

## **Increasing Female Workforce Participation in India: Key highlights <sup>1</sup>**

Women's work participation across the world has been low, and recovery from the pre-pandemic levels has been uneven with differential impacts on different groups. The World Employment and Social Outlook Report of the ILO, 2024 has reported that though women's work participation rates have recovered faster than expected, there have been persistent gender gaps.<sup>2</sup> Women's global labour force participation 48.2 % as compared to men at 72.9 % in 2024 (ILO,2024). Apart from the gender differentials in female involvement in the labour market globally, the World Bank's Gender Data portal, 2022 reveals substantial regional differences particularly in South Asia, North Africa and the Middle East where the participation of women in the labour force is comparatively lower as compared with other regions. Within the South Asian context, Women's labour force participation (LFPR) in India remains at 41.7 percent in the 15 and above years age group as reported by the Periodic labour Force Survey (PLFS) in 2023-24 which is low as compared to the global average.

Although there has been a slight rebound in gender parity in the labour market participation rate since 2022 worldwide, with more women entering the labour market than men, inequalities continue to persist. According to the Global Gender Gap report of the World Economic Forum 2023, the informal economy has significantly contributed to this employment recovery for women, with every four out of five new jobs created in the informal sector.<sup>3</sup> Temporary and part time work arrangements often make it easier for women to balance caregiving and paid work, which is one of the reasons women are drawn to the informal sector. However within the informal sector women are generally engaged in low paid employment with extremely limited access to social security and better employment conditions. The growing trend towards greater reliance on technologies and digitalisation in the future of work also requires special attention especially in context of women workers in the informal sector.

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<sup>2</sup> <https://www.ilo.org/publications/flagship-reports/world-employment-and-social-outlook-trends-2024>

<sup>3</sup> <https://www.weforum.org/publications/global-gender-gap-report-2023/in-full/gender-gaps-in-the-workforce/#:~:text=A%20significant%20portion%20of%20the,out%20of%20every%20three%20jobs.>

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## **I Labour force participation: Global Trends**

**Table 1 Labour Force Participation Rate: World (in percentage)**

Year	Male	Female
2000	77.9	50.6
2010	75.3	48.9
2019	73.1	48.0
2020	71.7	46.8
2021	72.2	47.6
2022	72.9	47.9
2023	73.0	48.7
2024	72.9	48.2

**(Source: World Employment and Social Outlook, 2024 ILO Flagship Report)**

**Fig 1 Labour Force participation Rate: World**

## LABOUR FORCE PARTICIPATION RATE: WORLD



(Source: World Employment and Social Outlook, 2024 ILO Flagship Report)

## II Trends in Women's Labour Force Participation Rate: regions

An analysis of region wise participation of women in the labour force has revealed that women's participation has remained lowest in the South Asian region as compared to other regions of the world. In 2024, the participation of women in the workforce in South Asia increased by 3.6 percentage points i.e from 26.1 percent to 29.7 percent. Other regions across the world have witnessed an overall decline in labour force participation with subsequent gender gaps.

