

Unemployment rate hits 4.8%, 2nd lowest in FY26

Labour force participation highest in nine months

HIMANSHI BHARDWAJ

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India's unemployment rate (UR) inched up to 4.8 per cent in December — still the second-lowest in nine months — as labour force and workforce participation rose to their highest levels so far in 2025-26 (FY26), indicating increased labour market entry alongside continued job absorption, according to the latest Periodic Labour Force Survey (PLFS) monthly bulletin released by the National Statistics Office (NSO) on Thursday.

The unemployment rate had fallen to an eight-month low of 4.7 per cent in November. The NSO pegged urban UR in December in current weekly status (CWS) terms at 6.7 per cent, a marginal uptick from the 6.5 per cent recorded in the preceding month. However, for rural areas, the UR remained unchanged at 3.9 per cent for the second month in a row in December.

In CWS, the activity status is determined by the reference period over the past seven days preceding the date of the survey.

Under this, a person is considered unemployed in a week if s/he did not work even for one hour on any day during the reference week but sought or was available for work at least for one hour on any day during the same period.

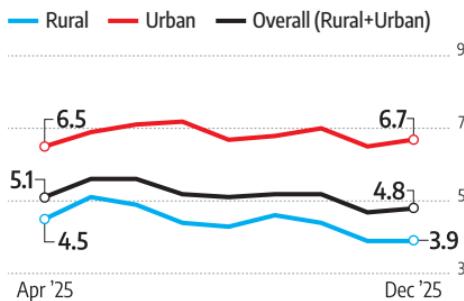
Overall UR among men and women rose slightly to 4.7 per cent and 4.9 per cent in December from 4.6 per cent and 4.8 per cent, respectively, during the preceding month.

Meanwhile, the labour force participation rate (LFPR), which is a measure of the number of people either working or looking for work, rose to its highest level in nine months at 56.1 per cent in December from 55.8 per cent in November.

In rural areas, the figure rose to 59 per cent from 58.6 per cent while in urban areas it fell marginally to 50.2 per cent from 50.4 per cent. "Female LFPR, in the age group 15

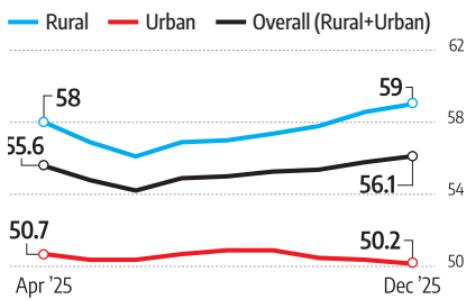
Book of jobs

Unemployment rate (%)



Note: UR is for persons of age 15 years and above

Labour force participation rate (%)



Note: LFPR is for persons of age 15 years and above
Source: NSO

years and above, recorded a sustained increase since June 2025 and stood at 35.3 per cent in December 2025, marking the highest level observed during the year," noted NSO in a statement.

The worker population ratio (WPR), which reflects the share of people actually employed among those looking for work, rose to 53.4 per cent in December from 53.2 per cent in November.

Rural male and female workforce participation increased in December, reaching 76 per cent and 38.6 per cent from 75.4 per cent and 38.4 per cent, respectively, in the preceding month.

The sampling methodology of PLFS has been revamped by the NSO from January 2025 in a bid to estimate the key employment and unemployment indicators on a monthly basis for rural and urban areas in the CWS method at all-India level.

