# Analysis of trends in Labour Force in India in recent years 

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#### Abstract

$\underline{\text { Abstract }}$ India has entered the period of demographic dividend and also with increasing population, LFPR is increasing every year but in terms of women participation India is still among poor performing nations despite higher enrolment ratio, increased education levels. According to the report Unified District Information System for Education Plus (UDISE+) 2021-22, GER in higher secondary improved from $53.8 \%$ in 2020-21 to $57.6 \%$ in 2021-22. Similarly, sex ratio of India rose to 1020 females per 1000 males in 2022. LFPR increased from $36.9 \%$ to $41.6 \%$ and WPR increased from $34.7 \%$ to $39.8 \%$, with major increase in women participation in rural areas.

But to keep this participation rate increasing Government should devise new framework and policies to increase LFPR. However, the most important long run issue is the lack of employment opportunities, huge difference in the pay structure that contribute to this lower participation rate among women. Government should try to bring more youth towards into technical and vocational training programmes to utilise its huge human capital which in turn will boost the Indian economy.


Keywords: Labour Force, labour force participation rate, sex ratio, literacy rate: demographic dividend; Worker Population ratio

## Objective

The main objective of this paper is to show the trends in Labour Force Participation Rate in India in recent years and evaluate these trends. The second objective is to discuss the reasons behind the low Labour Force Participation Rate (LFPR) and focus on declining women participation and its adverse effects on Indian demographic dividend, India's economy and further generations to come and provide analysis and a way forward to capitalise on its huge human capital. In this paper we are going to also give way forward to increase LFPR and discuss its benefits for future generations.

## Introduction

India is set on a path of increasing growth and declining labour force participation rate especially in women and thus getting criticised for not using its demographic dividend properly to achieve the exponential growth that it is capable of. Numerous studies have shown that despite its decrease in fertility rates, increased sex ratio, increased female education, increased income there is no substantial increase in women's employment rate. This further limits the benefits of India's demographic dividend. While increasing literacy rates and declining fertility rates both generate conditions that would theoretically increase the female labour supply. India has very low female labour force participation rate as compared to other big economies. Low female labour force participation rates (FLFPR) hinder a country's growth, the empowerment of its women, and the outcomes for its youth. Higher participation from women in the labour force has social and economic impact. In recent years India has been enjoying favourable demographic
and economic conditions that would lead to increase in female labour-force participation rates. In India, economic growth rate has been increasing and high, substantial decrease in fertility rate; and significant increase in female education are notable in India. India is passing through phase of 'demographic dividend', as the proportion of working-age people is quite high, this can boost per capita growth rates through labour force participation along with savings and investment effects. But if women largely are not participating actively in the labour force, this effect will be much weedier and India could run up labour shortages in key and leading sectors of the economy. Empirical evidences suggesting that employed women have greater negotiating power with positive repercussions on their own well-being along with their families. Increase in women's participation in the labour market is one of the key challenges of India's development (World Bank, 2001). An increase in female labour force participation rate and earning can lead to rapid growth and development, decrease poverty and enhance prosperity. It is evident that earning of women will have positive impact, not only on their own health but on the health and education of their children.

The objective of PLFS is primarily twofold:

- to estimate the key employment and unemployment indicators (viz. Worker Population Ratio, Labour Force Participation Rate, Unemployment Rate) in the short time interval of three months for the urban areas only in the Current Weekly Status (CWS)
- to estimate employment and unemployment indicators in both usual status (ps+ss) and CWS in both rural and urban areas annually.


## Some basic definitions:

## Working Age and Labour Force

By utmost delineations of working age, the minimal age is at 15 and the outside at 65 , which corresponds to the age at which people start working and the age at which people take their withdrawal, independently. The labour force ' comprises all persons of working age who furnish the force of labour for the product of goods and services during a specified time-reference period '( International Labour Organization, 2019).
The labour force comprises the employed and to those who are jobless but are laboriously looking for employment. Assessing labour force participation in poorer countries is gruelling, as this outdated description of the labour force undervalues the participation of those who work at home or in the informal sector, with women( International Labour Organization, 2019) overrepresented in both these groups( Hirway \& Jose, 2011).

