

TREND IN FEMALE LABOUR FORCE PARTICIPATION IN INDIA

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Introduction

Although female labour force participation (FLFP) varies significantly among the nations, FLFP is globally significantly lower than men's labourforce participation. According to World Bank data from 2022, Sub-Saharan Africa has a 60 percent FLFP, whereas North Africa and the Middle East have the lowest FLFP at 18.7 percent, followed by South Asia at 28.1%¹. ILO data from 2022 showed that within the ambit of South Asia, the FLFP in India is quite low with 28.2 percent, whereas countries like Bangladesh (43.4%), Bhutan (53.5%) and Sri Lanka (32%) have higher FLFP² (ILOSTAT 2022³).

Since liberalization in the 1990s, Indian economy has grown rapidly, but the country's female labour force participation rate has remained low. To explain this low FLFP in the country, many studies have been conducted^{4,5}. Although the majority of research focuses on the supply-side issues such as increasing household incomes and educational attainment^{6,7}, decreased women's participation in paid work has also been linked to underreporting of women's labour and a lack of employment possibilities. Other supply-side factors such as reproductive roles, household and childcare responsibilities, cultural norms, and patriarchal hierarchies have played a significant role in constraining women from labour market participation^{8,9}.



¹ Women's Employment: How does women's labor force participation differ across countries? How has it changed over time? What is behind these differences and changes? By: Esteban Ortiz-Ospina, Sandra Tzvetkova and Max Roser, <https://ourworldindata.org/female-labor-supply>

² Mukhopadhyay, Ujjaini. "Disparities in Female Labour Force Participation in South Asia and Latin America: A Review" *Review of Economics*, vol. 74, no. 3, 2023, pp. 265-288. <https://doi.org/10.1515/roe-2022-0061>

³ <https://ilostat.ilo.org/>

⁴ Stephan Klasen, Janneke Pieters, What Explains the Stagnation of Female Labor Force Participation in Urban India?, *The World Bank Economic Review*, Volume 29, Issue 3, 2015, Pages 449–478, <https://doi.org/10.1093/wber/lhv003>

⁵ Sarkar, Sudipa & Sahoo, Soham & Klasen, Stephan. (2019). Employment transitions of women in India: A panel analysis. *World Development*. 115. 291-309. [10.1016/j.worlddev.2018.12.003](https://doi.org/10.1016/j.worlddev.2018.12.003).

⁶ AlAzzawi, Shireen & Hlasny, Vladimir, 2019. "Household asset wealth and female labor supply in MENA," *The Quarterly Review of Economics and Finance*, Elsevier, vol. 73(C), pages 3-13.

⁷ Mondal, B., Govindarajan, A. & Chandra, T. Discouraged Worker Effect among Indian Women: Evidence from FLFP Survey. *Ind. J. Labour Econ.* 66, 1019–1040 (2023). <https://doi.org/10.1007/s41027-024-00470-z>

⁸ Sudarshan, Ratna & Bhattacharya, Shrayana. (2009). Through the Magnifying Glass: Women's Work and Labour force participation in urban Delhi. *Economic and Political Weekly*. 44. [10.2307/25663838](https://doi.org/10.2307/25663838).

⁹ Kabeer, Naila. (2000). Social Exclusion, Poverty and Discrimination Towards an Analytical Framework. *IDS Bulletin*. 31. 83 - 97. [10.1111/j.1759-5436.2000.mp31004009.x](https://doi.org/10.1111/j.1759-5436.2000.mp31004009.x).

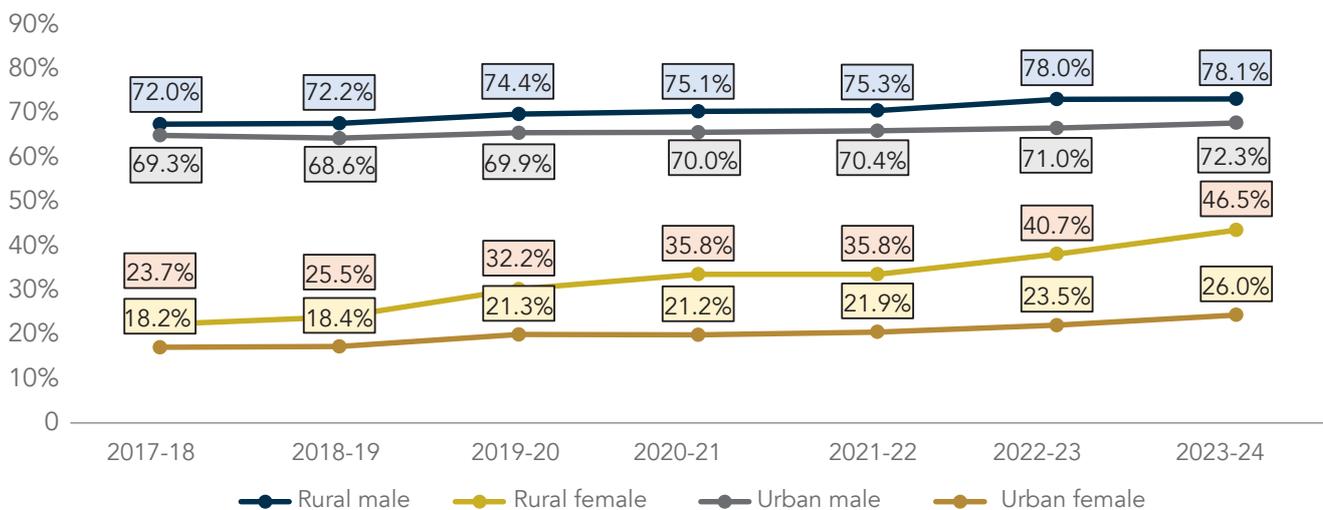
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In addition to the supply-side barriers, demand-side barriers like negative employer bias is pervasive in South Asian nations. In India, 28% of business managers stated that it is difficult to hire women since it “disrupts the working environment”¹⁰. Presence of the misconceptions about women’s capabilities, productivity, efficiency and ability to adhere to the work schedules, employers (entrepreneurs) have lesser demand for the female employees¹¹. The persistence of gender discrimination in the workplace has deterrent effects as well, which may cause many educated young women to remain unemployed or to leave the labour force altogether¹².

