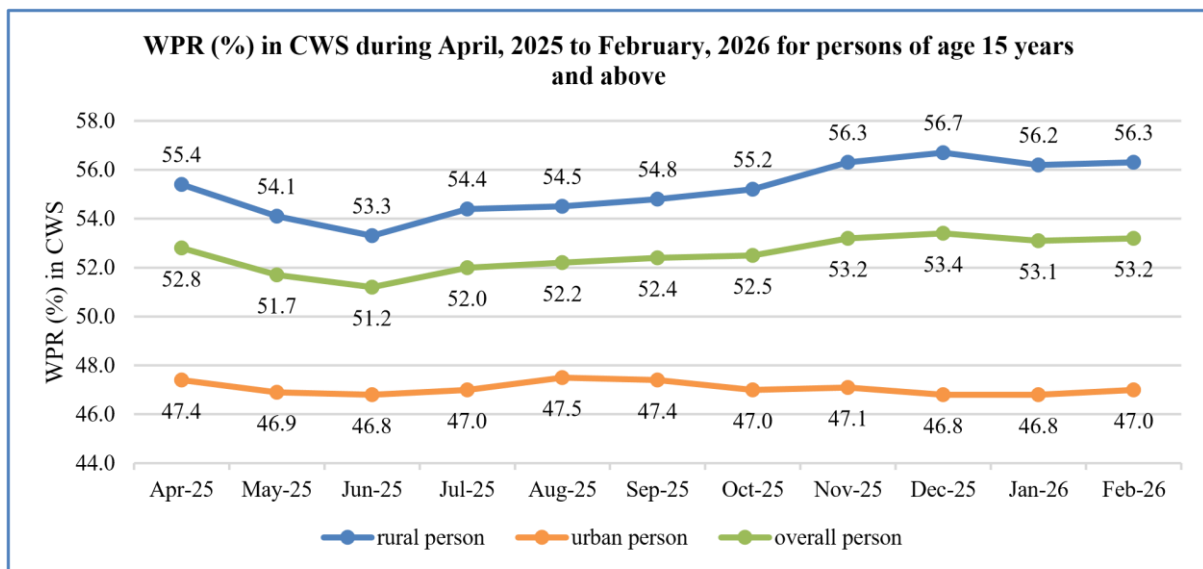
Marginal Improvement in Female Labour Force Participation

The overall female Labour Force Participation Rate (LFPR) for individuals aged 15 years and above increased slightly from 35.1% in January 2026 to 35.3% in February 2026. In rural areas, female LFPR rose from 39.7% to 40.0% during the same period, indicating a modest improvement in rural female participation. In contrast, the urban female LFPR remained unchanged at 25.5%.



Worker Population Ratio (WPR) Remains Stable-

The Worker Population Ratio (WPR) for individuals aged 15 years and above remained largely stable across both rural and urban areas in February 2026. The overall WPR was recorded at 53.2%, reflecting a marginal increase from 53.1% in January 2026. In rural areas, the WPR stood at 56.3%, while in urban areas it reached 47.0%, up slightly from 46.8% in the previous month.