In addition to salaried workers, labour force also includes the tone- employed in ménage enterprises( including ownaccount workers, employers, and aides) as well as casual labour. aides in ménage enterprises are those who gratuitously help a person living in the same ménage in running the ménage enterprise. Casual workers, for their part, don't have a regular job, but are engaged only casually and admit stipend as per a diurnal or periodic work contract. This order comprises specially those who work under the Mahatma Gandhi National Rural Employment Guarantee Act, which seeks to offer 100 days of work to poor people in pastoral areas. Eventually, the labour force includes both those who are working and available to work for a large part of the time( star status) and those who have worked for 30 days over the course of the time( attachment status). Despite those sweats, a certain underrate of profitable exertion is likely to remain, in particular for women, as informal employment might not be measured rightly because of the difficulty in distinguishing between informal jobs and ménage tasks (Hirway \& Jose, 2011). Indeed, womanish participation rates come out as significantly advanced when they're estimated on the base of the women's factual diurnal schedules as opposed to when purely interrogative checks are used to determine those women's hard- and-fast status as employed or in hunt of employment (Hirway \& Jose, 2011). Also, the description of the labour force used in this study isn't broad enough as to cover the quality of employment and underemployment, both of which are pivotal in the environment of the large gender pay gap and the high segmentation of the job request grounded on gender. In other words, the donation of women in the labour force may still not be optimal if they enthral less productive jobs (Verick, 2018). Nonetheless, for the purpose of our study, the labour force as estimated by Periodic Labour Force Survey(2017/2018) remains the stylish available description as it more or less matches the standard description used internationally.

## Labour Force Participation Rate

Labour Force Participation Rate (LFPR), also called Economic Activity Rate, is the percentage of population both employed and unemployed that constitute the workforce. This figure is a measure of degree of success of the economy in engaging the population in some form of production of goods and services.

LFPR=labour force $\times 100 /$ total working age population

## Worker Population Ratio:

The worker population ratio is defined as the proportion of working age population that is employed. It provides info on the ability of a country to create jobs.
$W P R=$ no. of employed persons $\times 1000 /$ total population
WPR is used for evaluating the employment situation in the country. This is also useful in knowing the proportion of the population that is dynamically contributing to the production of goods and services in the economy (NSSO, 2004-05)

## Literacy Rate:

Literacy Rate also known as the "Effective Literacy Rate", is the total percentage of the population of an area at a particular time aged seven years or above who can read and write with understanding.

$$
\text { Literacy Rate }=\quad \text { no. of literate persons aged } 7 \text { or above } \times 100
$$

Population aged 7 and above

## Summary of findings:

1. Table 1 presents the percentage distribution of households and persons in rural and urban areas and sex ratio (number of females per 1000 males) as obtained from PLFS 2017-18, PLFS 2018-19, PLFS 2019-20 and PLFS 2020-21.

Table 1: Household and population during PLFS 2017-18, PLFS 2018-19, PLFS 2019-20 and PLFS 2020-21

| Indicator | Rural | Urban | Rural+ Urban |
| :---: | :---: | :---: | :---: |
| PLFS (2020-21) |  |  |  |
| Percentage distribution of households | 69.1 | 30.9 | 100 |
| Male population | 71.1 | 28.9 | 100 |
| Female population | 71 | 29 | 100 |
| Sex ratio (females per 1000 males) | 960 | 963 | 960 |
| PLFS (2019-20) |  |  |  |
| Percentage distribution of households | 67.1 | 32.9 | 100 |
| Male population | 69.5 | 30.5 | 100 |
| Female population | 69.7 | 30.3 | 100 |
| Sex ratio (females per 1000 males) | 965 | 957 | 963 |

