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Women Labour Force Participation in India: Recent Trends and Challenges

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ABSTRACT:

The economic analysis of female labour force participation has attracted meaningful attention since the groundbreaking work of Mincer (1962). Sustainable high economic growth since the 1990s in India has brought significant changes to the lives of Indian women. India has experienced steady economic growth over the last two decades, alongside a persistent decline in women's labour force participation. This paper explores the recent situation or status of female labour force participation in India. Also, this paper attempts to analyse the recent trend of LFPR and some major challenges faced by the female labour force. In this paper, we have used NSSO's periodic labour force survey (PLFS).

INTRODUCTION:

Female labour force participation is a driver of growth, and the participation rates indicate the potential for a country to grow more rapidly. The participation of women in the labour force varies considerably across developing countries and emerging economies, far more than in the case of men. The factors affecting women's employment interact among them, making it tricky to disentangle their effects. Female labour force participation is a factor mainly driven by the value of their market wages versus the value of their non-market time.

In traditional societies, such as in India, women face gendered constraints driven by cultural norms and expectations that impact their labour supply. Women's relative absence in the labour market could well reflect both their and households' preferences. In addition, culture and customs strongly impinge on the capacity of women to engage with the labour market. The female labour force participation rate (FLFPR) in India has been one of the lowest among emerging economies and has been falling over time. The FLFPR rates of India is the lowest among the BRICS countries and also lower than some of its neighbors in Asian countries like Bangladesh, Sri Lanka, etc.

LITERATURE REVIEW:

Parida and Mehrota

The recent decline in female labour force participation in India and its socioeconomic causes are examined in this essay. The primary contributions of this paper are as follows: an examination of the micro and macro-level factors influencing the female labour force participation rate (LFPR); a study of the "U shape" formed



by the real wage increase's likely effects on income and substitution; identification of the manufacturing and service sector subsectors that have the potential to generate jobs for older women who have recently been displaced from agriculture and new female job seekers; and an understanding of the conditions under which the female LFPR could be raised. We discover that the recent boost to the structural transformation process has pushed a significant number of people forward using both macro-level and household survey (NSS) data.

S. R. Mahapatro

Recent data from the NSS indicates that fewer Indian women are entering the labour force. The country is undergoing rapid economic changes, making it challenging to explain the decline in terms of economic variables. It is possible that factors related to age and cohort, such as educational attainment and temporal advantages, are delaying the entry into the labour market. The study aims to examine the decreasing patterns in female labour force participation by classifying the trends according to cohort effect, age, and period. This is studied using an OLS regression model, with data taken from NSSO rounds. According to the findings, changes in age and period may be responsible for a significant drop in labour force participation.

Swaminathan and Lahoti

Over the last 20 years, India's economy has grown steadily while the percentage of women in the labour force has continued to drop. This study examines the connection between female labour supply and economic development using state-level data from 1983–1984 to 2011–2012. Our findings imply that, at the state level, there is no systematic U-shaped relationship between the level of domestic product and women's LFPR, despite the fact that a number of studies indicate a U-shaped relationship between development and female labour force participation. After analyzing the connection between women's economic activity and the economy's structure, we discover that the composition of growth rather than just economic growth.

A. B. Reddy

This paper examines the labour force participation of older Indians (60 years of age and older) between 1983 and 2011–2012. Along with analysing various socioeconomic and demographic factors related to older people's labour force participation in India, the paper provides a brief overview of the working conditions for the elderly.



DEFINITION OF LABOUR FORCES PARTICIPATION:

According to CIME, the labour force consists of people who are 15 years of age or older, either engaged in different activities (or employed), seeking a job for or available for a job (unemployed), or unemployed, out of the total population during the reference period. Thus, the LFPR is essentially the percentage of the working-age population that is asking for a job.

OBJECTIVE:

- ❖ The objective of this paper is to give an overview of female labour force participation in the Indian labour market.
- ❖ Analyse the recent trend of the FLFPR rate and also explore the causes of low female labour force participation.

