Editor

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Declining female labour participation in India

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The declining female labour force participation rate (FLFPR) in India is raising concerns. Why are women in India not working? What is pulling women back from the labour market? **Jagriti Tanwar and Kalaiyarasan A** investigate.

Declining female labour force participation rate (FLFPR) in India has raised wider concerns. Although India is an emerging economy and the second most populous country in the world, its FLFPT remains far lower than Nepal (79.9 percent) and Bangladesh (57.4 percent). According to the National Sample Survey Organization (NSSO), in 2011-12 the FLFPR of those aged 15 and above declined to 31.2 percent from 42.6 percent in 1993-94, while the LFP of married women in urban areas remains low at 18.4 percent. Why are women in India not at work? What is pulling women back from the labour market? The question is important considering the fact that India has the highest share of young people

in the working age group of 15 and above, and the demographics are roughly equal between men and women.

This decline is attributed to three factors. First, as girls/women are increasingly attending school; they are not available to work. However, while enrolment in education is age related, specific to the age group of 15-24 years, it does not convincingly explain the lower LFP of women aged 25 and above. Second, social norms including religious and gender norms are said to constrain women's employment. In particular, post marriage and childbirth, social norms play a significant role in women's decision (not) to work and often negatively affects their employment status. A third explanation alludes to the withdrawal of women from paid work as a result of an increase in household income popularly known as the 'income effect'.

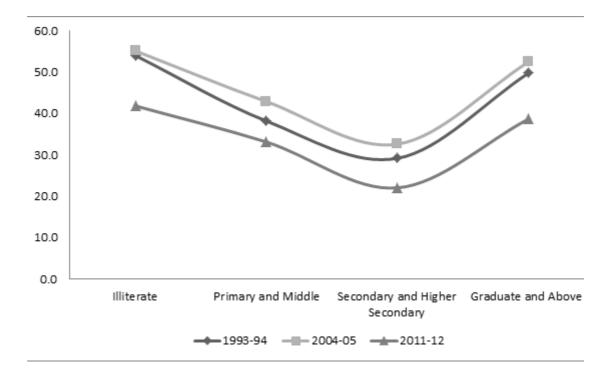


Figure 1: FLFPR by education in rural areas (percentage)

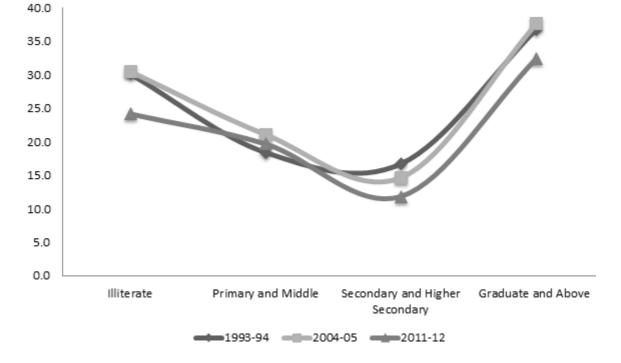


Figure 2: FLFPR by education in urban areas (percentage)

In the light of on-going debates on declining and low women's LFP in India, recent research findings are significant as they draw attention to the noticeable decline in employment of women educated up to the intermediate level (secondary and higher secondary) in both rural and urban areas (Figure 1 and 2), the low LFP of women in urban India (Figure 3) and the persistently low work participation of married women in urban areas (Figure 4).

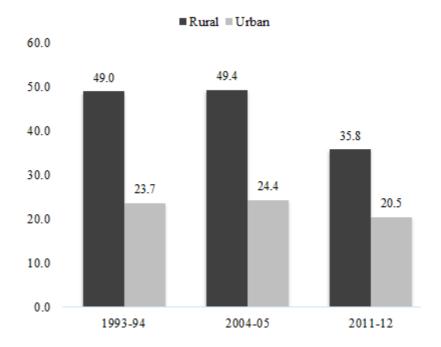


Figure 3: FLFPR aged 15 and above (percentage)

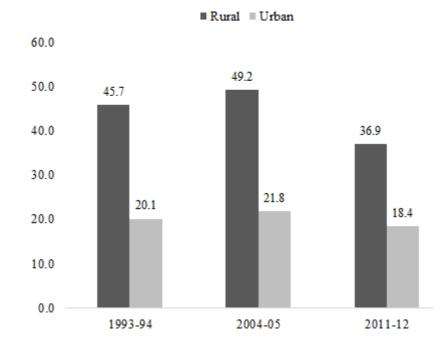


Figure 4: FLFPR of married women aged 15 and above (percentage)

The reason why women with an intermediate level of education are not at work indicates a lack of suitable jobs for them. Since they are literate, lower level jobs are not appealing to them. At the same time, as they are not highly educated they cannot compete with highly educated women in the labour market. So, what could be done to bring them to the labour market? It is often suggested that India should focus on boosting its manufacturing sector and its local supply chains. However, an increase in manufacturing jobs does not necessarily guarantee a rise in women's paid work.

Rather, in order to promote women's paid work in manufacturing, femaleoriented industries such as garments and textiles, toy-making and food products should be promoted. Since the manufacturing sector also creates indirect jobs, female-oriented industries would further generate opportunities for self-employment and home-based work. Simultaneously, the skill development of women must be prioritised and must go hand-in-hand with needs of manufacturers. While gender equal policies must be the driving force in recruitment and wages, incentives to employers would encourage them to recruit more women. Guaranteed minimum wages and better working conditions would further attract more women to work.

To promote women's participation in manufacturing sector jobs in urban areas, there is an urgent need to invest in public transport to provide a safe and secure environment to transport women to their workplaces. Since manufacturing jobs are based at Industrial-Clusters which are often far from cities and residential areas, long distance commuting and the fear of violence against women in public spaces are the main constraints that hinder women's access to paid work. Improved public transport and robust security arrangements as well as linking women's vocational training to female-oriented manufacturing industries would stimulate women's work in urban areas.

Given the persistent low participation of married women in urban areas, there is a need for a new family policy which involves quality public childcare services and generously paid parental leave (even in informal jobs in the organised sector) and flexible work arrangements such as part-time work, reduced working hours and working from home. These measures have already ensured women's return to work post-childbirth in OECD countries, while they can realistically induce women's paid work in urban India.

The 2016 statistics show that 36.9 percent of the women in Germany, 37.5 percent in the UK and 59.8 percent in Netherlands were employed part-time. While work flexibility has been instrumental in achieving women's economic independence in European societies, a lot has to be done to achieve gender equality.

Undoubtedly, childcare and family responsibilities combined with traditional attitudes to women's roles constrain mothers' work participation in India and all over the world. However, if part-time work, reduced working hours and high quality reliable public childcare services are provided, a large number of married women and mothers in urban India would be willing to re-enter the labour market. Learning from the successful examples of OECD countries, the Indian States should adopt a gender-focussed approach by providing quality childcare centres and encourage employers through incentives to support flexible work arrangement.

These policy interventions have huge potential to bring women to the labour market and enable them achieving economic independence. Simultaneously, a substantial investment in public transport is needed to make it female-friendly, safe and secure. Strict measures to curb violence against women in public spaces will enormously encourage women to participate in paid work. In rural areas, promotion of female-oriented industries within the manufacturing sector, gender-equal policy in recruitment and wages and incentives to employers for recruiting women would allow more women to work.

This article was originally posted on the IAPS blog and can be viewed here.

Cover image: Women construction workers in Gurgaon, Haryana. Image credit: CC BY-SA.2.0

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