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# Trends and Status of Female Participation in Indian Labour Force

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## *Abstract*

*Women's labor force participation is crucial for inclusive economic growth, poverty reduction, and gender equality, enhancing household incomes and boosting national productivity. It promotes diverse workplaces, utilizes human capital effectively, and drives sustainable development. The intention of the study is to investigate the changing patterns of female labour force participation (FLFP) over time and to assess the differences in participation of female labour force across rural and urban regions. This paper is based on secondary data from the Periodic Labour Force Survey (PLFS), which reveals significant growth in participation of females in labour force of the country and also rural-urban disparities, with rural LFP at 47.6% compared to 28.0% in urban areas in 2023-24.*

## **Introduction**

Women's labour force participation (LFP) is crucial in fostering inclusive economic growth and sustainable development. It reflects not only the economic empowerment of women but also the overall progress of a society in terms of gender equality and human capital utilization. In India, where women constitute nearly half of the population, their participation in the workforce has significant implications for poverty reduction, household welfare, and national productivity.

Over the last two decades, India has witnessed significant economic and social transformation, with improvements in education levels, rising incomes, and greater opportunities for women. Despite these positive changes, the participation of women in the labor force has declined sharply, from 36.7% in 2005 to 26% in 2018 (Deloitte,

2018). This decline is puzzling, as it coincides with a period of high economic growth and rising income levels. Given that female labour force participation (FLFP) is critical for inclusive growth, understanding this trend is essential.

However, the participation of women in India's labour force has shown fluctuating trends over the years, with a particularly concerning decline since the early 2000s. Despite improvements in literacy rates and educational attainment, the percentage of women actively engaged in the workforce remains much lower than in other developing economies. Various social, economic, and institutional factors, such as cultural norms, unpaid care responsibilities, lack of safe work environments, and limited access to quality jobs, have constrained women's involvement in paid employment.

## Review of Literature

### **Anushka Singh, Surendra Meher (2024)**

The paper examines the persistent decline in female labour force participation (FLFP) in India despite economic growth and improved infrastructure. It highlights that FLFP fell from 29% in 1987 to 17.5% in 2017-18, with 44.5 million fewer women in the workforce over thirteen years. This decline is attributed to factors such as jobless growth, limited absorption of women in non-agricultural sectors, and social barriers like casteism and safety concerns. While government initiatives like Beti Bachao Beti Padhao and Start-up India have made progress, the paper emphasizes the need for region-specific policies, skill development, childcare support, and safety measures to enhance women's participation. Without addressing these challenges, India risks losing the benefits of its demographic dividend and inclusive growth.

**Mazumdar and Neetha, Rangarajan et al., 2011**, increasing participation in education has to some extent contributed to restricting female employment. It was observed that between 2004-2005 and 2009-2010, 44% of females who opted out of the labour force cited education as their reason. However, in the long run, it is essential to impart skill training to draw women into the labour force and reap the benefits of demographic dividend.

**Klasen and Pieters (2012)** highlighted that poorly educated women in the labour force participated out of necessity and dire economic situations, whereas highly educated women were influenced by the availability of employment opportunities with reasonable wages. Thus, female LFPR exhibits a U shape across education levels as well with highest rates for those with low education, falling to the lowest levels as females move into higher

education and rising again after graduation and further. Contrastingly, some studies also elucidate that greater educational attainment leads to higher participation in the labour force as well as increased productivity. Moreover, a World Bank Study on employment in South Asia

### Objective

- The objective of this paper is to investigate the changing patterns of female labour force participation (FLFP) over time
- To assess the differences in participation of female labour force across rural and urban regions.

### Methodology

The study is based on the secondary data collected from - Periodic Labour Force Survey (PLFS) for the year 2019-20, published by National Statistical Office (NSO), under Ministry of Statistics and Programme Implementation (MOSPI), Government of India. This study mainly involves the trend line analysis using charts to study the trend and regional rural disparity in LFPR across India.

### Results and Discussion

The LFPR indicates the proportion of women aged 15 years and above who are either employed or actively seeking employment, while the WPR reflects the percentage of women engaged in actual work.

The following table presents the trends in women's LFPR and WPR in India from 2017-18 to 2022-23, highlighting a steady increase over the years.

**Table 1.1**

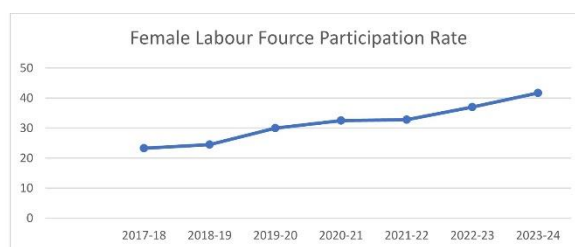
**Female Labor Force Participation Rate (2017-2024)**

Years	LFPR (in %)
2017-18	23.3
2018-19	24.5
2019-20	30.0
2020-21	32.5
2021-22	32.8
2022-23	37.0
2023-24	41.7

Source: Periodic Labour Force Survey 2022-23

LFPR is defined as the percentage of persons in labour force (i.e. working or seeking or available for work) in the population. The female LFPR in India shows a clear upward trend over the period from 2017-18 to 2023-24. In 2017-18, the LFPR stood at 23.3%, which increased to 24.5% in 2018-19, marking a modest rise of 1.2 percentage points. A more substantial jump occurred between 2018-19 and 2019-20, with the LFPR climbing to 30.0%, indicating an increase of 5.5 percentage points. The trend continued with 32.5% in 2020-21 and a slight rise to 32.8% in 2021-22, reflecting relatively stable growth during this period. A significant surge is observed between 2021-22 and 2022-23, where the LFPR rose by 4.2 percentage points, reaching 37.0%. The upward momentum persisted, with the LFPR reaching 41.7% in 2023-24, registering a substantial gain of 4.7 percentage points in just one year. Overall, the data demonstrates steady and accelerated growth over the years, with the LFPR increasing by 18.4 percentage points from 23.3% in 2017-18 to 41.7% in 2023-24.