PLFS (2018-19)

| Percentage distribution of households | 67.6 | 32.4 | 100 |
| :--- | :--- | :--- | :--- |
| Male population | 69.5 | 30.5 | 100 |
| Female population | 69.8 | 30.2 | 100 |
| Sex ratio (females per 1000 males) | 964 | 948 | 959 |

PLFS (2017-18)

| Percentage distribution of households | 68.7 | 31.3 | 100 |
| :--- | :--- | :--- | :--- |
| Male population | 70.8 | 29.2 | 100 |
| Female population | 70.5 | 29.5 | 100 |
| Sex ratio (females per 1000 males) | 952 | 965 | 956 |

(National Statistical Office, 2020-21)
2. Literacy Rate: A person who could read and write a simple message in any language with understanding was considered a literate. Literacy rates among persons of age 7 years and above during 2017-18, 2018-19, 2019-20 and 2020-21 are given in Table 2

Table 2: Literacy rate (in percent) among persons of age 7 years and above

| Category of persons | Rural | Urban | Rural+ Urban |
| :--- | :--- | :--- | :--- |


| PLFS (2020-21) |  |  |  |
| :--- | :--- | :--- | :--- |
| Male | 83.2 | 92.2 | 85.9 |
| Female | 67.7 | 83.3 | 72.3 |
| Person | 75.6 | 87.8 | 79.2 |


| PLFS (2019-20) |  |  |  |
| :--- | :--- | :--- | :--- |
| Male | 82.2 | 91.8 | 85.2 |
| Female | 66.3 | 83 | 71.5 |
| Person | 74.3 | 87.5 | 78.4 |


| PLFS (2018-19) |  |  |  |
| :--- | :--- | :--- | :--- |
| Male | 81.9 | 91.9 | 85 |
| Female | 65.7 | 82.6 | 70.9 |
| Person | 73.9 | 87.4 | $\mathbf{7 8 . 1}$ |


| PLFS (2017-18) |  |  |  |
| :--- | :--- | :--- | :--- |
| Male | 80.7 | $\mathbf{9 1 . 6}$ | $\mathbf{8 3 . 9}$ |
| Female | $\mathbf{6 4 . 5}$ | $\mathbf{8 1 . 6}$ | 69.6 |
| Person | $\mathbf{7 2 . 8}$ | $\mathbf{8 6 . 7}$ | $\mathbf{7 6 . 9}$ |
| (National Statistical Office, 20.9 |  |  |  |

(National Statistical Office, 2020-21)
3. The nature and type of work from which a household earns its income is an important indicator of how the members are involved in different activities. In this survey, source of major income of the household was worked out depending on the income from Economic/non-economic activities of the members of the households during the 365 days preceding the date of survey. On the basis of the source of major income, households were categorised into different household types. A household which does not have any income from economic activities, is classified in the household type "others".

Table 3: Percentage distribution of households by household type during 2017-18, 2018-19, 2019-20 and 202021
(All India)

| Household type | Rural |  |  |  | Urban |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | PLFS PLFS PLFS PLFS (2020-21)$(2019-20)(2018-19)(2017-18)$ |  |  |  | PLFS PLFS PLFS PLFS (2020-21)$(2019-20)(2018-19)(2017-18)$ |  |  |  |
| Self-employed in |  |  |  |  |  |  |  |  |
| Agriculture | 38.9 | 37.7 | 36.6 | 37.8 |  |  |  |  |
| Non agriculture | 15.8 | 15.5 | 15.2 | 14.3 |  |  |  |  |
| Self-employed | 54.7 | 53.2 | 51.8 | 52.2 | 33.2 | 30.7 | 31.8 | 32.4 |


| Regular <br> wages/salary | 13.0 | 12.9 | 13.1 | 12.7 | 42.5 | 43.1 | 42.8 | 41.4 |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- |
| Casual labour in |  |  |  |  |  |  |  |  |
| Agriculture | 10.8 | 11.9 | 11.7 | 12.1 |  |  |  |  |
| Non-agriculture | 13.3 | 12.9 | 13.4 | 12.9 |  | 11.0 | 11.8 |  |
| Casual labour | 24.2 | 24.8 | 25.1 | 25.0 | 12.5 | 11.5 | 11.0 |  |
| Others | 8.1 | 9.1 | 10.1 | 10.0 | 11.8 | 14.7 | 14.4 | 14.4 |
| All | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