Trends in Female Workforce and Labour Force Participation Rates

- The growth in female labour force has increased at the CAGR of 12.8 percent since PLFS 2017-18 to 2023-24. Similar trend can be found in the WPR of women over the period of seven years. The LFPR has started rising significantly on 2021-22 because of the of the pandemic. This rise from 32.8 in 2021-22 to 41.7 in 2023-24 has resulted from the national lockdown and halting of the economy, witnessing a rise in job demand under the distress employment programmes (like MGNREGS).
- Among the women in the labour force, the growth in FLFPR can be seen in the rural region of the country specifically. The LFPR for men since 2017-18 to 2023-24 has remained same over the years, just slightly increased since 2021-22 in both rural and urban region. But for female the LFPR has rose significantly from 24.6 in 2017-18 to 47.6 in 2023-24 in rural and in urban the growth is much slower, from 20 percent in 2017-18 to 28 percent in 2023-24.

Figure 1: Trend in FLFPR (15 Years and above)



¹⁰ Home-Based Work Decisions among Bangladeshi Women

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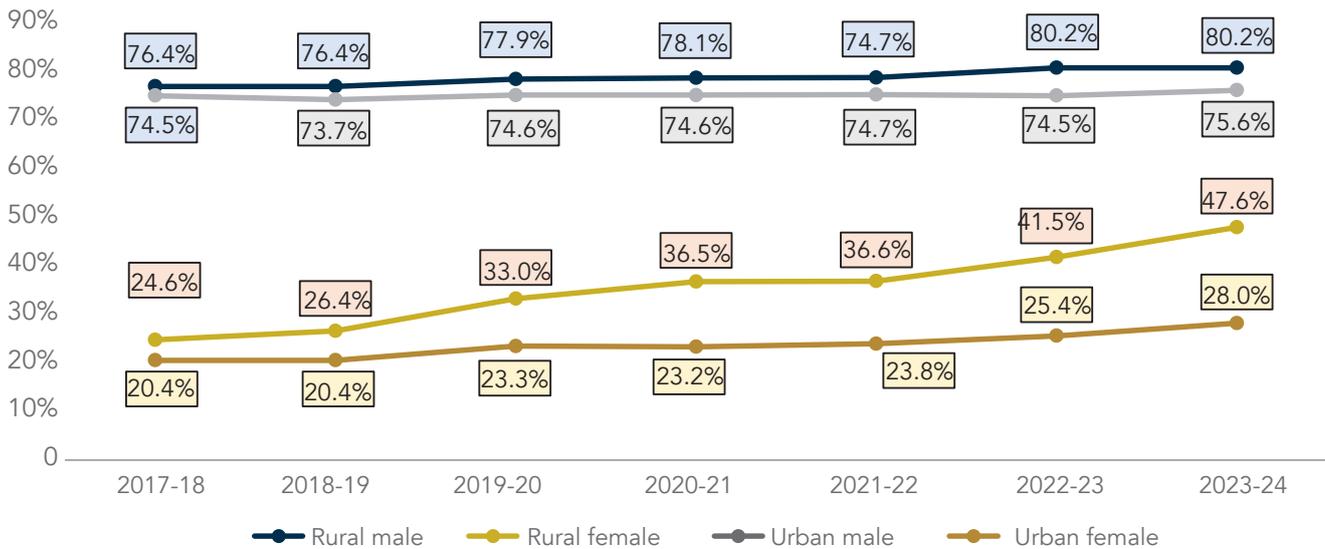
Asian Development Review 2023 40:01, 79-111

¹¹ NITI Aayog and IWWAGE. (2022). Women’s labourforce participation in select states of India. December, 2022

¹² Tayal, D., & Paul, S. (2022). Labour Market for Young Urban Female Graduates in India. South Asia Research, 42(2), 266-284. <https://doi.org/10.1177/02627280221086842>

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Figure 2: Trend in FLFPR (15 Years and above)