**Chart 1.0**



Source: Periodic Labour Force Survey 2022-23

**Table 2.0**

**Distribution of Female Labor Force Participation in rural and urban areas (2017-2024)**

Year	RURAL	URBAN
2017-18	24.6	20.4
2018-19	26.4	20.4
2019-20	33.0	23.3
2020-21	36.5	23.2
2021-22	36.6	23.8
2022-23	41.5	25.4
2023-24	47.6	28.0

Source: Source: Periodic Labour Force Survey 2023-24

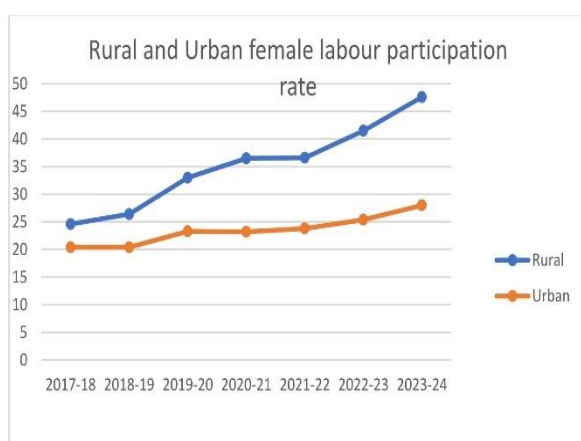
The rural LFPR has shown a sharp rise over the years, increasing from 24.6% in 2017-18 to 33.0% in 2019-20, and further to 36.5% in 2020-21. The upward trend continued with a jump to 36.6% in 2021-22 and 41.5% in 2022-23, eventually reaching 47.6% in 2023-24. This steady growth reflects a significant increase in women’s labor participation in rural areas over the observed period. The largest surge occurred between 2022-23 and 2023-24, with a rise of 6.1 percentage points.

The urban LFPR has increased at a slower pace compared to rural areas. It remained stagnant at 20.4% in both 2017-18 and 2018-

19, before rising gradually to 23.3% in 2019-20. The trend continued with 23.2% in 2020-21, 23.8% in 2021-22, and 25.4% in 2022-23, reaching 28.0% in 2023-24. While there has been consistent growth over the years, the overall increase from 2017-18 to 2023-24 amounts to 7.6 percentage points, indicating a more moderate rise compared to rural areas.

Rural LFPR consistently outpaced urban LFPR throughout the period, with the gap widening over time. In 2017-18, the rural LFPR was 4.2 percentage points higher than the urban LFPR, but by 2023-24, the difference had grown to 19.6 percentage points. The most notable increase occurred in rural areas between 2021-22 and 2023-24, while urban areas showed a slower but steady rise. By 2023-24, rural LFPR stood at 47.6%, far surpassing the 28.0% in urban areas, highlighting a significant divergence in labor force participation between the two regions. Rural women are increasingly joining the labor force, though much of this participation remains in low-paying or insecure jobs, while urban women face persistent social and structural barriers that hinder their entry into the workforce.

**Chart 2.0**



Source: Periodic Labour Force Survey

2023-24

## Reasons for the growth of the women Labour Force

The rise in women's labour force participation in India can be attributed to a combination of favourable policy reforms, enhanced legal protections, and economic empowerment initiatives. The Government's introduction of four Labour Codes has streamlined regulations, ensuring equal opportunities, better working conditions, and wage parity for women. Specific provisions, such as extended maternity leave, mandatory crèche facilities, and permission for women to work night shifts with safety measures, have made workplaces more accessible and inclusive. Additionally, women are now allowed to work in mines under regulated conditions, further expanding their employment prospects. These measures, coupled with the integration of the Equal Remuneration Act into the Code on Wages, 2019, ensure gender equality in recruitment and wages, fostering a more favourable environment for female employment. (Minister of State for Labour & Employment)

Economic and skill development programs have also played a crucial role in enhancing women's employability and financial inclusion. Schemes such as the Pradhan Mantri Mudra Yojana (PMMY) and Stand-Up India have supported women entrepreneurs by offering easy access to loans, while the Pradhan Mantri Jan Dhan Yojana (PMJDY) has promoted financial inclusion with over half of the account holders being women. (NITI Aayog) The Deendayal Antyodaya Yojana (NRLM) and Self-Help Groups (SHGs) have empowered rural women by improving their self-esteem, access to education, and participation in village governance. Moreover, the rise in female beneficiaries under Digital India initiatives reflects increased digital literacy and access to

opportunities. These combined efforts, along with targeted asset ownership policies like the PM Awas Yojana, have not only increased participation but also ensured women's active engagement in India's economic development

### Conclusion

The inclusion of women in the labor force is essential for driving economic growth, fostering social inclusion, and reducing gender inequality. It enhances household incomes, promotes diversity in workplaces, and contributes to sustainable development. While the upward trend in LFPR and WPR reflects India's progress in enhancing women's economic participation, there remain challenges related to regional disparities and job quality. To sustain this momentum, future efforts must focus on improving access to stable and secure employment opportunities for women across both rural and urban areas, ensuring inclusive and equitable growth.

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