(National Statistical Office, 2020-21)

(National Statistical Office, 2020-21)
4. The Labour Force Participation Rate (LFPR) is defined as the percentage of persons in the labour force from the population. In Table 4, the LFPRs in usual status ( $p s+s s$ ) and in CWS obtained from PLFS (2017-18), PLFS (2018-19), PLFS (2019-20) and PLFS (2020-21) are presented at the all-India level.

Table 4: LFPR (in per cent) according to usual status (ps+ss) and CWS during PLFS (2017-18), PLFS (201819), PLFS (2019-20) and PLFS (2020-21)
(All India)

| Category of persons | $\begin{aligned} & \hline \text { LFPR } \\ & (2020-21) \end{aligned}$ |  | $\begin{aligned} & \hline \hline \text { LFPR } \\ & (2019-20) \end{aligned}$ |  | $\begin{aligned} & \hline \text { LFPR } \\ & (2018-19) \end{aligned}$ |  | $\begin{aligned} & \hline \hline \text { LFPR } \\ & (2017-18) \end{aligned}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Usual status (ps+ss) | CWS | Usual status (ps+ss) | CWS | Usual status (ps+ss) | CWS | Usual status (ps+ss) | CWS |
| Rural |  |  |  |  |  |  |  |  |
| Male | 57.1 | 56.0 | 56.3 | 55.4 | 55.1 | 54.5 | 54.9 | 54.4 |


| Female | 27.7 | 22.7 | 24.7 | 21.1 | 19.7 | 16.7 | 18.2 | 16.1 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Person | 42.7 | 39.7 | 40.8 | 38.6 | 37.7 | 36.0 | 37.0 | 35.7 |
| Urban |  |  |  |  |  |  |  |  |
| Male | 58.4 | 57.8 | 57.8 | 57.2 | 56.7 | 56.7 | 57.0 | 56.7 |
| Female | 18.6 | 17.3 | 18.5 | 17.5 | 16.1 | 15.6 | 15.9 | 15.3 |
| Person | 38.9 | 38.0 | 38.6 | 37.8 | 36.9 | 36.7 | 36.8 | 36.4 |
| Rural + Urban |  |  |  |  |  |  |  |  |
| Male | 57.5 | 56.5 | 56.8 | 56.0 | 55.6 | 55.2 | 55.5 | 55.0 |
| Female | 25.1 | 21.2 | 22.8 | 20.0 | 18.6 | 16.4 | 17.5 | 15.8 |
| Person | 41.6 | 39.2 | 40.1 | 38.3 | 37.5 | 36.2 | 36.9 | 35.9 |

(National Statistical Office, 2020-21)
5. In table 5, the LFPRs for persons based on usual status ( $p s+s s$ ) obtained from PLFS (2017-18), PLFS (2018-19), PLFS (2019-20) and PLFS (2020-21) are presented at the all-India level for the following age groups:

- 15-29 years
- 15 years and above
- all ages

Table 5: Labour force participation rates (in per cent) in usual status (ps+ss) in PLFS (2017-18), PLFS (2018-19), PLFS (2019-20) and PLFS (2020-21) for persons of $\mathbf{1 5 - 2 9}$ years, 15 years $\&$ above and all persons (All India)