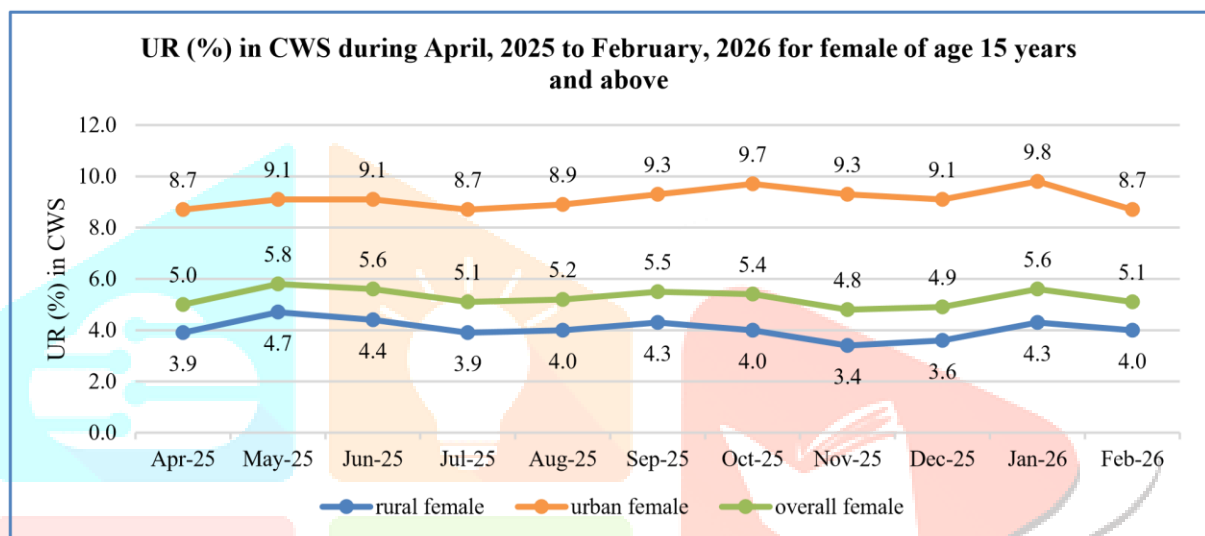
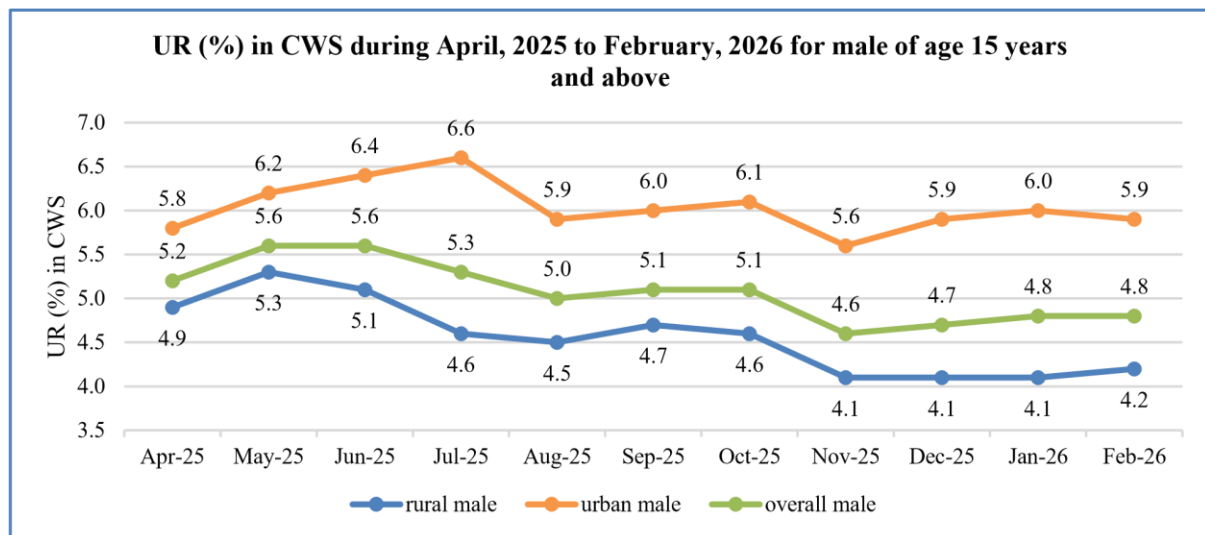


Decline in Urban Unemployment Rate (UR)

Following an increase in January 2026, the urban unemployment rate (UR) for individuals aged 15 years and above declined to 6.6% in February 2026, slightly lower than the 6.7% recorded in December 2025. In contrast, the rural UR remained unchanged at 4.2%, the same as in January 2026. Overall, the unemployment rate stood at 4.9% in February 2026, reflecting a marginal decrease from 5.0% in the previous month.

