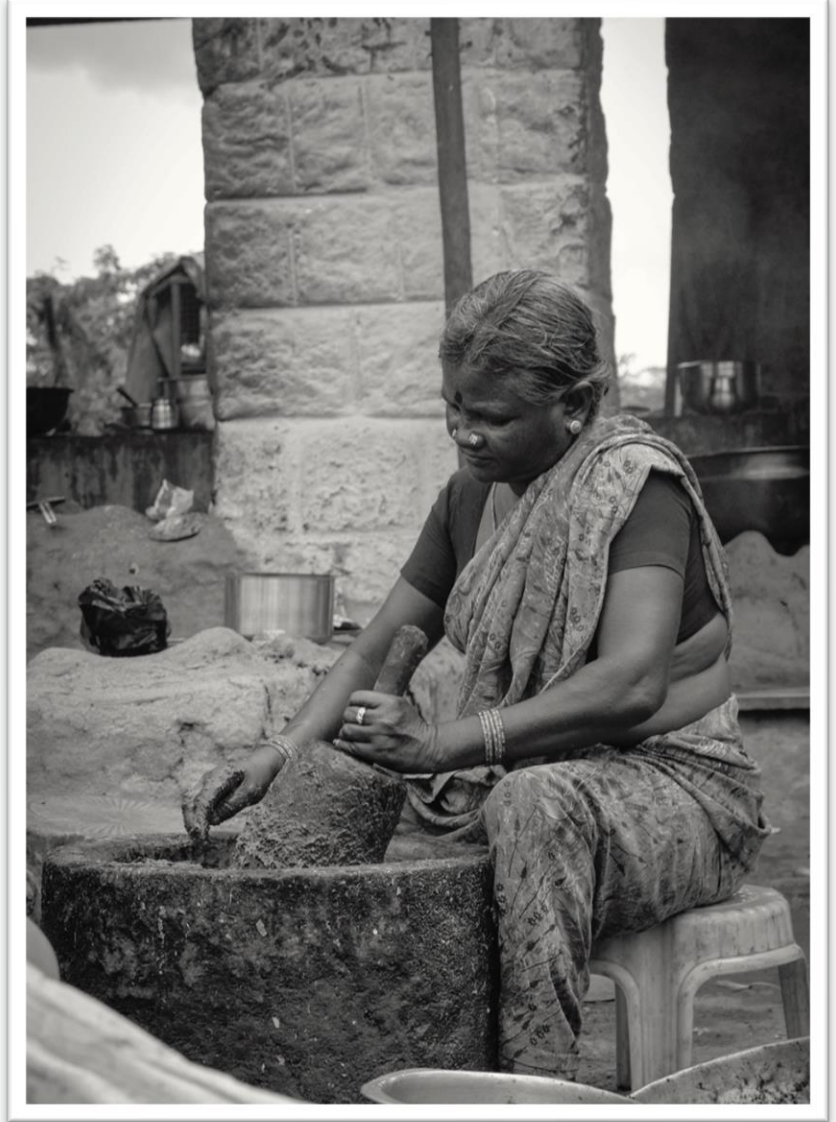

Female labour force participation in India

Analyzing the U-shaped curve of FLFP in India from 1990
to 2017



Agenda

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01 Introduction

India is trying very hard to become a superpower and to realize its dreams every stakeholder needs to be held accountable and every resource needs to be used. Gender equality in every field is a given requisite for this which therefore warrants a closer look at the labor force participation in India.

