



Review Paper

Female labour force participation trends in India (A comparison with BRICS countries)

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Abstract

Any discussion on the developmental process and strategies is incomplete without assessing the role of women in socio-economic activities. Discrimination against women is widely prevalent in almost all societies, whether it is developed or developing. Women's crucial role in socio-economic activities has made them an essential part of the world labor market. In India for rapid and sustainable development, women's share in the economic sphere is a prerequisite. Unfortunately, despite their immense contribution to the primary sector, they are not viewed as being within the production system, and their economic contribution to their families is often underappreciated. The higher number of females are doing work in unskilled areas and the areas where simple or traditional skills are required. Human resource is an essential prerequisite for the development of a country. Thus, the exclusion of females from the labor force, which constitute nearly half the population amounts to wastage of scarce human resources. This paper analyses the trends of female participation in the labor force by comparing gender patterns in labor markets. Human resources are vital to economic growth because they are active agents which accumulate capital, exploit natural resources, perform other social and economic activities, and carry forward economic development. Moreover, it is well known that the optimum of India and BRICS countries. It also identifies the factors responsible; for low Female Labour Force Participation Rates.

Keywords: Economic activities, female labour force participation, gender participation gap, India.

Introduction

The concept of women's development in the early stage of development planning was mainly 'welfare oriented' which viewed women as passive recipients of benefits. During the 60's, women's education along with improvements in nutrition services, child and mental health were prioritized. This marked a change in the approach from that of 'welfare' to the new based on 'development'.¹ After that, women were being recognized as an active participant of development, and a multifaceted attitude was adopted to improve health, education, and employment outcomes. For the betterment and improvement of the socio-economic status of women, in various five-year plans women specific and women related policies and programs have been implemented².

However, despite the upbeat economic performance of India in the aftermath of economic reforms, the involvement of Indian women in the labor market remains low. The higher number of females are doing work in unskilled areas or the areas where traditional skills are required. Proper attention is not given on vocational education and training of women in the economy because the girls are not considered to be the breadwinners in the traditional family structure dominated by rigid patriarchal attitudes³. For the balanced distribution of women labor in

economic activities, it will be desirable to give preference to women for training according to their specific aptitude occupation. Employment for educated women has become a significant challenge for policymakers during the last few years. The gap between women and men economic participation remain wide, reflecting fewer educational opportunities, social restrictions, and market imperfection⁴.

The concept of quality employment for women has become an important part of developing and under developing nations throughout the world. It is increasingly realized that women play a meaningful role in the context of the economic prosperity of a nation as well as to raise the standard of living of the resident of the country.

Globally, labor market dynamics are changing rapidly due to the complex interplay of economic and technological developments. In this context, the female labor's involvement in the workforce, the allotted work's level of quality and their total share in the GDP will be the key determinants of their being mainstreamed into the economy³.

Objectives: Key objectives of the study are: i. To study the representation of females in the emerging labor market of India. ii. To compare FLFP rate trends in India with the BRICS

countries. iii. The paper also discusses the main influences on the FLFP with particular focus on the gender based differential.

Methodology

The paper analyses secondary data sourced from the published reports Ministry of Labour and Employment, Human Development Report-UNDP, Human Development Indicators-World Bank, and India Development Report. Many books, magazines, and research papers have been consulted in the course of the study.

Review of literature: Numerous studies have been conducted on various aspects of participation of females in workforce and its determinants. India has witnessed a decline of FLPR in rural and urban areas since 1987-88-2004-05, while participation in domestic activities (unpaid and unaccounted “status work”) has seen an upward trend in the same period. Declining FLPR is attributed to rising educational enrollment, positive income effect, and declining employment opportunities for female workers in India⁵. The increasing trend of females towards domestic and allied activities shows the regressive sexual division of labor. ILO working paper on trends of female labor force participation in the South Asia Region identifies that India was near to the lowest position in the female labor force participation in the region. In the country, the participation rates for the females came down from 34.1 to 27.2, a decrease of 6.9% over the years from 1999-00 to 2011-12. Vast gender difference and the urban-rural variations have also persisted over time.

India Human Development Survey Working Paper (2018), “Indian Paradox⁶: Rising Education, Declining Women’s Employment,” discusses the U-shaped relationship between women education and labor force participation. Though many studies on human resource advocate that with increasing education, women acquire more marketable skills and their earnings increase, resulting in higher labor force participation, but in the Indian context, these theories are found to be inadequate. This working paper argues that the other family income effect explains the negative relationship between moderate females education and her involvement in the work. The study suggests the importance of occupational sex segregation. Although the LFPR is around 40%, the gender-based participation is more worrying, with only 22.5% females.