| Age Group | Rural |  |  | Urban |  |  | Rural + Urban |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Male | Female | Persons | Male | Female | Persons | Male | Female | Persons |
| PLFS (2020-21) |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & 15-29 \\ & \text { years } \end{aligned}$ | 60.6 | 22.0 | 42.0 | 59.0 | 19.0 | 39.9 | 60.1 | 21.1 | 41.4 |
| 15 years \& above | 78.1 | 36.5 | 57.4 | 74.6 | 23.2 | 49.1 | 77.0 | 32.5 | 54.9 |
| All ages | 57.1 | 27.7 | 42.7 | 58.4 | 18.6 | 38.9 | 57.5 | 25.1 | 41.6 |
| PLFS (2019-20) |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & 15-29 \\ & \text { years } \end{aligned}$ | 60.8 | 20.7 | 41.3 | 58.3 | 20.3 | 40.0 | 60.0 | 20.6 | 40.9 |
| 15 years \& above | 77.9 | 33.0 | 55.5 | 74.6 | 23.3 | 49.3 | 76.8 | 30.0 | 53.5 |
| All ages | 56.3 | 24.7 | 40.8 | 57.8 | 18.5 | 38.6 | 56.8 | 22.8 | 40.1 |
| PLFS (2018-19) |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & 15-29 \\ & \text { years } \end{aligned}$ | 58.8 | 15.8 | 37.8 | 58.6 | 17.1 | 38.7 | 58.8 | 16.2 | 38.1 |
| 15 years $\&$ above | 76.4 | 26.4 | 51.5 | 73.7 | 20.4 | 47.5 | 75.5 | 24.5 | 50.2 |
| All ages | 55.1 | 19.7 | 37.7 | 56.7 | 16.1 | 36.9 | 55.6 | 18.6 | 37.5 |
| PLFS (2017-18) |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & \hline 15-29 \\ & \text { years } \end{aligned}$ | 58.9 | 15.9 | 38.1 | 58.5 | 17.5 | 38.5 | 58.8 | 16.4 | 38.2 |
| 15 years \& above | 76.4 | 24.6 | 50.7 | 74.5 | 20.4 | 47.6 | 75.8 | 23.3 | 49.8 |
| All ages | 54.9 | 18.2 | 37.0 | 57.0 | 15.9 | 36.8 | 55.5 | 17.5 | 36.9 |



Figure 3: LFPR (in per cent) in usual status (pstss) in urhan areas

(National Statistical Office, 2020-21)
6. Worker Population Ratio (WPR) is the percentage of persons employed. In table 6, WPR based on the different approaches, as estimated from PLFS 2017-18, 2018-19, 2019-20 and 2020-21 are presented at the all-India level. The estimates of employed persons have been obtained based on the following methods:
(i) according to the usual status ( $p s+s s$ ) approach, i.e., by and subsidiary activity together,
(ii) according to the current weekly status approach

The workforce in the usual status ( $p s+s s$ ) is obtained by considering the usual principal status and the subsidiary status together.
The workforce in the usual status ( $p s+s s$ ) includes
(a) the persons who worked for a relatively long part of the 365 days preceding the date of survey and
(b) the persons who had worked at least for 30 days during the reference period of 365 days preceding the date of survey.

The workforce measured in current weekly status (CWS) gives the typical picture of the workforce in a short period of one week during the survey period. The estimate of workforce in the current weekly status is derived considering those who worked for at least 1 hour on any day during the 7 days preceding the date of survey.(National Statistical Office, 2020-21)

Table 6: WPR (in per cent) according to usual status (ps+ss) and CWS during PLFS (2017-18), PLFS (201819), PLFS (2019-20) and PLFS (2020-21)