Improvement in Female Unemployment Rate

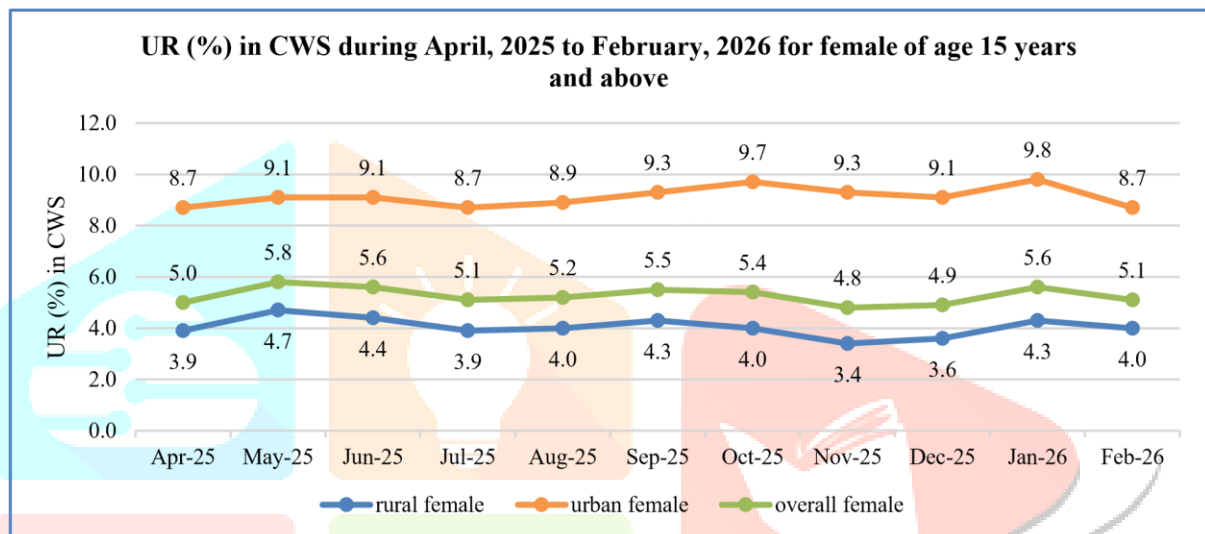
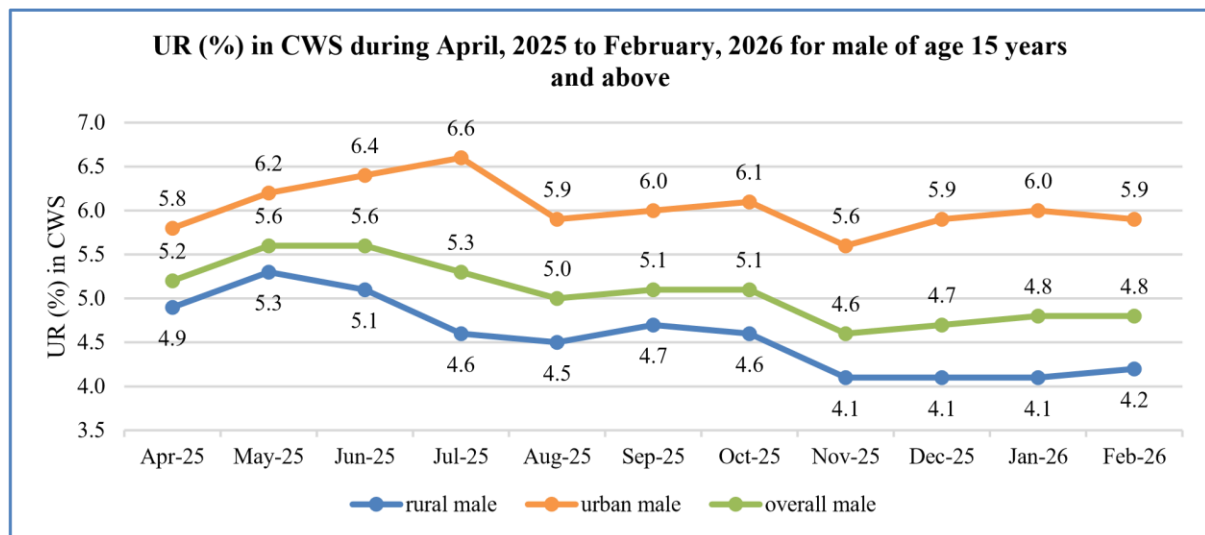
In February 2026, the overall unemployment rate among females aged 15 years and above declined to 5.1%, compared to 5.6% in January 2026. This improvement was evident across both rural and urban areas. The urban female UR decreased from 9.8% to 8.7%, while the rural female UR declined from 4.3% to 4.0% during the same period. In contrast, the overall male unemployment rate remained stable at 4.8%.