Women over the age of 15 only male 35.8% of the total, while for rural males it is more than double at 81.3%. The main factors responsible for declining rural female labor force participation rate are income and education effect, the problem of underestimation, and the structural transformation⁶.

Social identities of caste and religion are also seen to impact labor market outcomes for women resulting in - While overall declining trend can be observed in the female participation of all caste/ religious categories, Muslims followed by upper caste non-Muslim have lowest participation whereas the ST women lay on the other end of the spectrum. SC women similarly, have higher figures of participation than the upper castes. The higher participation among SC/STs is attributed to poverty, and the relatively fewer restrictions on lower caste women vis-à-vis the stigma associated with manual work and on mobility. However, both groups have also witnessed the highest decline in workforce participation owing to land alienation, non-viability of subsistence agriculture, declining opportunities for casual work in rural areas, and the increasing mechanization of agriculture⁷. Globalization is also seen to have a marginalizing impact on female employment. On one hand, modification of production and work pattern will be more beneficial for deprived or marginalized group mainly lower cast women of the society in the new economic era. However, the existing social hierarchy and historical disadvantage suffered by certain sections of the society will only increase inequalities. This may either push women, especially those from marginalized sections out of the labor market or confine them to lower paying jobs⁸.

Gender patterns in the Indian labor market: In recent years the transformation of developing countries has led to an increasing number of women taking up paid employment. Women’s employment is assumed to be fundamental for their economic independence and improvement in social status and empowerment. There has been much excitement around India’s demographic dividend, but regrettably, India has one of the lowest FLFP rates⁹. The economic boom initiated by the economic reforms seems to have by-passed India’s women.

For India LFPR, WPR and UR for persons aged 15 years and above according to Usual Principal Status Approach (UPS) based on 2nd, 3rd, 4th and 5th Employment-Unemployment Survey by Labour Bureau is as follows.

Table-1: Workforce participation rate for females in India¹⁰ (in %).

Parameter	2 ND EUS (2011-12)			3 RD EUS (2012-13)			4 TH EUS (2013-14)			5 TH EUS (2015-16)		
	M	F	P	M	F	P	M	F	P	M	F	P
LFBR	77.4	25.4	52.9	76.6	22.6	50.9	74.4	25.8	52.5	75.0	23.7	50.4
WPR	75.1	23.6	50.8	73.5	20.9	48.5	71.4	23.8	49.9	72.1	21.7	47.8
UR	2.9	6.9	3.8	4.0	7.2	4.7	4.1	7.7	4.9	4.0	8.7	5.0

As per the Labour Bureau estimates the FLFP has decreased from 25.4% (2nd EUS, 2011-12) to 22.6% (3rd EUS, 2012-13). Under 4th EUS (2013-14), the same has increased to 25.8% and further declined to 23.7% (5th EUS, 2015-16). Female LFPR remains significantly lower than their male counterparts, which stands at 77.4% (2011-12), 76.6% (2012-13), 74.4% (2013-14) and 75% (2015-16).

At all India level, the Unemployment Rate has witnessed an increase from 3.8% (2011-12) to 4.7% (2012-13) to 4.9% (2013-14) and 5.0% (2015-16). All India level Unemployment Rate in the case of the female category has consistently remained higher than their male counterparts.

Between 2011-12 and 2012-13, the Worker Participation Rate (WPR) for women 23.6% to 20.9%. In 2013-14 WPR for

women increased to 23.8% and further declined to 21.7% in 2015-16. The WPR for the male has consistently remained higher than the women. Female WPR has consistently remained higher in rural areas as compared to urban areas.

In the organized sector, women workers constitute only 20.5% of total employment in the year 2011. Table-2 depicts the male-female differences in various labor statistics.

Gender patterns in labor markets of BRICS countries: BRICS-Brazil, Russia, India, China, and South Africa, constitute a powerful economic and political bloc, accounting for nearly 41% of the world population and 32% of world's GDP (PPP). The labor markets in BRICS countries exhibit broad diversity in terms of representation of women in the workforce, as shown in Table-3.