| Category of persons | WPR during PLFS <br> (2020-21) in |  | WPR during PLFS <br> (2019-20) in |  | WPR during PLFS <br> (2018-19) in |  | WPR during PLFS <br> (2017-18) in |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Usual status (ps+ss) | CWS | Usual status (ps+ss) | CWS | $\begin{array}{\|l} \hline \text { Usual } \\ \text { status } \\ (\mathbf{p s}+\mathrm{ss}) \end{array}$ | CWS | $\begin{aligned} & \hline \text { Usual } \\ & \text { status } \\ & (\mathrm{ps}+\mathrm{ss}) \\ & \hline \end{aligned}$ | CWS |
|  | Rural |  |  |  |  |  |  |  |
| Male | 54.9 | 52.0 | 53.8 | 50.6 | 52.1 | 49.7 | 51.7 | 49.6 |
| Female | 27.1 | 21.6 | 24.0 | 19.9 | 19.0 | 15.5 | 17.5 | 14.8 |
| Person | 41.3 | 37.1 | 39.2 | 35.5 | 35.8 | 32.9 | 35.0 | 32.6 |
|  | Urban |  |  |  |  |  |  |  |
| Male | 54.9 | 52.4 | 54.1 | 51.2 | 52.7 | 51.7 | 53.0 | 51.7 |
| Female | 17.0 | 15.2 | 16.8 | 15.4 | 14.5 | 13.7 | 14.2 | 13.3 |
| Person | 36.3 | 34.1 | 35.9 | 33.6 | 34.1 | 33.2 | 33.9 | 32.9 |
|  | Rural + Urban |  |  |  |  |  |  |  |
| Male | 54.9 | 52.1 | 53.9 | 50.8 | 52.3 | 50.3 | 52.1 | 50.2 |
| Female | 24.2 | 19.8 | 21.8 | 18.6 | 17.6 | 15.0 | 16.5 | 14.4 |
| Person | 39.8 | 36.3 | 38.2 | 35.0 | 35.3 | 33.0 | 34.7 | 32.7 |

(National Statistical Office, 2020-21)
7. In table 7, the estimates of WPR based on usual status ( $p s+s s$ ) approach obtained from PLFS, 2017-18, 2018-19, 2019-20 and 2020-21 are presented at the all-India level for the following age groups:

- 15-29 years
- 15 years and above
- all ages

Table 7: WPR (in per cent) in usual status (ps+ss) during PLFS (2017-18), PLFS (2018-19), PLFS (2019-20) and PLFS (2020-21) for persons of age 15-29 years, 15 years and above and all persons (All India)

| Age Group | Rural |  |  | Urban |  |  | Rural + Urban |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Male | Female | Person | Male | Female | Person | Male | Female | Person |
| PLFS (2020-21) |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & 15-29 \\ & \text { years } \end{aligned}$ | 53.6 | 20.2 | 37.5 | 49.2 | 14.3 | 32.6 | 52.3 | 18.5 | 36.1 |
| 15years \&above | 75.1 | 35.8 | 55.5 | 70.0 | 21.2 | 45.8 | 73.5 | 31.4 | 52.6 |
| All ages | 54.9 | 27.1 | 41.3 | 54.9 | 17.0 | 36.3 | 54.9 | 24.2 | 39.8 |
| PLFS (2019-20) |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & 15-29 \\ & \text { years } \end{aligned}$ | 52.5 | 18.6 | 35.9 | 47.7 | 15.2 | 32.1 | 51.0 | 17.6 | 34.7 |
| 15years \&above | 74.4 | 32.2 | 53.3 | 69.9 | 21.3 | 45.8 | 73.0 | 28.7 | 50.9 |
| All ages | 53.8 | 24.0 | 39.2 | 54.1 | 16.8 | 35.9 | 53.9 | 21.8 | 38.2 |
| PLFS (2018-19) |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & 15-29 \\ & \text { years } \end{aligned}$ | 49.1 | 13.6 | 31.7 | 47.6 | 12.7 | 30.9 | 48.6 | 13.3 | 31.5 |
| 15years \&above | 72.2 | 25.5 | 48.9 | 68.6 | 18.4 | 43.9 | 71.0 | 23.3 | 47.3 |
| All ages | 52.1 | 19.0 | 35.8 | 52.7 | 14.5 | 34.1 | 52.3 | 17.6 | 35.3 |
| PLFS (2017-18) |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & 15-29 \\ & \text { years } \end{aligned}$ | 48.6 | 13.8 | 31.8 | 47.6 | 12.8 | 30.6 | 48.3 | 13.5 | 31.4 |
| 15years \&above | 72.0 | 23.7 | 48.1 | 69.3 | 18.2 | 43.9 | 71.2 | 22.0 | 46.8 |
| All ages | 51.7 | 17.5 | 35.0 | 53.0 | 14.2 | 33.9 | 52.1 | 16.5 | 34.7 |