METHODOLOGY:

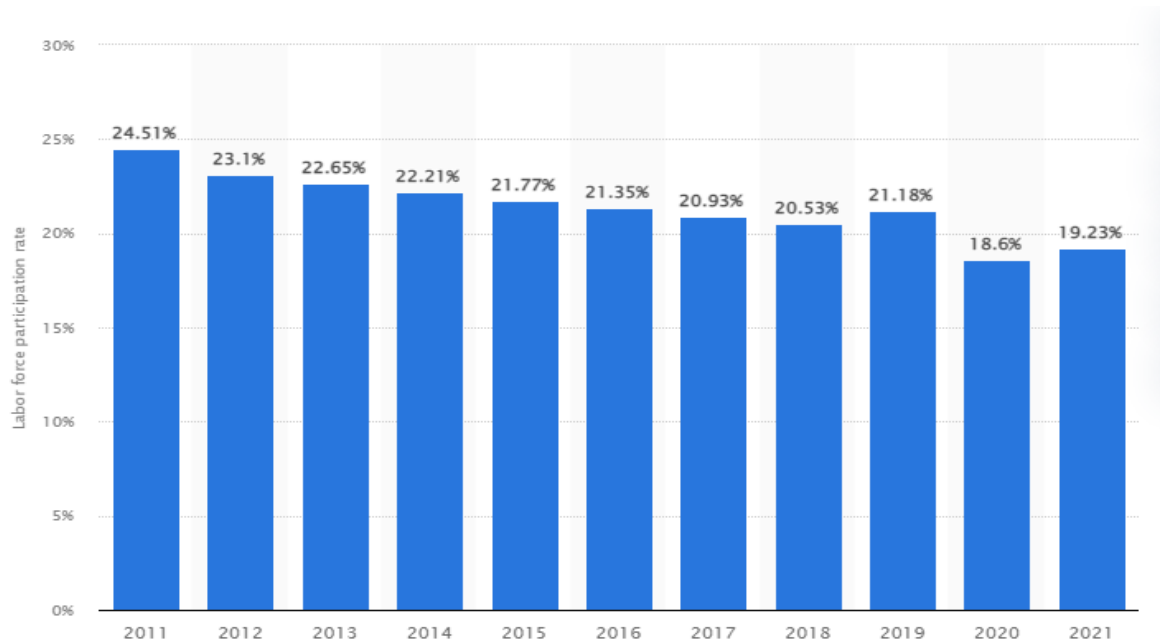
The present research work is descriptive and exploratory. Secondary data has been used. The required secondary data was collected from the authorized annual reports, various journal websites, the ILO website, and research papers.

TRENDS IN THE WOMEN'S LABOUR FORCE:

India has recorded one of the lowest women's workforce participation rates (218–19) in the world and the PLFS (218–19). However, from 2011–12 onwards, most of the existing literature attempts to explain it in terms of the shift to more women engaged in unpaid household chores, such as cooking, cleaning, caring for children, and caring for the elderly (Chakraborty 2019).



Female labor force participation rate across India from 2011 to 2021.



Source: ILO

As per the data published by ILO and shown in the above chart, if we observe the above trends for labour participation in India from 2011–2021, the trends indicate a decline in female labour force participation in India. From 2011 to 2017, there was an indicated continuous decline, and afterwards, it was stagnant from 2017 to 2018. However, after the year 2018, female LFPR started to rise with positive growth. Due to the COVID-19 effect in 2020, this participation rate again shows negative growth. After that, the female FLPR rate marginally increased by 0.6% points in 2021 as compared to the previous year.

MAJOR CHALLENGES FACES BY INDIAN WOMEN LABOUR FORCE:

- **Unequal Pay:** Women's wages are rarely equal to men's wages, with a few exceptions. Globally, women still earn 20% less than men. But in a recent ILO report, India was among the bottom five countries with a gender pay gap of 34%.
- **Cultural Practices:** Many women are not allowed to work after marriage. Further consideration of childcare and the whole responsibility of women discourage women from joining the labour force.
- **Security Concern:** The high incidents of violence against women discourage women from working



at night like their male counterparts. Concern about safety and harassment at the work site, both explicit and implicit Women to opt out of the labour force due to family pressures.

- **Financial Constraints:** Many families don't have enough resources to invest prudently in their children. This inhibits expenditure on women's health and education, which results in poor participation.
- **Stereotype Jobs:** The societal notion about gendered occupation limits the role of women to specific job profiles like nursing, teaching, gynecology, etc. There are tangible and intangible barriers to entry of women in multiple professions like heavy engineering, law enforcement, armed forces, etc.