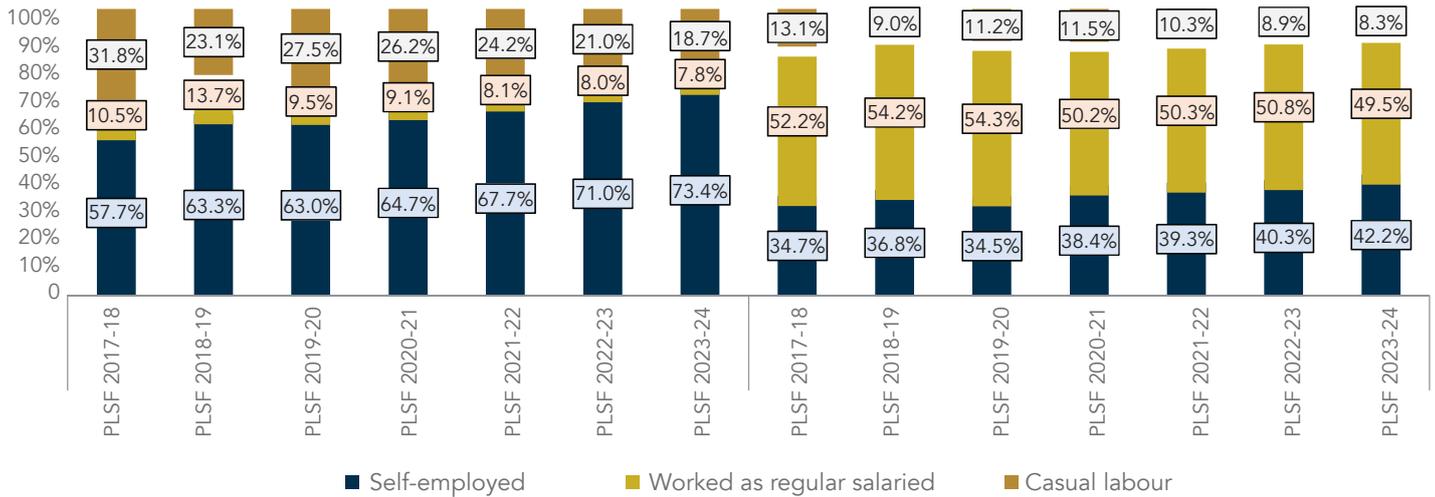


Composition of Female Workforce

- The share of self-employment women has increased over the last seven years. From 57.4 in 2017-18 to 73.4 in 2023-24 in rural region and from 34.7 to 42.2 percent in urban region.
- The rural region has witnessed a significant drop in their share of casual worker from over 31 percent in 2017-18 to 18.7 percent in 2023-24. Similar situation can be observed in the urban region, though the rate of decline of casual worker share is declining from 13 percent to 8.3 percent in 2017-18 to 2023-24.
- Regular salaried worker has the highest share in the urban region, still a slight decline can be observed from 52.2 percent to 49.5 percent in 2017-18 to 2023-24. In rural region the share was already low since 2017-18 but it has declined to 7.8 percent in 2023-24.

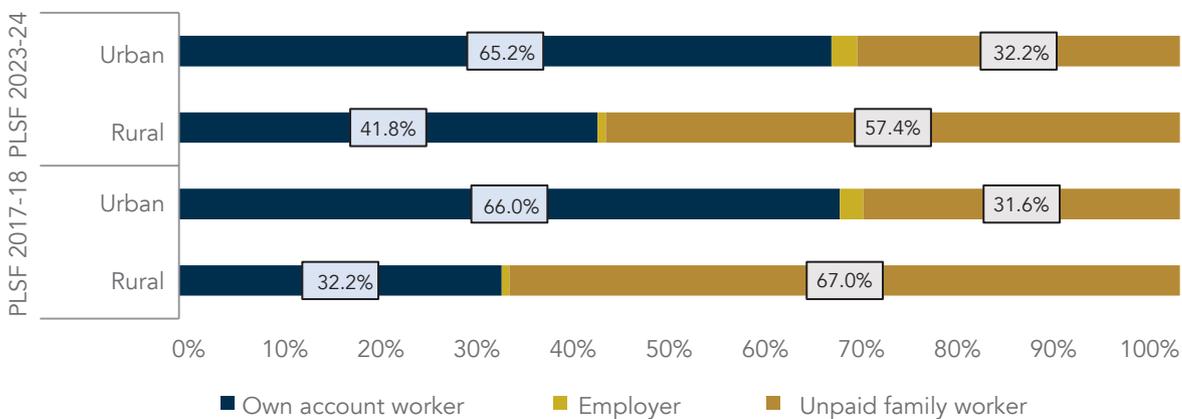
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Figure 3: Type of Employment



- The share of own account worker is increasing over the last seven years in the rural region from 32.2 percent to 41.8 percent in 2023-24. On the other hand, there is 67 percent of the unpaid family worker in 2017-18 which declined to 57.4 percent in 2023-24. The fall in the unpaid family worker is counter balanced by the rise in own account workers among the self-employed women in the rural region.
- The opposite happened in the urban region the fall in own account worker has been counter balanced by the rise in unpaid family worker from 2017-18 to 2023-24. The share has rose from 31.6 to 32.2 percent in the seven years.