In the majority of western countries, women participation in the labour market has been increasing. On the other hand, in South Asia, especially in India, the rate of female labour force participation has decreased in the last two decades. India has faced a decline from 35 % to 27% in FLFP (Female Labour Force Participation) between these years. In this study we investigate the female labour participation between 1990-2017. The purpose of our study is to analyse the main factors which have led to this decline and trace the u-shape function that explains the relationship between FLFP rate and Economic development



02

Factors that influence FLFP

1. **Education** : Theories of human capital predict that an increase in skills would provide women a greater opportunity to earn higher wages, and this in turn would increase women's labor force participation rates (LFPR). But in the India some studies show that women's LFP decreases with a rise in education, whereas other studies find a U-shaped or a J-shaped relationship between women's LFPR and their education levels. Data from the National Sample Survey Office (NSSO) and the India Human Development Survey (IHDS) show that education and employment have a U-shaped relationship (a rise and subsequent decline in employment with the rise in education levels). It also shows that illiterate women are most likely to participate in the workforce
2. **Fertility rate** : The World-Bank data shows that the fertility rate have been constantly decreasing in the last 50 years globally. Modernization of societies have almost halved the number of children per women. Different studies and theories analyze the correlation with female labour force participation. Having children naturally affect a woman's ability to work, but there are variations between countries regarding the effect of fertility on female labour participation. In the US, for example, women are more likely to return to the labour market after a short interruption but this might not happen in India. The effect is dependent on several factors, first of all, the economic development of the country and in addition, culture, social norms and religion have a combined impact.
3. **Income effect** : Income has a dampening effect on female labor force participation rates, with participation rates higher among low-income households due to largely economic necessity (see text chart below).With rising household incomes, participation rates for women start to drop off.

02

Factors that influence FLFP

4. **Unemployment** : Unemployment is another important factor affecting the FLFP. It can affect the probability for a woman to enter the labour market. The female labor force participation rate (FLFPR) in India has been one of the lowest among the emerging economies and has been falling over time. This has resulted in a decrease in the ratio of working females to the population of females in the working age group.
5. **Social hindrances** : It is well known that in the informal sector in India, most occupations dominated by women are undervalued and underpaid. The devaluation of women's labor is also accompanied by casteist and patriarchal notions of purity and pollution where women are prohibited from certain jobs, especially in the food processing, sericulture, and garment industries
6. **Unpaid economic activities** : A 2018 study has found that the "care economy burden," that is, time spent on unpaid economic activities performed at the household and community levels by women is one of the important determinants of the FLFPR. So, the time spent on unpaid work, especially on unpaid care and domestic chores has hindered women's participation in the labor force.

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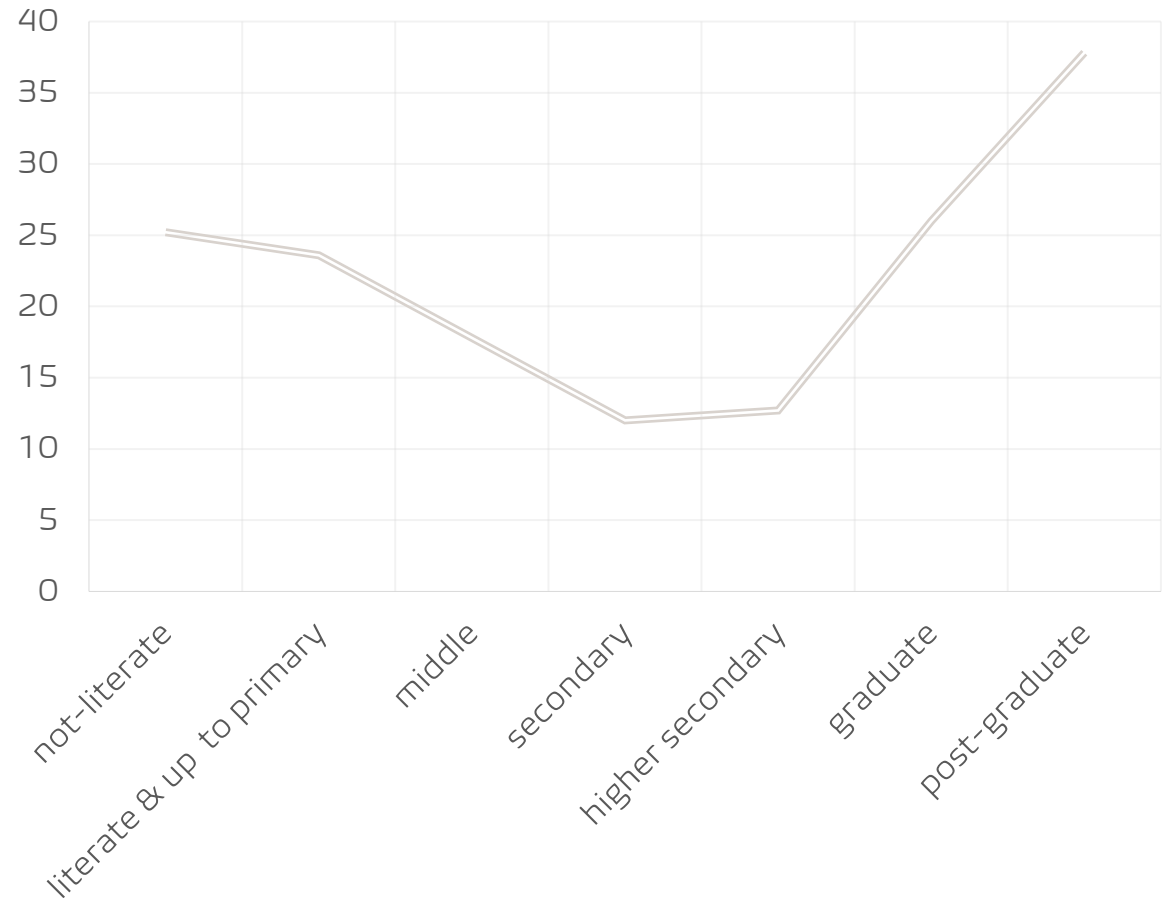
Info graphs related to FLFP