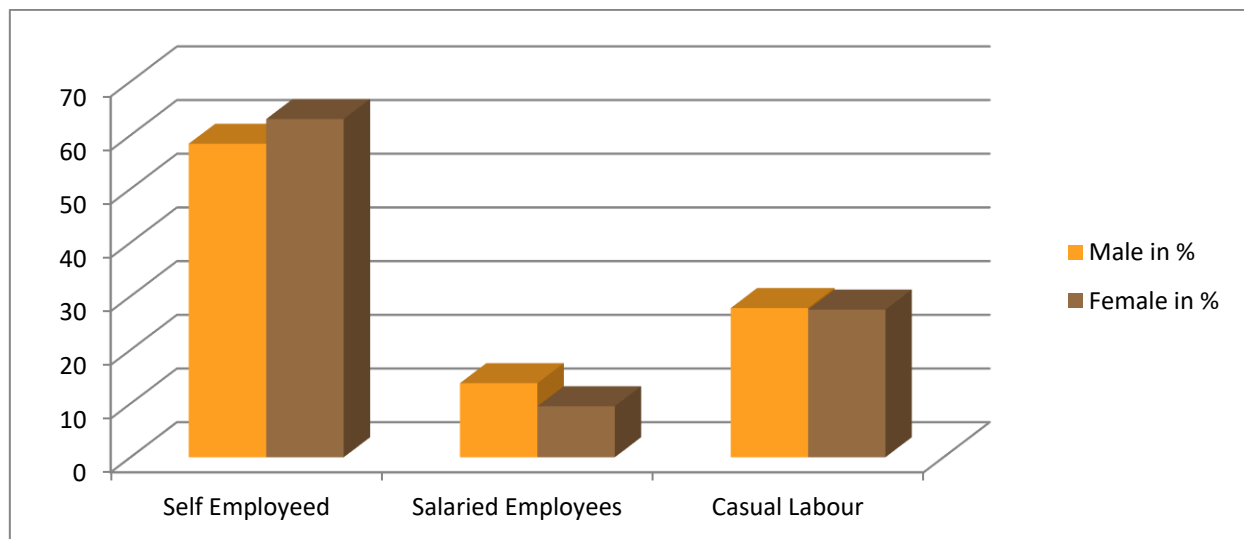
Workers are classified under three categories of occupational status:-

- ❖ Self employed
- ❖ Salaried
- ❖ Casual

These three categories are presented by the figure below.

SECTOR WISE PARTICIPATION OF WORKFORCE AS PER PLFS 2019-20.

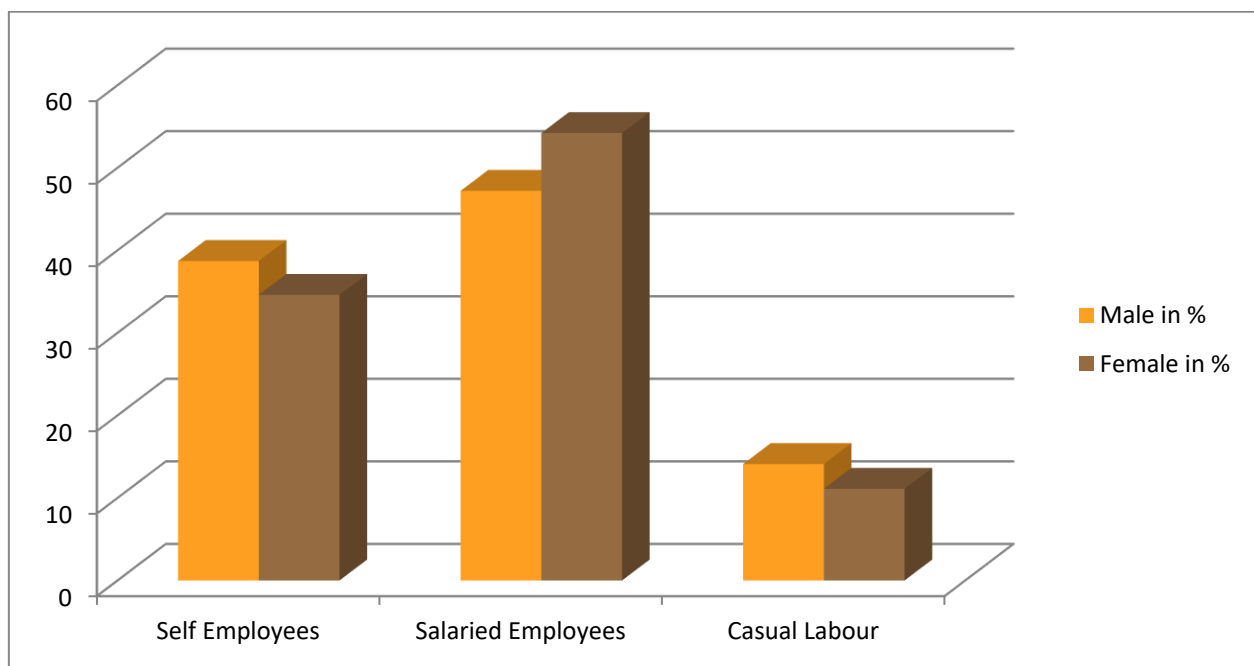
RURAL:





According to above chart majority of workforce are in self-employed. In rural areas larger share of self employed women which are 63% as compared to males which stands at 58.40%. But major disparity between male and female in salaried employee which stands at 13.80% for Male and 9.50 % for female. In casual labour participation is almost similar for male 27.80% and for female it is 27.50%.

URBAN



In urban areas, female self-employment is lower than that of men. Female self-employment is 34.60%, and male self-employment is 38.70%. In the salaried or regular wage category, female labour force participation is 54.20%, which is higher than female participation, which is 47.20%. Again, in the casual male section, labour section male participation is higher, at 14.10%, as compared to the female workforce, which is 11.10%.male participation,

As a result, we can say the percentage of total self-employed females showed a big increase. Despite this progress, the worker participation rate of women in the country remained at 40% of the worker participation rate for men.



WOMEN'S PARTICIPATION IN THE WORKFORCE STATE-WISE:

The Ministry of Labour and Employment has published the data on employment and unemployment for 2019–20. The data has been collected through the Periodic Labour Force Survey (PLFS) conducted by the National Statistics Office (NSO) and the Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MOSPI). As per the latest PLFS report available for the years 2019–20, the estimated worker population ratio (WPR) on the usual status basis for ages 15 years and older, both male and female, was 73.0% and 28.7%, respectively. Further, the state/UT-wise estimated female worker population ratio (WPR) on the usual status basis for aged 15 years.

S. No.	State/UT	Female WPR
1	Andhra Pradesh	37.60
2	Arunachal Pradesh	20.80
3	Assam	14.20
4	Bihar	9.40
5	Chhattisgarh	52.10
6	Delhi	14.50
7	Goa	24.90
8	Gujarat	30.70
9	Haryana	14.70
10	Himachal Pradesh	63.10
11	Jharkhand	35.20
12	Karnataka	31.70
13	Kerala	27.10

S. No.	State/UT	Female WPR
20	Odisha	31.80
21	Punjab	21.80
22	Rajasthan	37.60
23	Sikkim	58.50
24	Tamil Nadu	38.30
25	Telangana	41.80
26	Tripura	23.50
27	Uttarakhand	30.10
28	Uttar Pradesh	17.20
29	West Bengal	23.10
30	Andaman & N. Island	25.90
31	Chandigarh	18.80
32	Dadra & Nagar Haveli	52.30



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14	Madhya Pradesh	37.20
15	Maharashtra	37.70
16	Manipur	26.80
17	Meghalaya	44.10
18	Mizoram	34.90
19	Nagaland	31.10

33	Daman & Diu	34.80
34	Jammu & Kashmir	33.10
35	Laddakh	51.10
36	Lakshadweep	23.10
37	Puducherry	28.40
	All India	28.70

Source: pib.gov.in

According to the data published by the Ministry of Labour & Employment the Female Labour Force participation is highest in Himachal Pradesh (63.10%). The other states/UTs which are having more than 50% participation in the Female Labour Force are Chhattisgarh, Laddakh, Sikkim, Dadra & Nagar Haveli. The lowest participation from States/UT which is below 30% are Bihar, Uttar Pradesh, Arunachal Pradesh, Chandigarh, Delhi, Haryana, Goa, West Bengal, Lakshadweep, Pondicherry, and Tripura.

CONCLUSION:

Despite the increase in education, the decline in fertility and strong economic growth India's female LFPR has declined in years. Our simple descriptive analysis of NSO data, PLFS data and ILO data and estimation. It has been observed that there has not been a major change in Female Labour Force Participation in India in the past few years but the Government of India and state governments have taken several initiatives through self-employment schemes and other social experiments to improve Female Labour Force Participation. A few government schemes which have boosted participation are the Stand-up India Scheme and the PMEGP Scheme. These schemes are specially designed for female entrepreneurs. As people are getting aware of the schemes participation of the female labour force is improving day by day and in the coming years, it will improve more.



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