5. Factors Contributing to Stagnation

5.1 Gender Inequality

Female labour force participation in India remains among the lowest in the world. Factors such as entrenched social norms, disproportionate unpaid care responsibilities, and concerns related to safety and mobility significantly constrain women's participation in the workforce. These challenges reflect persistent gender inequalities in employment and underscore the urgent need for targeted policy interventions and gender-responsive social work practices.



5.2 Informal Employment-

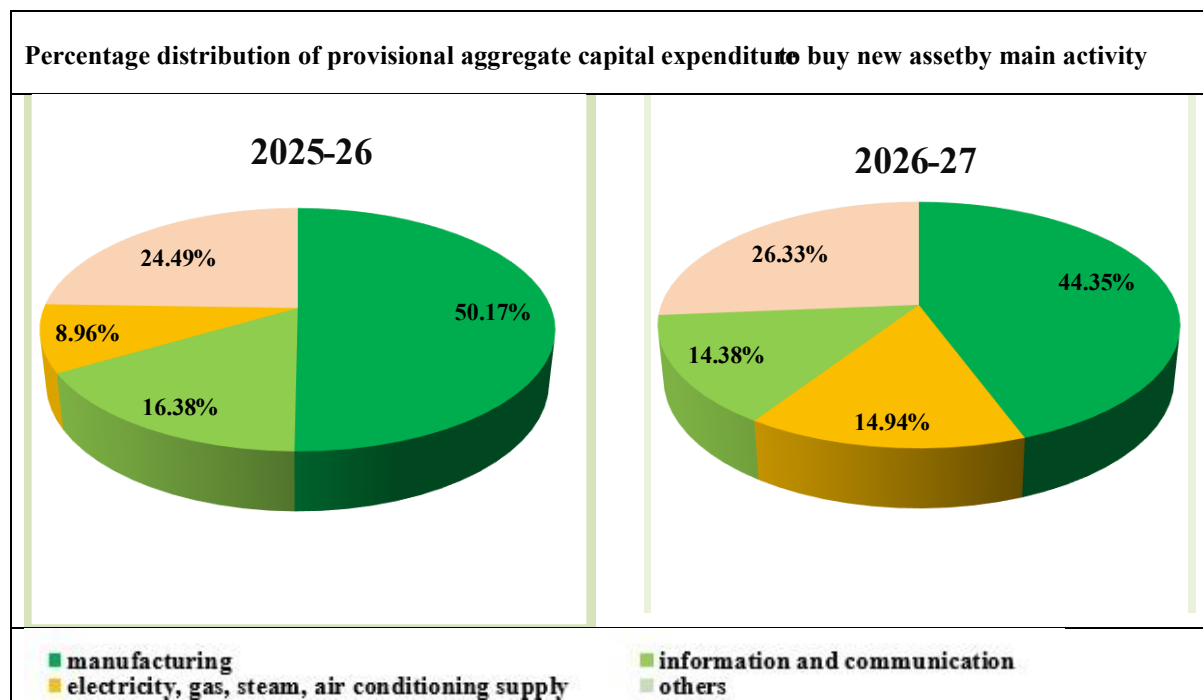
A substantial proportion of the workforce is employed in the informal sector, characterized by low wages, job insecurity, and limited access to social protection.

Recent estimates indicate that the actual capital expenditure (CAPEX) per enterprise during 2024–25 was ₹173.5 crore, slightly below the planned ₹180.2 crore reported in the CAPEX-2024 survey, yielding a realization ratio of 96.3%. This suggests that actual investments closely aligned with the planned expenditure at the aggregate level.

Current (2025–26) and Next Financial Year (2026–27)-

The provisional aggregate capital expenditure (CAPEX) on new asset acquisition for 2025–26 is estimated at ₹11,43,879 crore. For 2026–27, the projected CAPEX, based on survey responses, is estimated at ₹9,55,281 crore.

Out of 5,366 operational enterprises surveyed, 4,203 (78.3%) reported their investment plans for 2026–27. It is important to note that firms typically adopt a cautious approach when reporting future investment estimates.