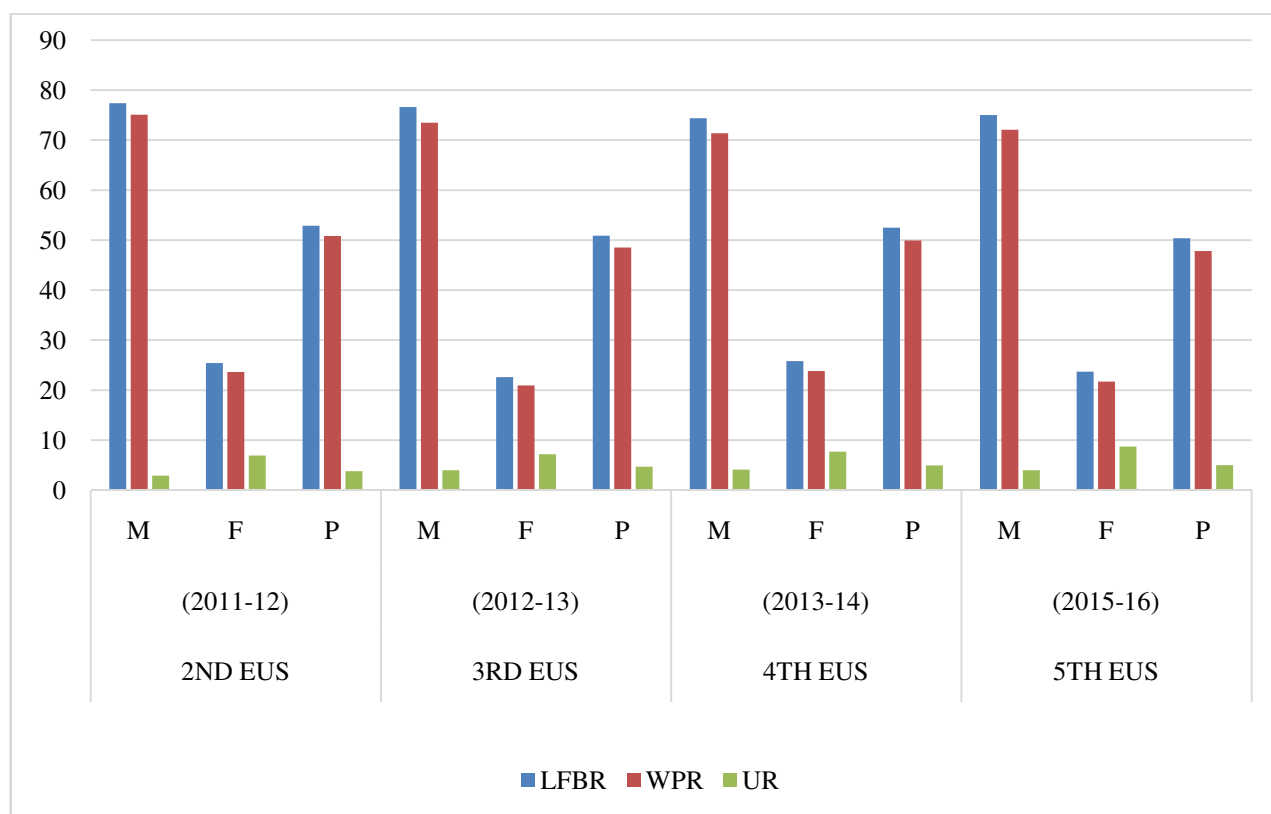


Figure-1: Trends in various labor statistics¹⁰.

Table-2: Male-Female Differences in Employment¹⁰ (in %).

Parameter	2 nd EUS (2011-12)			3 rd EUS (2012-13)			4 th EUS (2013-14)			5 th EUS (2015-16)		
	M	F	D	M	F	D	M	F	D	M	F	D
LFPR	77.4	25.4	52	76.6	22.6	54.0	74.4	25.8	48.6	75.0	23.7	51.3
WPR	75.1	23.6	51.5	73.5	20.9	52.6	71.4	23.8	47.6	72.1	21.7	50.4
UR	2.9	6.9	4	4.0	7.2	3.2	4.1	7.7	3.6	4.0	8.7	4.7

Table-3: Workforce participation rates in BRICS countries¹¹.

Country	LFPR						Gender Participation Gap (Male LFPR-Female LFPR)		
	Male-LFPR			Female-LFPR			2000	2010	2018
	2000	2010	2018	2000	2010	2018			
Brazil	78.8	76.6	74.4	50.3	53.6	54	28.5	23	20.4
China	83.2	77.9	75.9	71	63.8	61.3	12.2	14.1	14.6
India	83.0	80.7	78.6	30.4	25.8	23.6	52.6	54.9	55
Russia	69.1	70.3	70.5	54.7	55.9	54.9	14.4	14.4	15.6
S. Africa	63.7	60.5	62.6	49.0	44.7	48.8	14.7	15.8	13.8