Female participation in urban India

[Source : mospi.nic.in](http://mospi.nic.in)

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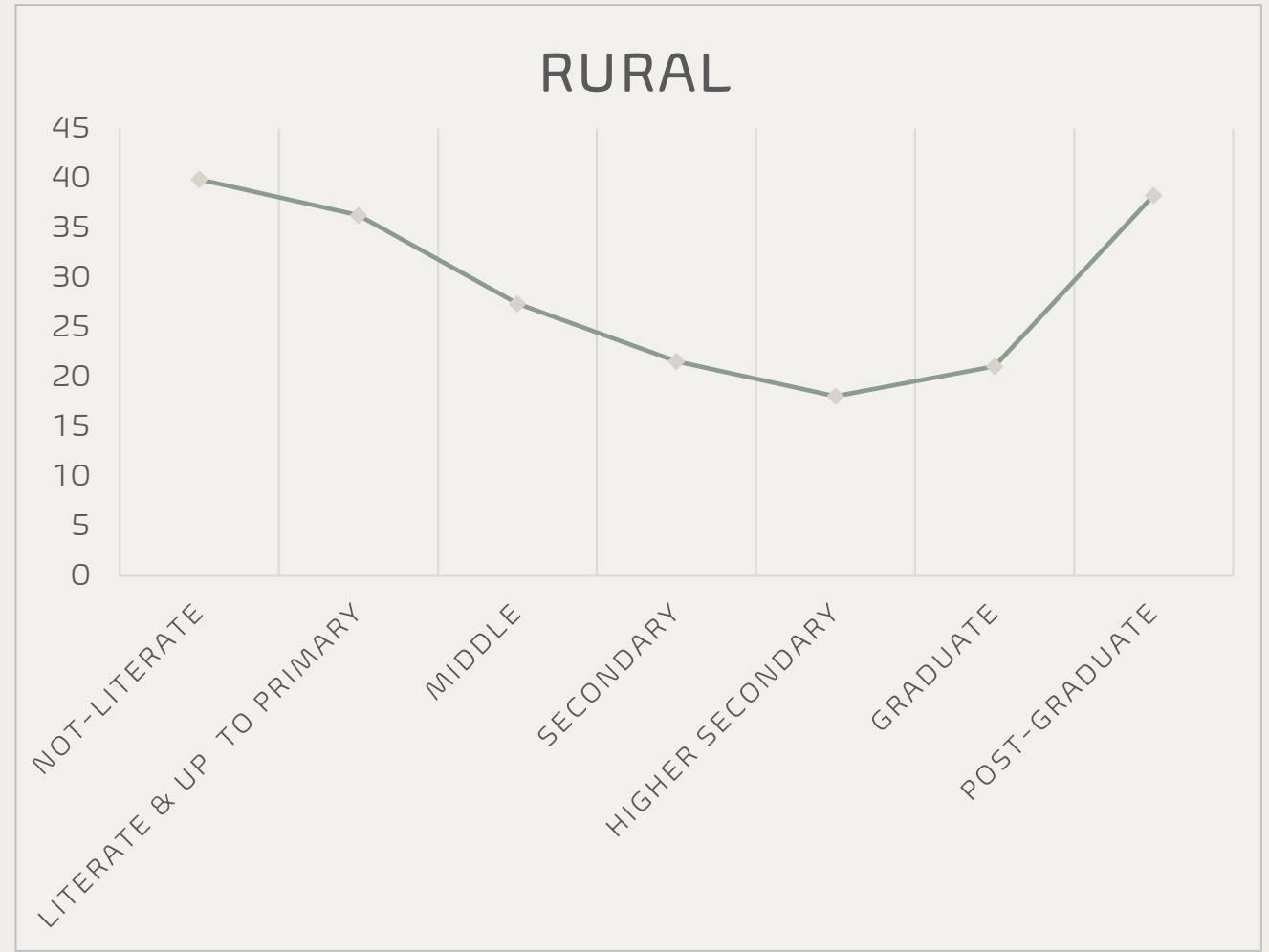
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03 Info graphs related to FLFP