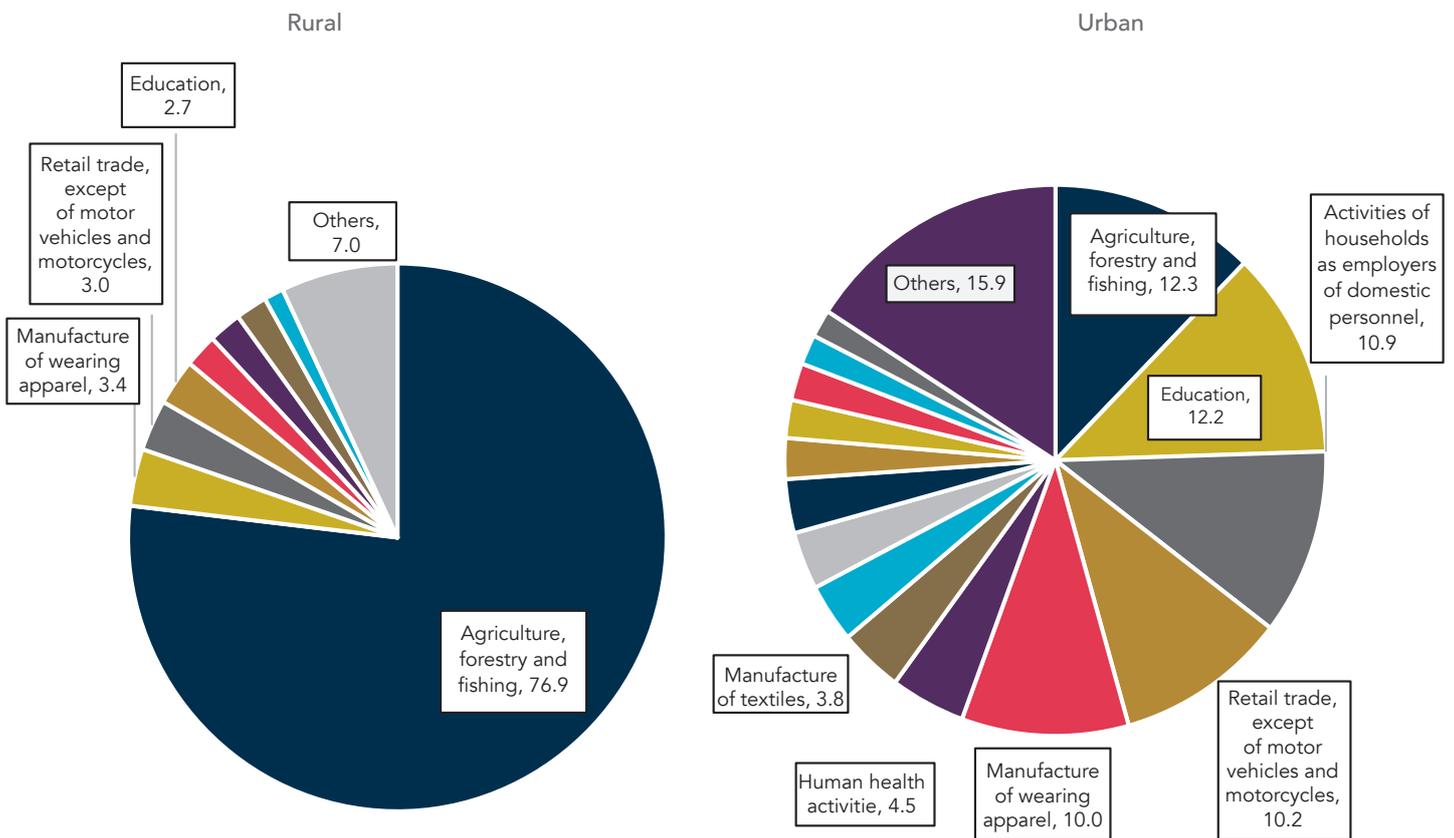
Figure 4: Self-employed



Distribution of Women Workers by Broad Industry Divisions

- Nearly 77 percent of the women in the rural region are involved in agricultural and allied activities, followed by manufacturing of wearing apparel (3.4 percent).
- In urban region more, 12 percent of the urban women working women are in agriculture and in education sector.