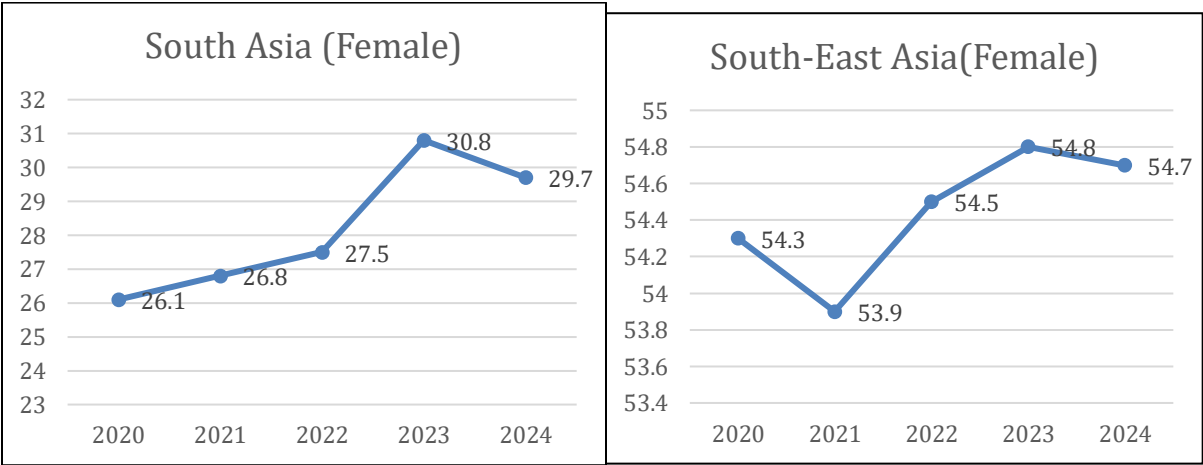
**Table 2: Labour Force Participation Rate by Regional groups (2020 to 2024)**

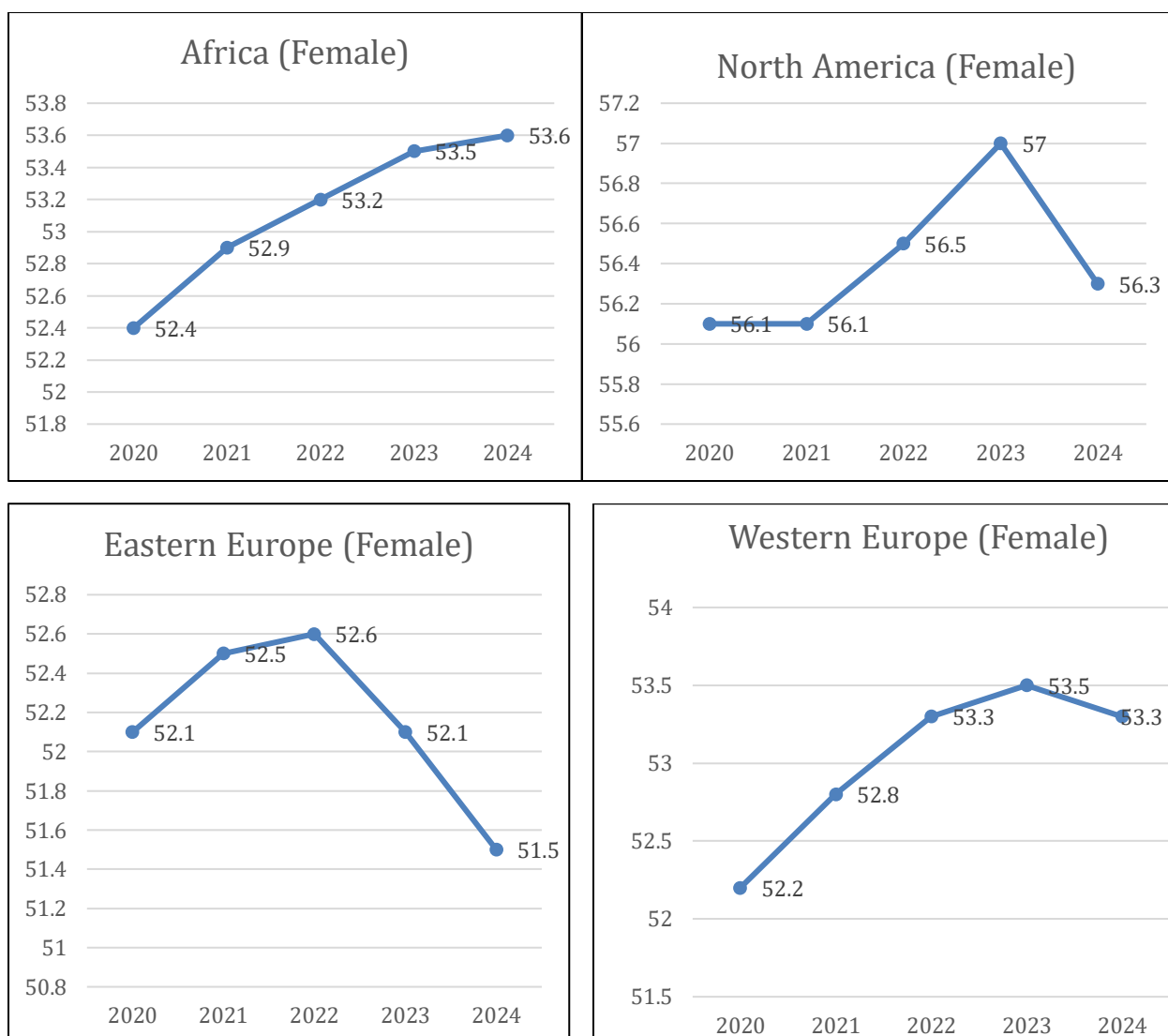
Year	South Asia	South-East Asia	Africa	North America	Eastern Europe	Western Europe