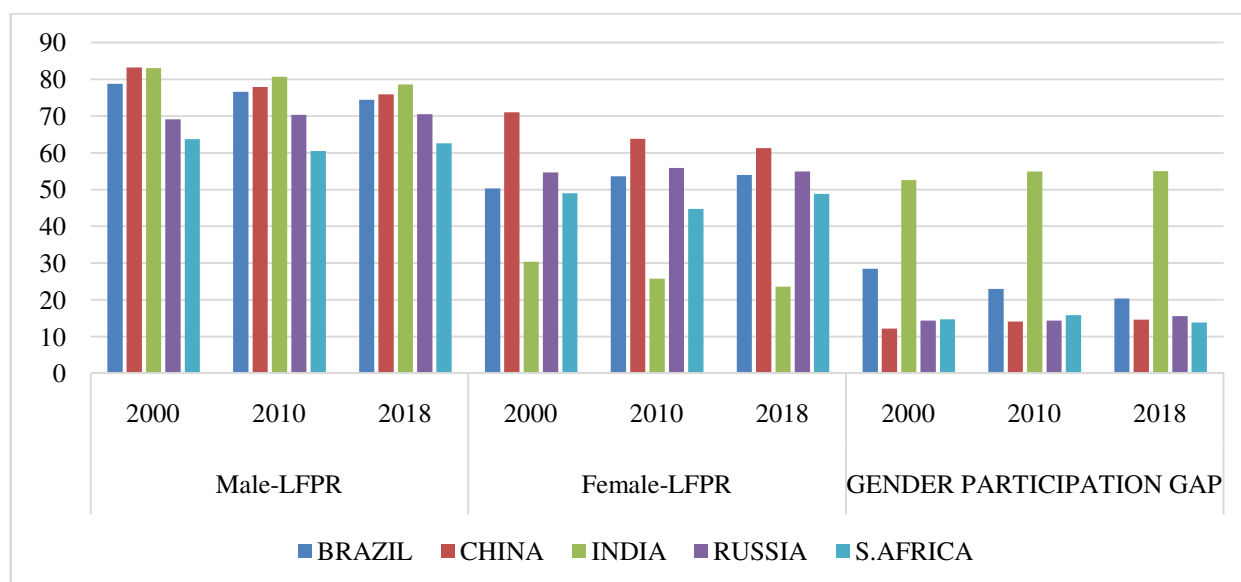


Figure-2: Gender Participation Gap across BRICS nation¹¹.

The Gender Participation Gap (Male LFPR – Female LFPR), varies significantly across the BRICS countries. An investigation into the long-term trends of aggregate labor force participation shows that as of 2018, South Africa has the lowest Gender Participation Gap, followed by China, Russia, and Brazil.

Brazil and South Africa have registered a decline in Gender Participation Gap of 8.1% age points and 0.9% age points respectively. On the contrary, the Gender Participation Gap has increased in China, India, and Russia.

India has the worst Gender Participation Gap, which has increased from 52.6% (2000) to 55% (2018). Over the same period, the Female-LFPR has declined from 30.4% (2000) to 25.8% (2010) to 23.6% (2018).

The declining Female-LFPR and worsening Gender Participation Gap highlights the chronic problem of under-representation of women in India’s labor force. While women constitute nearly half the population, they account for less than a quarter of the workers employed. This also underscores the narrative of women being “left out of the growth process,” despite the rhetoric of job creation and gender justice.

Factors affecting women's work participation rate

Female participation in economic activity is not only a matter of human justice but also a sure route to faster and more inclusive development¹². An increasing in the women’s share in the workforce, alongside an increase in their productivity and earning potential will have a direct impact on their living conditions and lead to a better economic performance¹³. It also contributes to the reduction of poverty and improvement in family welfare overtime. The participation of women in the

workforce is determined by various social, economic, and cultural factors. Some of the factors are discussed below–

Education: The level of high education, including secondary and higher, is a dominating factor which influences the most, female’s opinion regarding working. Generally, a spike in female literacy is matched by a similar increase in their workforce participation. Numerous studies have shown a U-shaped relationship between the years of education and the FLFP. Women from uneducated and lower income groups have no choice; they have to join the workforce to support their households. At an intermediate level of education, the labor force participation declines to owe to the desire to pursue higher education and the jobs to match the ambitions and levels of education are scarce. Lack of skills to suit the market requirements also leaves them out of the labor market. The female participation rate is increased at a higher level of education, educated women, with required skills, re-enter in the workforce through well-paying jobs that match their education and skills¹⁴.

Poverty and family income: Economic stability and family income rather than social norms have a strong influence on women’s decision to join the workforce¹⁵. At the stage of extreme poverty, women have no option but to join the workforce, irrespective of the male desires and social norms. An increase in household income, allows women to withdraw from work to give more attention to household activities. With rising household income in rural areas, women withdraw from paid labor and engage in “status production” at home.