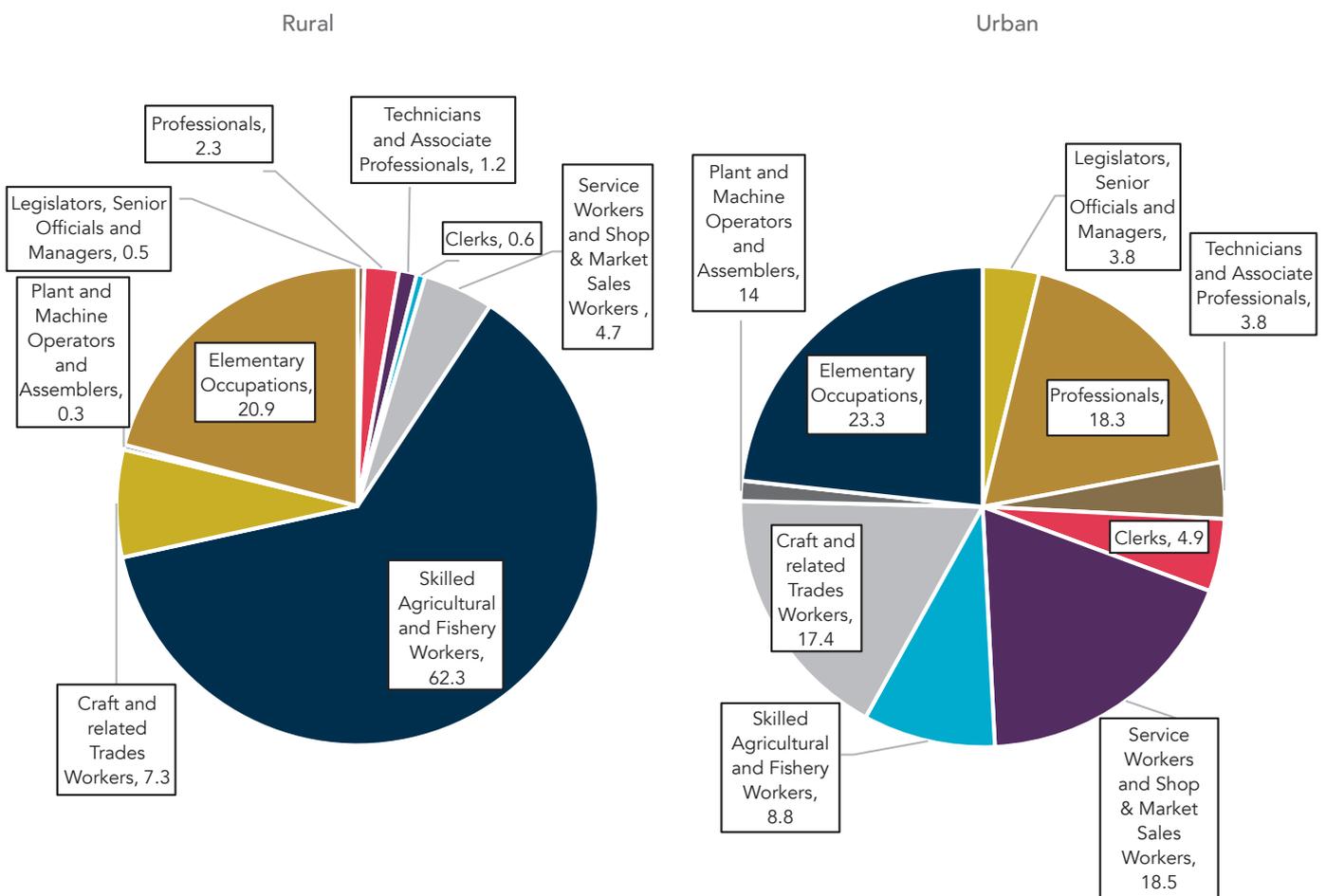
Figure 5: Distribution of Women Workers by Broad Industry Divisions



Distribution of Women Workers by Occupation Types

- In rural region 62.3 percent of the women are in the occupation of skilled agricultural and fishery, followed by 21 percent as elementary low skilled occupation.
- In urban region 23.3 percent of the women are in elementary occupation, followed by service workers and sales workers (18.5%) and professionals (18.3%).

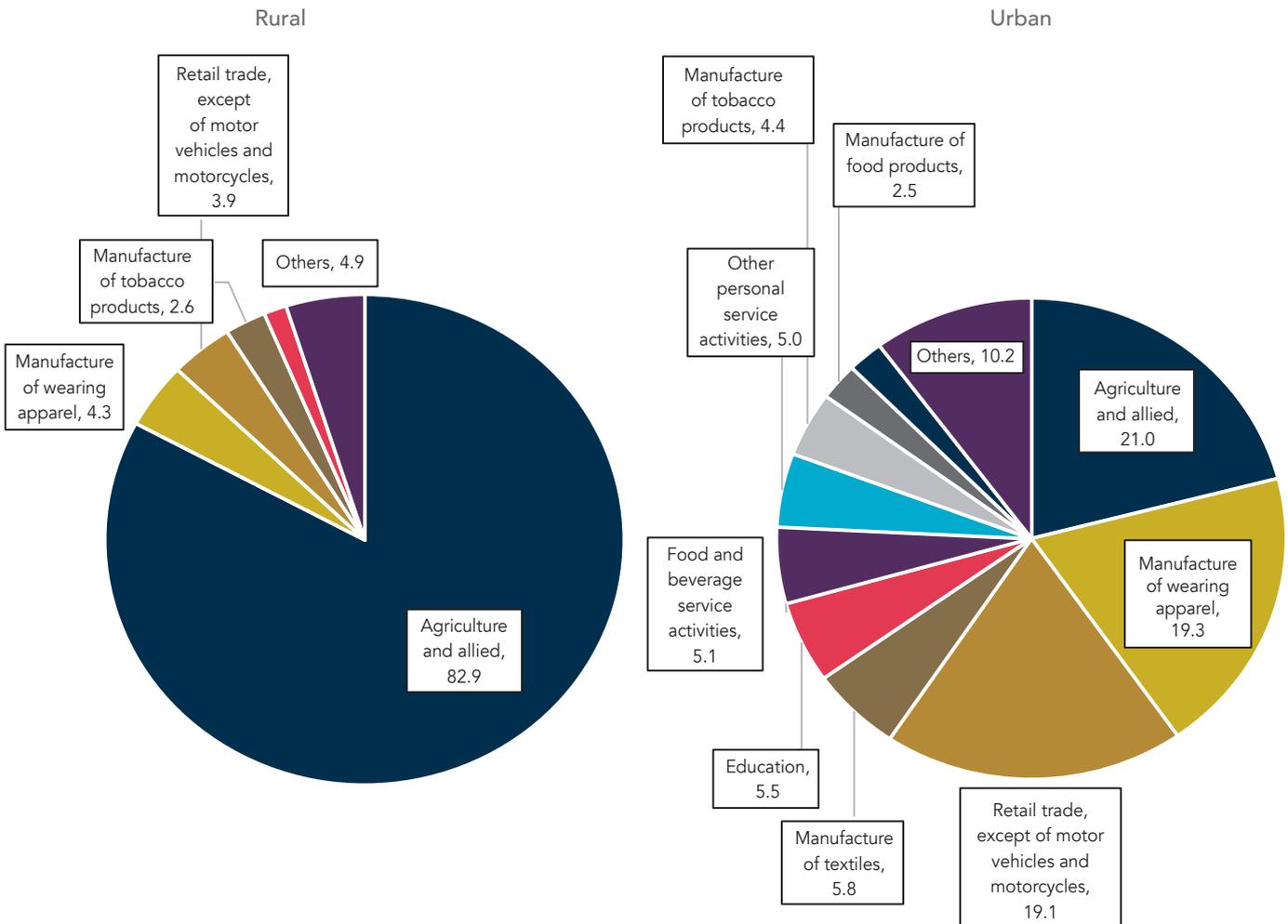
Figure 6: Distribution of Women Workers by Occupation Types