	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
2020	74.1	26.1	77.3	54.3	71.1	52.4	67.3	56.1	67.6	52.1	63.3	52.2
2021	74.7	26.8	76.2	53.9	71.4	52.9	67.3	56.1	67.7	52.5	63.5	52.8
2022	75.8	27.5	77.6	54.5	72.2	53.2	67.4	56.5	67.6	52.6	64.0	53.3
2023	76.7	30.8	77.8	54.8	72.2	53.5	67.6	57.0	67.0	52.1	64.2	53.5
2024	76.7	29.7	77.7	54.7	72.2	53.6	67.0	56.3	66.4	51.5	64.1	53.3

(Source: World Employment and Social Outlook, 2024 ILO Flagship Report)

Fig 2 Female Labour Force Participation Rate of different regions of the world





(Source: World Employment and Social Outlook, 2024 ILO Flagship Report)

### III Work Force Participation Rate for Women in India

The PLFS data on employment from 2017–18 to 2022–23 paints an optimistic picture of women's participation. There has been an increase in WPR for women aged 15 years or more, from 22 percent in 2017–18 to 40.3 percent in 2023–24. Urban and rural employment have shown similar trends, with women's participation increasing from 23.7 percent to 46.5 percent in rural areas and 18.2 percent to 26 percent in urban areas over the same time period.

The increase is mostly attributed to the rise in self-employment, which grew by 15.6 percentage points, from 51.87 percent in 2017 to 67.4 percent in 2022-23.