Female
participation in
rural India

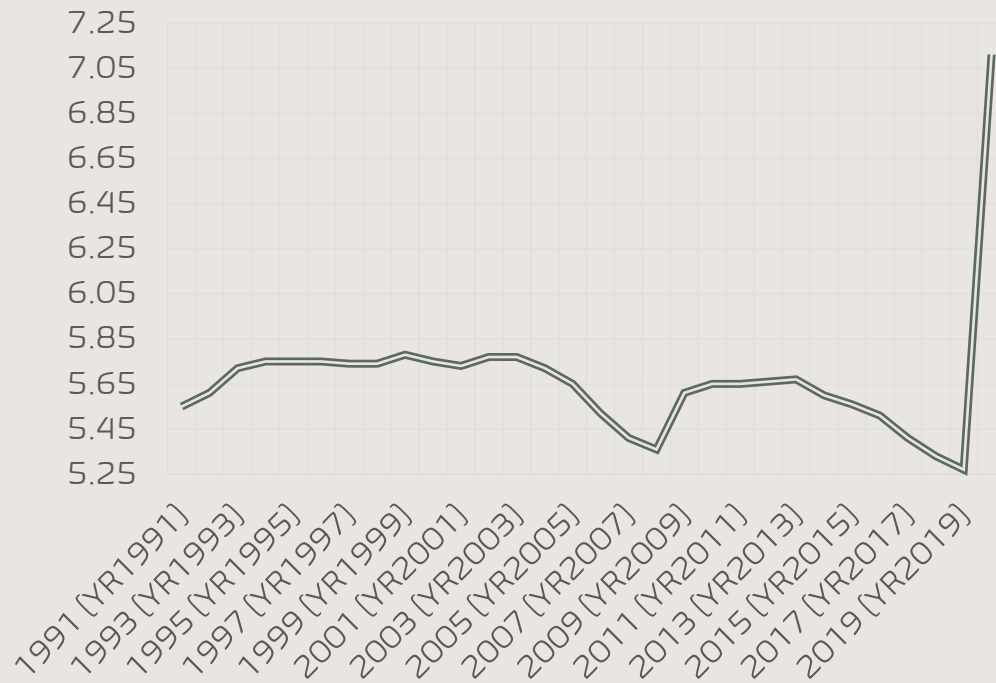
[Source : mospi.nic.in](http://mospi.nic.in)