5.3 Skill Mismatch-

The survey focused on large private corporate sector enterprises, which play a significant role in their respective industries. The sampling frame was constructed using data on active enterprises registered with the Ministry of Corporate Affairs and filtered according to the annual turnover achieved in at least one of the previous three financial years.

The eligibility criteria were as follows:

- Manufacturing enterprises with an annual turnover of ₹400 crore or more
- Trade enterprises with an annual turnover of ₹300 crore or more
- Other enterprises with an annual turnover of ₹100 crore or more

Based on these criteria, the final survey frame included 14,257 enterprises.

B. Sampling Scheme:

The sampling design for the second round of the Forward-Looking Survey on Private Corporate Sector CAPEX Investment Intentions employs a stratified approach to ensure adequate representation of enterprises across various industries. The sampling frame is stratified into 17 industry groups based on the Principal Business Activity reported in statutory filings. Strata with 100 or fewer enterprises are included entirely in the census sector. In addition, a fixed panel of 3,064 enterprises that responded in the previous CAPEX-2024 survey has been retained for complete enumeration to enable consistent analysis of CAPEX trends over time.

For strata containing more than 100 enterprises, the census sector is determined using asset-based criteria derived from financial data, including **maximum asset value** (highest reported in the last three years) and **latest asset value**. Enterprises accounting for **90% of total assets** within each stratum (**80% for Trade and Construction**) are included in the census sector.

The remaining enterprises form the sampling frame, from which 20% were selected using Simple Random Sampling Without Replacement (SRSWOR). The sample was allocated across strata according to size and variability to ensure adequate representation.

C. Sample Size:

The survey covered a total of 7,486 enterprises, comprising 5,795 enterprises in the Census Sector and 1,691 enterprises in the Sample Sector.

5.4 Rural-Urban Migration

Migration to urban areas often results in informal employment and poor living conditions.

Strong Labour Market Performance-

Annual estimates of key indicators (at current prices) from ASUSE 2022–23, 2023–24, and 2025 are presented in Table 1. Detailed estimates for ASUSE 2025 across major activity categories are available in the official factsheet on the Ministry's website.

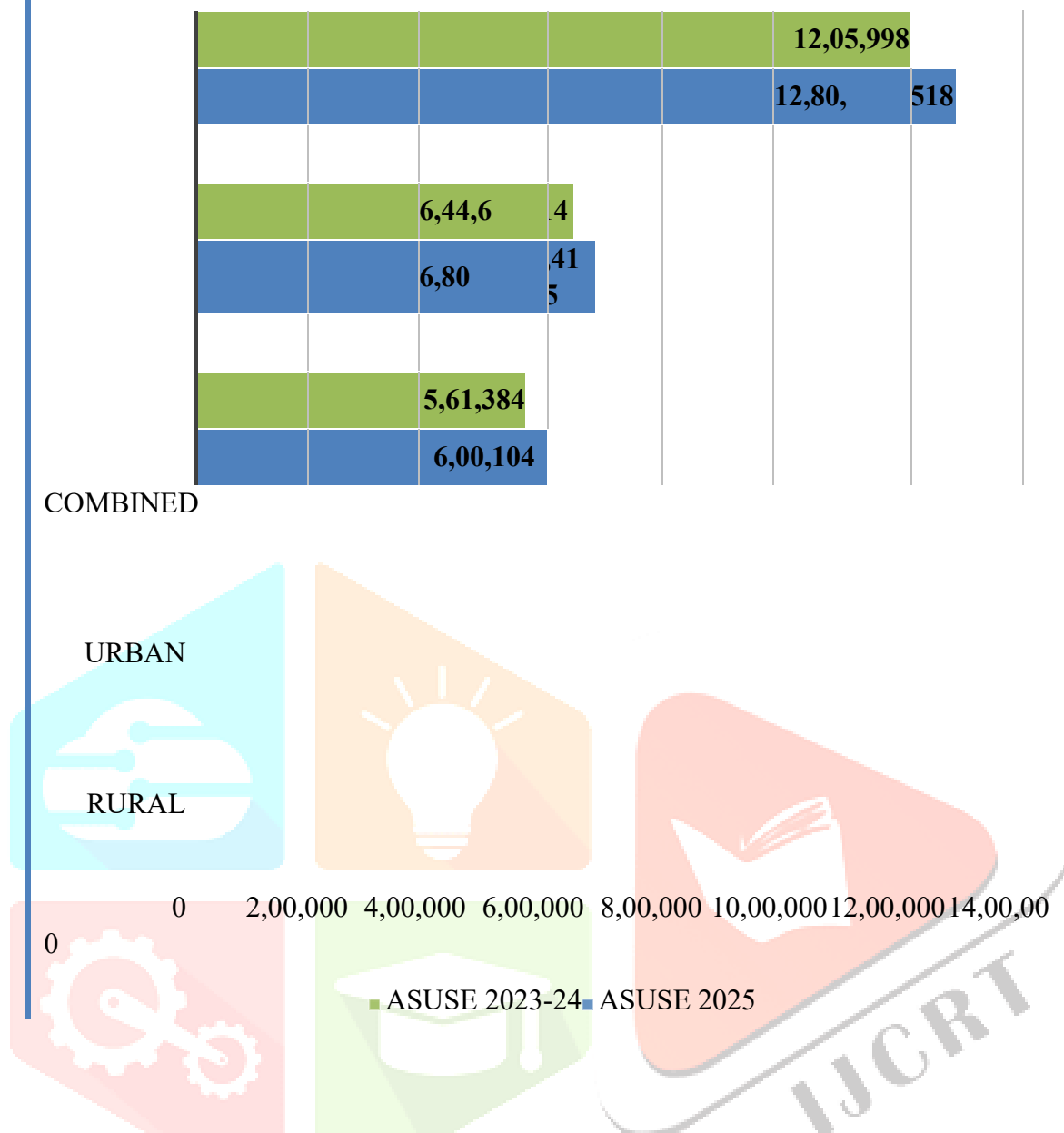
Additionally, interactive tables and visualizations can be accessed through the Data Catalogue portal. The comprehensive ASUSE 2025 report, along with unit-level data, is scheduled for release in April 2026, providing deeper insights into the survey findings.