**Table 3: WPR (in per cent) in usual status (ps+ss) Age Group: 15 years & above**

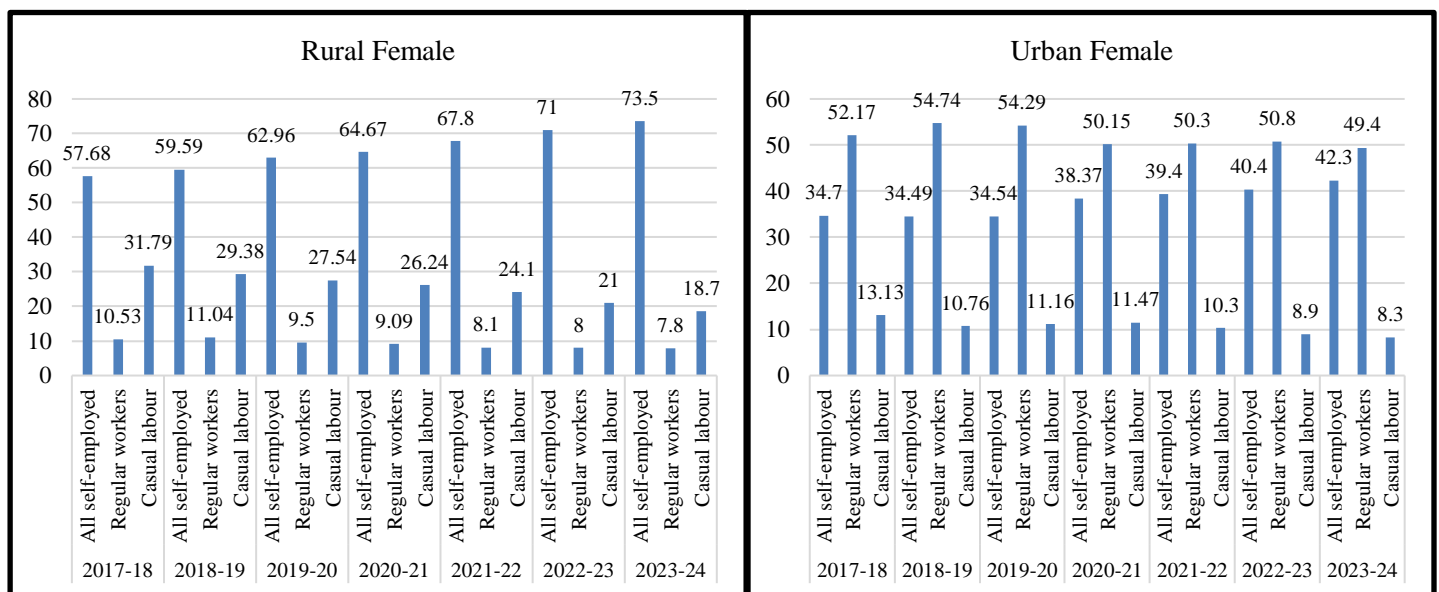
<b>WPR</b>	<b>Rural</b>		<b>Urban</b>		<b>Rural+ Urban</b>	
	Male	Female	Male	Female	Male	Female
<b>2017-2018</b>	72	23.7	69.3	18.2	71.2	22
<b>2018-2019</b>	72.2	25.5	68.6	18.4	71	23.3
<b>2019-2020</b>	74.4	32.2	69.9	21.3	73	28.7
<b>2020-2021</b>	75.1	35.8	70.0	21.2	73.5	31.4
<b>2021-2022</b>	75.3	35.8	70.0	21.9	73.8	31.7
<b>2022-2023</b>	78.0	40.7	71.0	23.5	76.0	35.9
<b>2023-2024</b>	78.1	46.5	72.3	26.0	76.3	40.3

**Source: Periodic Labour Force Survey of India, various years**

**Fig.3: WPR (in per cent) in usual status (ps+ss) Age Group: 15 years & above**

Source: Periodic Labour Force Survey of India, various years

**Fig. 4: Percentage distribution of workers in usual status (ps+ss) by broad Employment status in 15 + years and above**



#### IV Literature Review: The Increasing Female Labour Force Participation in India (Existing debates)

- **Self-Employment as a Key Driver:** The rise in FLFP has largely been attributed to an increase in self-employment, particularly in rural areas. Notably, the category of self-employed women encompassing employers, own-account workers, unpaid helpers, and women who did not work in the previous week has seen a significant rise from 55.9% in 2017-18 to 70.1% in 2022-23. This shift reflects a structural change in the rural economy but also raises questions about the quality and sustainability of this employment. For example, the proportion of self-employed rural women in agriculture increased from 63.7% in 2017-18 to 79.1% in 2022-23. In contrast, while self-employment in manufacturing and services also grew, the increase was smaller: from 71.7% to 81.8% in manufacturing and from 23.1% to 29.1% in services (Ashwini Deshpande, 2023).

