



Working or Not: What Determines Women's Labour Force Participation in India?

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Introduction

Labelled as an emerging economy, India saw steady growth in the national income before the COVID-19 pandemic. This, however, has not been followed by a productive market workforce, and employment rates have remained more or less stagnant. The aforementioned IWWAGE Report investigates the unusual pattern of 'jobless growth' putting the female workforce in the spotlight, which has been on a constant decline despite a multitude of positive factors- rising educational attainment, declining fertility rates, and increasing household incomes. Utilising primary governmental datasets- household-level data of



Periodic Labour Force Surveys (PLFS), and NSSO's Employment-Unemployment Surveys (EUS)- the paper provides a careful assessment of the work opportunities, or lack thereof, for women by evaluating cross-cutting dynamics of socio-cultural norms, patriarchal elements and skill levels, all influenced by demographic distinctions.

Key Highlights

- The study suggests a gender gap in the labour force, displaying a consistent decline in women's labour participation since 1993-94 (except 2004-05). While the unemployment rate has risen from 9.9 percent in 2011-12 to 16.7 percent in 2018-19, it is **two-fold higher for women than men**.
- This regression is impacted by a **rural-urban divide**- a heavy drop of 24 percent in rural female workforce trends overrepresented in informal agricultural sector- has explicitly influenced the overall decline; while urban trends show a wider gender disparity in the workforce.
- There is a considerable variation seen in women's participation rates across different states with West and South India illustrating better participation levels.
- **Himachal Pradesh** tops the trends chart with about **64 percent** of its women engaged in the workforce, while **Bihar** is at the lowest, reporting only about **4.5 percent**.
- One of the main causes of the participation level decline is an increased contribution of women to non-market production that remains largely ignored.
- More than **half of the women (52 percent)** are working as **self-employed** and women attending to domestic unpaid work for household consumption have risen since 1993-94. Surprisingly, a higher proportion of women (aged 30-59 years) living in urban areas were involved with domestic care than rural women in 2018-19.
- Across different social groups, especially well defined in rural areas, ST and SC women have significantly higher participation levels than upper-caste women driven by *cultural and patriarchal norms*.
- It is, however, interesting that while there has been a uniform decline in participation levels across all caste-based groups after 2004-05, **Adivasi (ST) women have seen the sharpest drop in both rural and urban areas** although it has remained more or less the same for across all social groups in the case of men.
- Further, the relationship of women's labour force participation with educational attainment is not linear and positive, rather is **U-shaped** suggesting a decline in participation as educational qualification increases. Trends for all year brackets show that the highest proportion of working women are concentrated at both extremes- women with a primary level of education and women with graduate and higher degrees.

- Even so, **workforce participation of educated women** with graduate degrees has **deteriorated making only 36 percent of the 2018-19** workforce as compared to 37.5 percent for 1993-94.
- The study advocates for a comprehensive model of policy formulations that promotes the enhancement of skill development by raising access to training programmes, childcare benefits, basic transportation and entrepreneurship opportunities for women.

Read more at: <https://iwwage.org/wp-content/uploads/2021/05/IWWAGE-Working-Report-upd.pdf>

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