Indicator	ASUSE 2022-23 (October,2022 – September, 2023)	ASUSE 2023-24 (October,2023 – September, 2024)	ASUSE 2025 (January, 2025 – December, 2025)
(1)	(2)	(3)	(4)
Number of Establishments (in '00)	6,50,484	7,33,995	7,92,465
Number of Workers (in '00)	10,96,260	12,05,998	12,80,518
Gross Value Added (Rs. Crore)*	15,42,409	17,97,278	19,92,577
GVA per establishment*(Rs.)	2,38,168	2,45,687	2,52,699
GVA per worker* (Rs.)	1,41,769	1,49,742	1,56,539
Emolument per Hired Worker (Rs.)	1,24,842	1,41,071	1,46,550

5.5 Economic and Policy Factors-

Rise in Women-Led Enterprises and Worker Earnings ,The share of female-owned proprietary establishments increased modestly from 26.2% in 2023–24 to 27.0% in ASUSE 2025, reflecting a positive trend in women-led enterprises.

Meanwhile, the average emoluments per hired worker rose by 3.88% in 2025 compared to 2023–24, indicating an improvement in wage levels. The highest growth was recorded in the trade sector, which experienced an increase of approximately 8.5%.

Fig 3: Estimated Number of Workers ('00)

ASUSE 2025 was conducted using an **area frame approach**, with establishments listed in selected First Stage Units (FSUs) across both rural and urban areas. Data were primarily collected through **oral interviews** based on a monthly reference period. However, some large establishments provided annual data from their **audited financial records**.

6. Implications for Social Work Policy and Practice

6.1 Policy Advocacy-

Social workers can advocate for inclusive labour policies, gender equality, and social protection measures.

6.2 Community-Based Interventions-

The survey was conducted using a multi-stage stratified sampling design. The first-stage units (FSUs) comprised census villages in rural areas (except in rural Kerala, where Panchayat wards were used) and Urban Frame Survey (UFS) blocks in urban areas. The ultimate stage units (USUs) were establishments in both rural and urban sectors.

For ASUSE 2025, the sampling design was revised to enable quarterly selection of sample units. To facilitate this change, the sample size was increased by approximately 1.5 times compared to the previous survey. This enhancement also allows the production of quarterly estimates in addition to annual results. By adopting districts within a state as the primary strata, the design further enables participating states to generate annual estimates at the district level.