(National Statistical Office, 2020-21)

Figure 4: WPR (in per cent) in usual status ( $\mathrm{ps}+\mathrm{ss}$ ) in rural areas


Figure 5: WPR (in per cent) in usual status (pstss) in urban areas

(National Statistical Office, 2020-21)

## Reasons for increased LFPR in India:

- Increased population has led to the increase in the labour supply but without the corresponding increase in the employment opportunities for this labour force it has aggravated the unemployment problem.
- Due to increased sex ratio, higher enrolment among girls in rural as well as urban areas, low dropout ratio and with the help of government through various schemes like "National Scheme of incentives to girls for secondary education", "Beti Bachao Beti Padhao", "Sukanya Samridhi Yojana" etc. and constant efforts of various NGOs and local authorities, women are actively talking part in various sectors of our economy.
- Increase in WPR over last 4 years was mainly driven rural women's employment. Overall WPR (usual status) has increased from $34.7 \%$ in 2017-18 to $39.8 \%$ in 2020-21 with women's WPR increased by $9.6 \%$ in rural areas and $2.8 \%$ increase in urban areas. Agriculture remained the biggest employer accounting for nearly $3 / 4^{\text {th }}$ of rural employment.
- Increase in rural women WPR was driven by rise in self-employment, more in rural areas than urban areas.
- Increase in rural WPR during 2019-20 and 2020-21 is more than urban WPR because women shifted back to rural areas because of pandemic and lack of work and later didn't come back to urban areas. Therefore, increase in rural WPR and decrease in urban WPR.
- Male WPR increased in both rural as well as urban areas.
- Also, these statistics didn't cover up the data for nearly $40 \%$ women in rural and urban areas who are engaged in different unpaid activities like domestic chores.
- Women LFPR \& WPR are increased as they are working to supplement household income in the light of failing wages and employment.


## Benefits of increasing women participation:

- Increasing the women participation in turn has positive effects on our economy harnessing more human capital and increasing our GDP in the process.
- As education level rises among girls in both rural and urban areas in turn have marriages and pregnancy at appropriate age which in turn has ripple effects to the next generation.
- Getting education and technical skills, women tend to get better jobs with better salary and environment and thus increasing their household income exponentially.
- Also, in some regions there is a little drop in women participation which can be attributed to some positive changes introduced the government like education among girls, government schemes like MNREGA paying better and regular wages so women do not feel compelled to work and support their families rather they stay home and look after their families and household duties.
- Drop in some areas can also be attributed to some other factors like increased domestic duties, societal pressure, high skill jobs, mechanisation of agriculture, lower wages than men are some of factors responsible for drop in women participation.


## Way forward:

- Central government can capitalise on these increases in LFPR and associate changes in social norms and introducing various schemes governing women labour force participation and devise a roadmap to retain the women in workforce in the long term and attract younger generation for better employment opportunities and thus utilising the full potential of India's demographic dividend.
- State governments could establish gender-grounded employment targets for civic public workshop. Central/ State government can consider pay
envelope subventions for hiring women in small enterprises. Government could also expand preferenti al procurement for women-led enterprises and introduce incitementgrounded gender targets across skill training institutions.
- Most importantly, government and public sector organisations must increase investment in care economy as well as support actions to link the gendered digital divide.
- Enhance human capital through skill development; create decent quality jobs in both formal and informal sectors to absorb who are willing to work, strengthen the social cohesion and equity in labour market, supporting self-help groups and other self-employed persons by strengthening their capabilities to improve their earnings.
- There is a growing need for a National Employment Policy that would encompass a set of multidimensional interventions covering a whole range of social and economic issues affecting many policy spheres.


