

# Unemployment at 4.8%, lowest in three quarters

HIMANSHI BHARDWAJ

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India's labour market showed resilience in the third quarter (October–December/Q3) of 2025–26, with the unemployment rate easing to a three-quarter low of 4.8 per cent. This marked a sequential decline in joblessness through the financial year, according to the latest Periodic Labour Force Survey (PLFS) data released on Tuesday by the National Statistics Office (NSO).

The unemployment rate among persons aged 15 years and above in rural areas (in current weekly status, or CWS, terms) fell to 4 per cent in Q3 from 4.4 per cent in the second quarter (July–September/Q2). In urban areas, it declined to 6.7 per cent from 6.9 per cent over the same period.

Under the CWS framework, a person is classified as unemployed if they did not work for even one hour on any day during the reference week but were seeking or available for work for at least one hour on any day of that week.

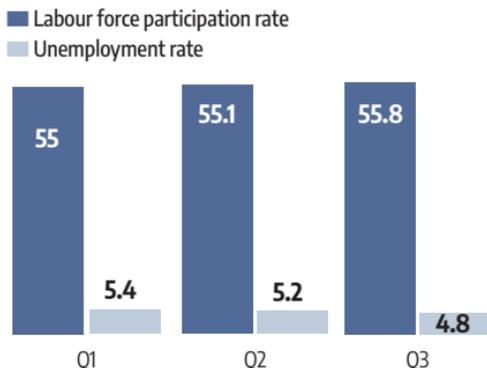
The labour force participation rate (LFPR) — a measure of the share of the population that is working or actively seeking work — rose to 55.8 per cent in Q3 from 55.1 per cent in Q2. The increase was driven by higher women participation in both rural and urban labour markets.

Youth unemployment (ages 15–29) declined to 14.3 per cent from 14.8 per cent in the previous quarter. Joblessness among young women fell to 16.6 per cent from 17 per cent, while among young men it dropped to 13.5 per cent from 14.1 per cent. This cohort largely comprises first-time job seekers, making it a key gauge of labour market health.

On employment composition, the share of self-employed workers, including unpaid household workers and own-account workers, rose to 56.3 per cent in Q3 from 55.8 per cent in Q2. In contrast, the proportion of regular salaried workers declined to 24.9 per cent from 25.4

## The job story

### Labour market indicators in FY26 (%)



### Broad status of employment in FY26 (%)



Note: All figures are all-India person 15 years and above  
Source: NSO

per cent during the same period.

Sector-wise, employment in agriculture increased to 43.2 per cent from 42.4 per cent, while the share of workers in the secondary sector fell to 24 per cent from 24.2 per cent.

The NSO revamped the PLFS sampling methodology in January last year to generate monthly and quarterly estimates of key employment indicators for both rural and urban areas using the CWS approach at the all-India level.

This release is the third to present quarterly data under the revised design.