Wage gap: Low wages and large wage differentials between males and females, plays a disincentive role for females involved in the labor force. Women are generally engaged in less paying or unpaid jobs. According to the Oxfam report, the wage gap between Indian men and women is amongst the worst in the world. In some cases, it exceeds 30% regarding wage earned by men and women doing similar jobs. The situation, however, is changing; the difference between male and female salaries in the country has decreased. Between 1993-94 to 2011-12, the gender wage gap has narrowed from 48 % to 45% (2004-05), to 34% (2011-12).

Social norms and Women agency: Women agency and socio-cultural norms significantly influence FLFP. In North Indian states, the existence of rigid patriarchy and conservative social attitudes are manifested in the form of gender-based inequality and asymmetry of power relationships, which adversely affects the participation of females in the labor market. The perception of ‘male as the breadwinner’ and the division of labor based on gender roles often relegates women to care giving/parenting duties and maintenance of households. The lack of access to assets (land, house) in their name also limits their access to credit and self-employment opportunities. In hill states like Himachal and Sikkim, women were left in charge of the

economies of villages as men had to migrate to find work. Similarly, women participation is higher in South India.

Workplace Safety: “First, you deal with creeps on the streets, the buses, the metro. Then at the office, there are another nightmare waiting-flirty messages, winking, lingering hugs. It was too much.” These are the words of a girl who quit her job. Women have to face numerous dangers like sexual violence and harassment, to name a few, regardless of them working in corporate towers or as domestic help in middle class families.

Since 2005, 20 million of women have quit their workplace because of the unhealthy environment, World Bank data tells us. Also, crime against women have increased by 80% within a decade from 2007-16. A report by EY and FICCI shows that workplace sexual harassment cases increased 170% from 2006 to 2016. Indian National Bar Association survey (2017) claimed that 70% of Indian women never registered a case of sexual harassment and problem faced by them. In the informal sector the situation is much worse given to an absence of legal protection of any kind.

The implementation of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and other legal protections remain poor. A lack of proper infrastructure to support and encourage women to join work is also lacking like safe public transport with last mile connectivity, lack of hotels and childcare facilities for working women. It is also seen that employers often factor in the additional cost of providing creches/child care facilities, secured leaves/career breaks (due to parenthood duties), transport facilities and reduce hiring of women at the very beginning.

Changes in the economic structure: Structural changes in the economy such as- fragmentation of landholdings over generations, increasing mechanization of agricultural operations, the decline in women-dominated cottage industries and traditional handloom/artisanal activities, inadequate growth of non-farm employment opportunities have led to women moving away from the workforce.

Marital status: Marital status affects the participation of women in two ways. Marriage changes the social position and status of a woman. Their role as the caregiver for family also alters the allocation of their time for the job. Working women also are seen to withdraw from the labor force after childbirth. Marital status of women equally has a significant effect on their participation in the labor force because having children and other marriage responsibilities affect the opportunity cost of working.

Conclusion

Women play an essential role in economic activities and have now become an integral part of the global market. Female participation in the labor force is not only a matter of human

justice but also a sure route to faster and more inclusive development. Participation women of in the workforce is a 1-Female participation really drives the growth and thus increases it's potential to grow massively. Unfortunately, despite the immense contribution to the society females are not viewed as being within the production system. As per the Labour Bureau estimates the labor force participation has decreased from 25.4 % to 25.8% in between 2nd EUS to 5th EUS. In the same time, the unemployment rate had witnessed an increase from 3.8% (2011-12) to 5.0% (2015-16). The UR in the case of the female category has consistently remained higher than their male counterpart. The workforce participation rate for women is fluctuating between 20.9% to 23.8% in the same period. The position of male-female differences in employment is also widening throughout the period. The labor market in BRICS countries exhibits diversities in terms of representation of women in the workforce. The world development indicators regarding gender participation gap show that as of 2018, South Africa has the lowest gender participation gap, followed by China, Russia, and Brazil. India has the worst gender participation gap, which has increased from 52.6 % to 55 % between 2000-2018. In the same period, the FLFP rate has decreased from 30.4% (2000) to 25.8% (2010) to 23.6% (2018). The declining FLFP rate and worsening gender participation gap highlight the chronic problem of under-representation of women in India's labor force. The decline in FLFP is a result of several factors working simultaneously, some of them are income effect, education effect, structural transformation, the wage gap, social norms and women agency and the safety of the workplace. India has already started realizing that without proper and efficient use of women, labor force, the country is unable to reap this window of opportunity.

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