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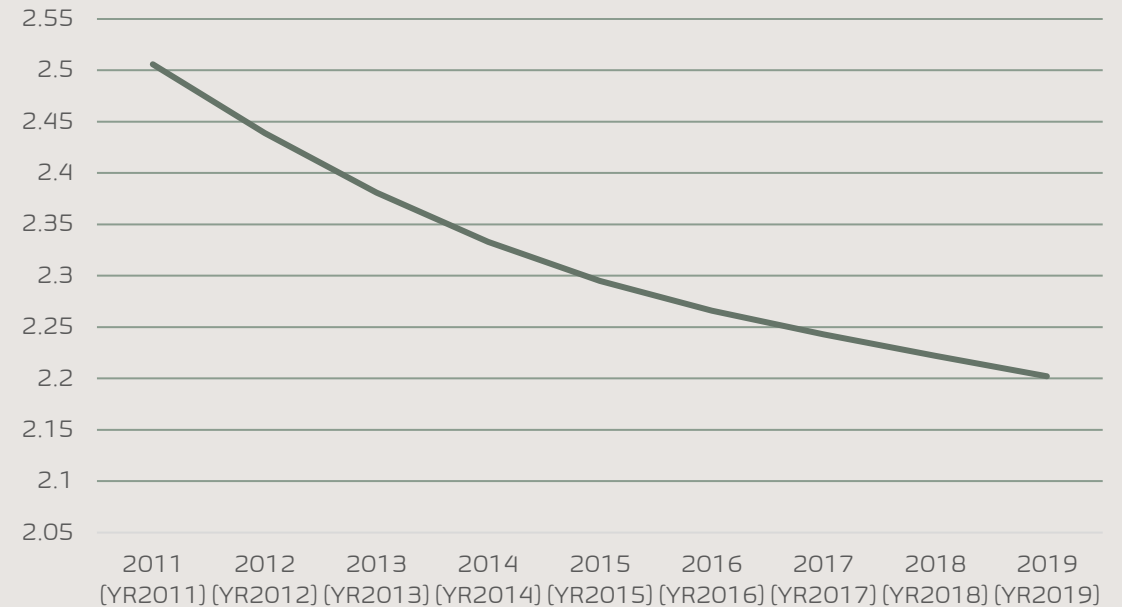
Info graphs related to FLFP

Unemployment rate



Source : www.worldbank.org

India's female fertility rate



Source : www.worldbank.org

04 Tables related to info graphs

Female labour participation in India

Place	not-literate	literate & up to primary	middle	secondary	Higher secondary	Graduate	Post-graduate
Rural	39.9	36.3	27.4	21.6	18.1	21.1	38.3
Urban	25.2	23.6	17.8	12.0	12.7	26.0	37.8

[Source : mospi.nic.in](https://mospi.nic.in)

05 Inference

This paper is an attempt to explain the decline in the women labour force participation in India during the last two decades. Considering the high economic growth in this period we tried to identify the possible factors that can influence the FLFP. Having analyzed the relationship between economic development and FLFP, U-shaped model confirms that, in India, FLFP is in the downward sloping part of the U. This suggests that a high number of women have left the labour force and this is attributed mostly to the mechanization and transformation of the agriculture sector. Higher family income and the continuous raising in living standards have also contributed to the decline in the labour force, especially in the rural area where the major part of workforce is concentrated. Social and cultural factors continue to have a negative effect in FLFP because of the conservatory ideas dominating in certain areas. Hopefully, in the future this will change due to globalization and the liberalization. Moreover, Provision of amenities and basic infrastructure, as well as childcare facilities and care homes for the elderly, should be provided so that the entry of women in the labor force is facilitated .Other than this, higher expenditures should be made on the existing policies, such as the MGNREGA and the Integrated Child Development Services, as well as providing vocational training to suit the rapidly changing production process would give a boost to the FLFPR.