- **Job Opportunities Created by Male Migration to Non-Agricultural Sectors:**

One of the primary drivers of the increase in female employment in rural areas is the migration of male workers from agriculture to non-agricultural sectors. Between 2019 and 2022, male employment in agriculture fell by approximately 13.3 million, with many moving to non-agricultural jobs in rural or urban areas. This migration created job opportunities for women in agriculture, as they filled the positions vacated by men. The rise in FWPR in rural areas is largely attributed to this shift, as many women took up agricultural jobs that were previously occupied by men. Thus, the increase in female employment in agriculture is more about the redistribution of jobs due to male migration, rather than distress-induced female labour force entry (Goldar & Aggarwal, 2024)

- **Growth in the Manufacturing and Services Sectors:** Focusing on rural women, there has been a steady increase in the proportion that are self-employment in agriculture from 63.7 percent in 2017-18 to 79.1 in 2022-23, an increase of roughly 15 percentage points. There has also been an increase in the proportion of self-employed rural women in manufacturing and services, though quantum of increase is smaller. 10 percentage points for manufacturing, from 71.7 to 81.8 percent, and six percentage points for services from 23.1 to 29.1 percent (even as the share of women working in manufacturing has only increased marginally while those working in services has seen a small decline). Thus, self-

employment among rural women has occurred across sectors. Government support plays a key role in this growth. For example, at the national level, 70 central schemes across 15 ministries focus on supporting entrepreneurship. The Ministry of MSME, Ministry of Agriculture, and Ministry of Skill Development lead these efforts. On the state level, seven states—Odisha, Kerala, West Bengal, Assam, Rajasthan, Tamil Nadu, and Telangana—account for nearly half of the 433 state-level schemes supporting entrepreneurship. Together, these initiatives are helping rural women thrive in diverse sectors.<sup>4</sup>

- In addition, the government has implemented various schemes and programmes, the most promising of which is the Skill India Mission, contributing towards improving female workers' employability. Promotion of self-employment for women has been on the priority areas of the government with initiatives like 'Stand up India' that provides loans to women including the marginalized communities. Around 9 crore women are connected with self-help groups under the National Rural Livelihood Mission (NRLM) along with provisions for collateral-free loans.

Thus, the, rise in female workforce participation in rural India is driven by a combination of factors, including the migration of male workers from agriculture, labour shortages in farming, growth in the manufacturing and services sectors, and shifts in agricultural practices. These factors suggest that the increase in female employment is more a result of opportunities created by economic changes rather than distress-driven necessity. Economic growth, labour market dynamics, and shifts in gender roles are likely to continue influencing female workforce participation in rural areas.

## **V Potential areas for Policy intervention**

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<sup>4</sup> <https://www.niti.gov.in/sites/default/files/2023-03/Decoding-Government-Support-to-Women-Entrepreneurs-in-India.pdf>

The increase in female labour force participation, particularly in rural areas, presents both opportunities and challenges for policymakers. While the rise in FLFP is a step forward in terms of women's economic visibility, the shift towards self-employment and unpaid family labour highlights the need for focused interventions to improve the quality of women's work.

1. There is an urgent need to create more regular salaried employment opportunities, particularly in the rural non-farm sector. Expanding rural non-farm paid employment is critical for providing women with stable jobs that offer social security and other benefits.
2. Addressing barriers to work such as poor infrastructure, lack of transportation, and the absence of childcare facilities is essential to ensure that women can access these employment opportunities.
3. Efforts to challenge and change the deeply entrenched gender norms around household labour are necessary. Public campaigns advocating for gender equality within the household can help shift the cultural attitudes that continue to restrict women's access to paid employment (Ashwini Deshpande, 2023).

In spite of these efforts, the rapidly changing world of work with the emergence of new forms of employment requires targeted policy intervention for women both in the formal and the informal sector. The Future of Work Report, 2019 of the ILO has rightly highlighted on investing in human capacities and promoting sustainable employment for women from emerging sectors with emphasis on women's education, skill trainings, and technology to unlock new possibilities and accelerate economic growth. Promoting greater investments in the care economy shall contribute in addressing unpaid work of women. India's growing self-employment profile reflects economic necessity-driven enterprises. Therefore, there is a need to invest in capacity building initiatives for women, along with financial and digital literacy for promoting innovation-led entrepreneurship in the future of work.