Distribution of Self-employed Women Workers by Broad Industry Types

- More than 80 percent of the self-employed workers are in agricultural activities in rural region. The share is less in case of urban region of India where 21 percent of the self-employed women are involved.
- In the urban region manufacturing of wearing apparel was the 2nd most important industrial category among the self-employed women where more than 19 percent of them are involved. Followed by, retail trade, where 19 percent of the self-employed women work force are participating.

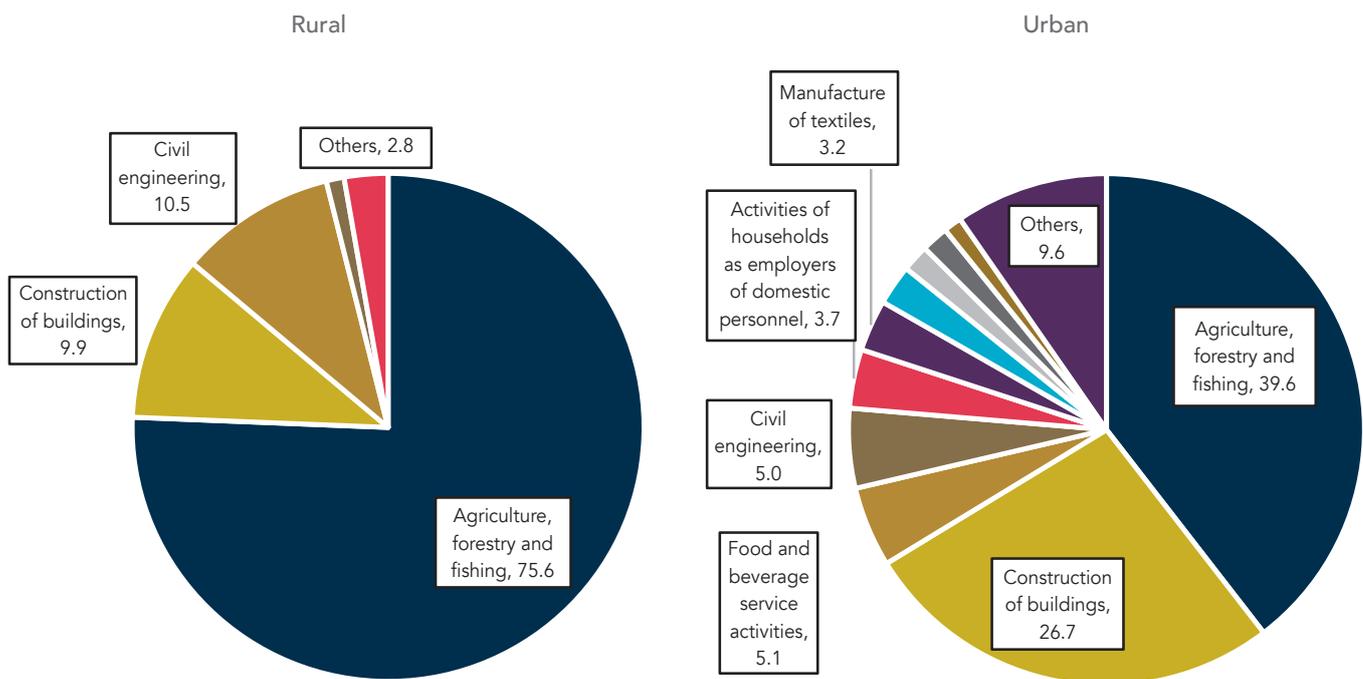
Figure 7: Distribution of Self-employed Women Workers by Broad Industry Types



Distribution of Casual Women Workers by Broad Industry Types

- Majority of the casual laborers are employed in agriculture and allied activities, 75.6 and 39.6 percent of the workers are in agriculture in rural and urban region respectively.
- Among the three type of employment categories, share of agriculture among the casual labourers is the highest in urban region. Followed by agriculture in the urban region 26.7 percent of the women are in construction of building activity.