## Discussion

Findings through this report highlight the importance of increasing female labour force participation in order to fully benefit from the demographic dividend, with one of the lowest female labour force participation rates in the world. While some studies suggest that an increasing FLFPR is usually associated with higher economic growth (Thevenon, Nabil, Adema, \& del Pero, 2012) (Tsani, Paroussos, Fragiadakis, Charalambidis, \& Capros, 2013), reaching the higher stages of development would be eased if gender gaps in the labour market were reduced. In order to increase the quality of education and encourage decent employment, the government has expressed its commitment to protect and promote the educational and employment rights of people, and of women in particular through various programmes and policies. Over the past few decades, persons with higher education are increasing, higher enrolment ratio among girls. This makes India a nation gifted with a huge human capital. However, despite this increase, the labour force participation of women is still very low, which raises questions as to the quality of education and skills. (Mahapatro, 2013) (Kumar, Mandava, \& Gopanapalli, 2019). Mahapatro (2013) argues that vocational training in the youth population may be able to expand future work participation in India. Kumar et al. (2019) confirm that vocational training has a positive impact on individuals' earnings and help increase the wages compared to those lacking vocational training. They also highlight the need for proper vocational training in rural areas, and indicate the need for more inclusion of girls in vocational training schemes.

Technical and vocational training programmes for women should be expanded to deeper levels of the society while trying to break the undesirable typecasts associated with the increased representation of women in technical and vocational schools. Moreover, it is vital to identify sectors which have greater potential to employ women. A substantial regional misbalance in training opportunities and skill development institutions (Planning Commison, 2007-12) poses further challenges for this mission. It is also important to consider that the informal sector constitutes the lion's share of the employment market. As much as $81 \%$ of all working Indians earn their daily bread within the informal sector, while the formal sector and the household sector are manned by $6.5 \%$ and $0.8 \%$ of the working population respectively (Jammulamadaka, 2019). Despite the significant growth of India's economy and its significant size on the global scale (Jammulamadaka, 2019), the country has kept a stagnant casualness for many years which is set to become even more noticeable as more persons enter the labour market. In the informal labour market, gender discrimination is also argued to be blunter than in the formal labour market, and its omnipresence does not seem to diminish even when the level of income increases (Chakraborty, 2021). In future, workers will be much more educated than they are now also, will be living in urban areas more. The implications of these changes are countless, as education is highly correlated with the sector of professional activity. Indeed, very few workers with no education work in the formal sector, while the opposite is true for workers with post-secondary education (National Statistical Office, 2019-20). A spike in the importance of highly educated workers can reform the labour market which was previously dominated by informal jobs by introducing more formal job opportunities, thereby growing the productivity of the workers ((Cáceres-Delpiano, 2012) (Dewan \& Peek, 2007) (McCaig \& Pavenik, Informal employment in a growing and globalizing lowincome country) (Siggel, 2010)). Dewan and Peek (2007) also draw attention to the fact that demand for formal jobs will also increase and is likely to lead to much higher unemployment rates. Indeed, unemployment is not an option in the situation of extreme poverty. The concept of unemployment as defined by the international labour organization is hardly applicable to the informal sector, which includes a large part of under-employment, casual, and irregular jobs (Dewan \& Peek, 2007). As for the gender wage gap, which varies across social groups, female informal workers tend to be concentrated towards the lower end of the informal occupational band, which offers some clarity as to why gender wage gaps could be more in the informal sector than in the formal sector (Chakraborty, 2021). One should take many factors into consideration while analysing FLFP in (Woetzel, et al., 2018) the Indian context due to the heterogeneity of the different regions and states that could potentially misrepresent the results of such an analysis. Nonetheless, many research findings including the ones herein presented serve as reassurance that the analysis of structural economic transformations ought to be reinforced by taking stock of the complicated regional peculiarities that make up the country's social landscape.

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