6.3 Skill Development and Capacity Building

The unincorporated non-agricultural sector constitutes a crucial component of the Indian economy, contributing substantially to employment generation and Gross Domestic Product (GDP). It sustains the livelihoods of millions and plays a pivotal role in the production and distribution of goods and services. By complementing the organized sector and enhancing domestic value chains, it fosters overall socio-economic development.

The Annual Survey of Unincorporated Sector Enterprises (ASUSE) is designed to assess the economic and operational characteristics of unincorporated non-agricultural establishments engaged in manufacturing, trade, and other service sectors (excluding construction). The survey collects data on key indicators, including the number of workers, Gross Value Added (GVA), wages and emoluments, fixed assets, and outstanding loans. Additionally, it captures operational characteristics such as ownership type, nature of operations, registration status, and the adoption of Information and Communication Technology (ICT).

6.4 Support for Vulnerable Groups-

Targeted interventions are essential for women, youth, migrants, and other marginalized groups. Survey data plays a crucial role in policymaking, supports the compilation of National Accounts Statistics, and meets the information needs of key ministries such as MSME and Textiles, while also enabling stakeholders to make informed decisions.

6.5 Strengthening Social Protection-

The total number of establishments in the unincorporated non-agricultural sector rose substantially from 7.34 crore in ASUSE 2023–24 (Oct 2023–Sept 2024) to 7.92 crore in ASUSE 2025 (Jan–Dec 2025), representing a robust growth of 7.97%.

Among the major sectors, Other Services recorded the highest growth at 10.29%, followed by Manufacturing (6.48%) and Trade (6.18%). This pattern reflects broad-based expansion and sustained growth within the unincorporated non-agricultural sector.

During the same period, Gross Value Added (GVA) increased by 10.87%, primarily driven by strong growth in the Trade sector (16.77%), followed by Manufacturing (8.52%) and Other Services (7.36%). In terms of contribution, the Other Services sector accounted for the largest share of GVA (42%), followed by Trade (37%) and Manufacturing (21%).

Coverage of ASUSE-

Geographical Coverage:

ASUSE encompasses both rural and urban areas across India, with the exception of certain remote villages in the Andaman and Nicobar Islands.

Sectoral Coverage:

The survey includes unincorporated non-agricultural establishments across three primary sectors: Manufacturing, Trade, and Other Services.

Ownership Coverage:

It covers establishments under various forms of ownership, including proprietorships, partnerships (excluding Limited Liability Partnerships), cooperatives, and societies/trusts.

7. Discussion

The stagnation in LFPR and WPR reflects deeper structural inequalities in Indian society. It highlights the need for a multidimensional approach that integrates economic, social, and policy interventions.

Social work provides a unique framework for addressing these issues by combining micro, mezzo, and macro-level interventions. By focusing on empowerment, participation, and social justice, social workers can play a transformative role in improving employment outcomes.

From 2025, the sampling design of the Periodic Labour Force Survey (PLFS) has been modified with the objective of generating high-frequency estimates of key labour force indicators. The revised design involves changes in sample allocation, sample selection and rotational panel to support the production of high-frequency estimates. As a result of these methodological changes, the annual estimates presented in this report are derived from a sampling framework that differs from that used in earlier PLFS annual estimates. Although the concepts, definitions and coverage of labour force indicators remain broadly unchanged, the change in sampling design and estimation procedure may influence the level of the estimates. Consequently, the annual estimates for 2025 may not be directly comparable with those from earlier PLFS reports or with calendar-year estimates for 2022–2024 derived from unit-level data. Users should take into account the methodological changes introduced in PLFS from January 2025 when making such comparisons. Therefore, post-January 2025 PLFS results should be interpreted within the context of the revised sampling design.

8. Conclusion

The stagnation of LFPR and WPR in India is a significant challenge that requires urgent attention. While economic growth has created opportunities, it has not translated into widespread employment gains.

Social work has a critical role in bridging this gap by promoting inclusive policies, empowering communities, and addressing structural inequalities. A collaborative approach involving government, civil society, and social workers is essential for achieving sustainable and equitable development.

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