Figure 8: Distribution of Casual Women Workers by Broad Industry Types

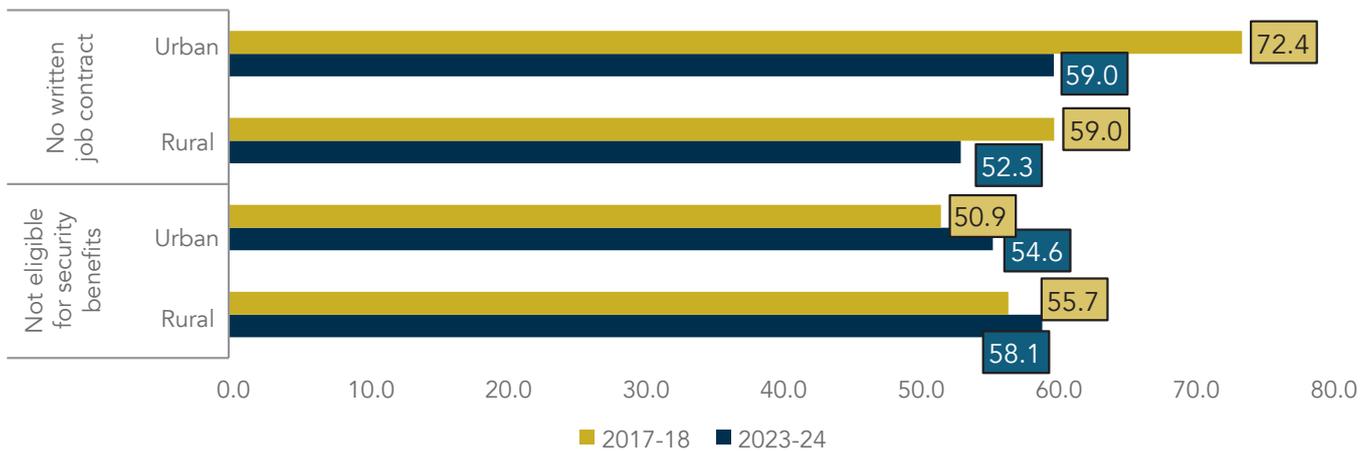


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Condition of Work in Regular Employment

- The number of women employed as regular or salaried employees has been decreasing over the reference period across both urban and rural regions because of less regular work opportunities.
- The data suggest that there has been a significant increase in the proportion of urban women working in vulnerable conditions. The percentage of women without written job contracts has decreased from 59 to 52.3 percent in rural region and 72.4 to 59 percent in urban region, respectively from 2017-18 to 2023-24. But women with jobs but not eligible for social security benefits have increased from 55.7 to 58.1 per cent and 50.9 per cent to 54.6 per cent, respectively in rural and urban region, between 2017-18 and 2023-24.

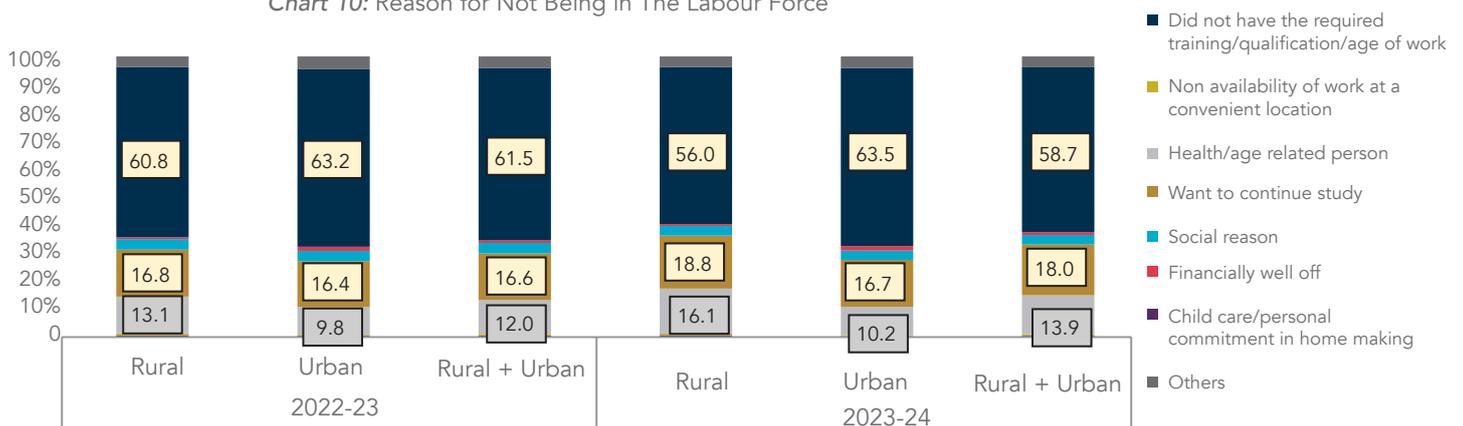
Figure 9: Self-employed Social Security Benefits



Reason for Not Being in the Labour Force

- Child care and domestic responsibilities are still the major barrier for women to not being in the labour force. More than 55 percent of the women in rural region have cited child care and domestic responsibilities are the reason for being out of the labour force, while for urban the share is 63.5 percent.
- However, a slight decrease in share of women identifying the reason for child care/home making as the major reason for being out of the labour force in one year. But the reduction has happened only for rural women. The share of urban women who identifies this as the barrier for going into the labour market has increased marginally from 63.2 to 63.5 percent in one year.

Chart 10: Reason for Not Being in The Labour Force

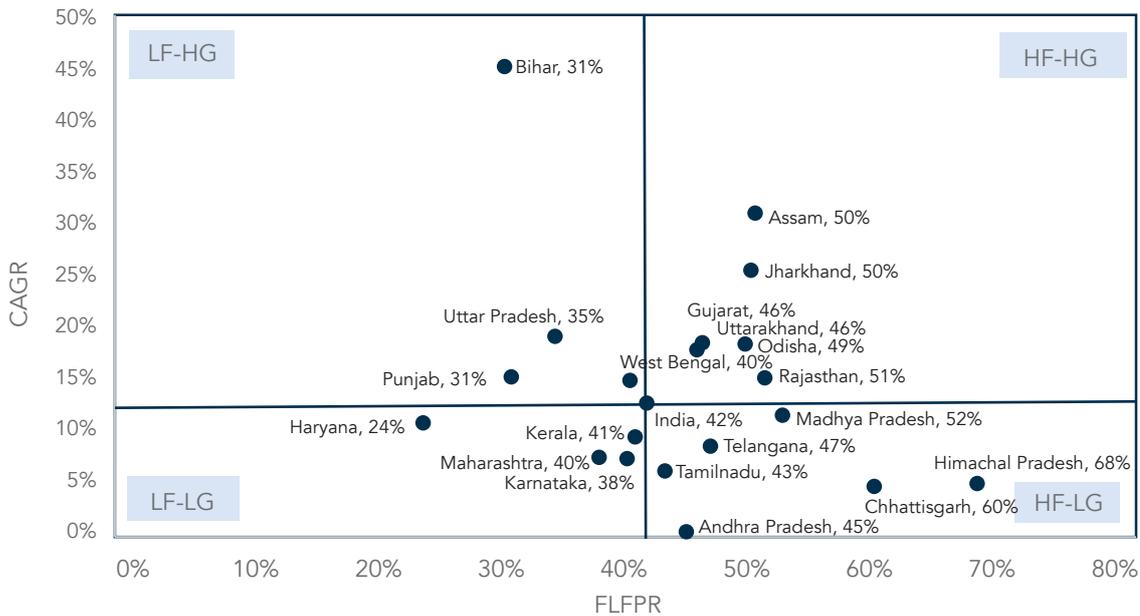


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State wise FLFPR Situation

- Though there is a rise in the FLFPR in India in general but there has been a significant variation among the states. The states are divided into four main quadrants, with states with low FLFPR and high growth rate, low FLFPR and low growth rate, high FLFPR and low growth rate and high FLFPR and high growth rate. The figure 2 consists only the major states (north-eastern states and the union territories are not included in the diagram). The states with:
 - Low-FLFPR and High Growth Rate: Bihar, Uttar Pradesh, West Bengal and Punjab.
 - Low-FLFPR and Low Growth Rate: Haryana, Kerala, Karnataka and Maharashtra.
 - High-FLFPR and Low Growth Rate: Madhya Pradesh, Himachal Pradesh, Telangana, Tamil Nadu, Chhattisgarh and Andhra Pradesh.
 - High-FLFPR and High Growth Rate: Assam, Jharkhand, Gujarat, Uttarakhand, Odisha and Rajasthan.

Figure 11: State wise FLFPR Situation



Note: The Y – axis is CAGR from 2017-18 to 2023-24 and X – axis depicts the FLFPR in 2023-24.

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Conclusion

As the proportion of the working-age women population remained high all throughout the period between 2017-18 to 2023-24, with the share being 66.8% in 2017-18 and 66.2% in 2023-24, and approximately 17.3 crore young women workers join the labour market annually, the demographic dividend is in favour. According to recent ILO data, young women with jobs are more likely to work in the informal economy or in less socially secured occupations¹³, indicating towards the dearth of decent work opportunities. Although the FLFPR has risen between 2017–18 and 2023–24 in terms of number of women joining the workforce, but the main driver for the increasing FLFPR has been the increase in rural self-employed women, with more than 80 percent of them being in agriculture as revealed by PLFS 2023-24. While unpaid family labour is the dominant type of self-employment, but the share of own account worker is also on a rise since 2021-22. These facts point towards a rise in distress-driven employment in the self-employment category. A multifaceted approach, aimed at making growth more employment-intensive, increasing decent employment opportunities, encouraging investment in skilling initiatives to enhance women's employability, challenging the gender norms which restrict women's labourforce participation through gender sensitisation campaigns, making the workplaces more gender-sensitive, and addressing the mobility constraints and safety concerns, would be the need of the hour.

¹³ ILO, India Employment Report 2024: Youth employment, education and skills, 2024, https://www.ilo.org/sites/default/files/2024-08/India%20Employment%20-%20web_8%20April.pdf

The factsheet is prepared by Aneek Chowdhury and reviewed by Bidisha Mondal, IWWAGE – Lead at KREA University. Copyright ©2020

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