



FEMALE LABOUR PARTICIPATION RATE - GS I & III MAINS

Q. The rise in female labour force participation rate has been accompanied by a large number of economic benefits to developing countries like India. Critically analyse (15 marks, 250 words)

News: *Female Labour Force Participation Rate Jumps to 37.0%*

What's in the news?

- Periodic Labour Force Survey Report 2022-23 released by the Ministry of Statistics and Programme Implementation on 9th October 2023 shows that the Female Labour Force Participation Rate in the country has improved significantly by 4.2 percentage points to **37.0% in 2023**, as per 'usual status' concept of measuring labour force participation.

Key takeaways:

- This significant jump in the female labour force participation rate is an **outcome of the decisive agenda set by the Government** for ensuring women's empowerment through policy initiatives aimed at their long term socio-economic and political development.
- Government's initiatives have spanned across women's lifecycle including large scale initiatives for girls' education, skill development, entrepreneurship facilitation and safety in the workplace.
- Policies and legislations in these areas have been driving the **Government's 'women-led development' agenda.**

Female Labour Force Participation Rate:

- The female labour force participation rate (FLFPR) is the percentage of working-age women currently employed or seeking employment.

Global Trends of FLFPR:

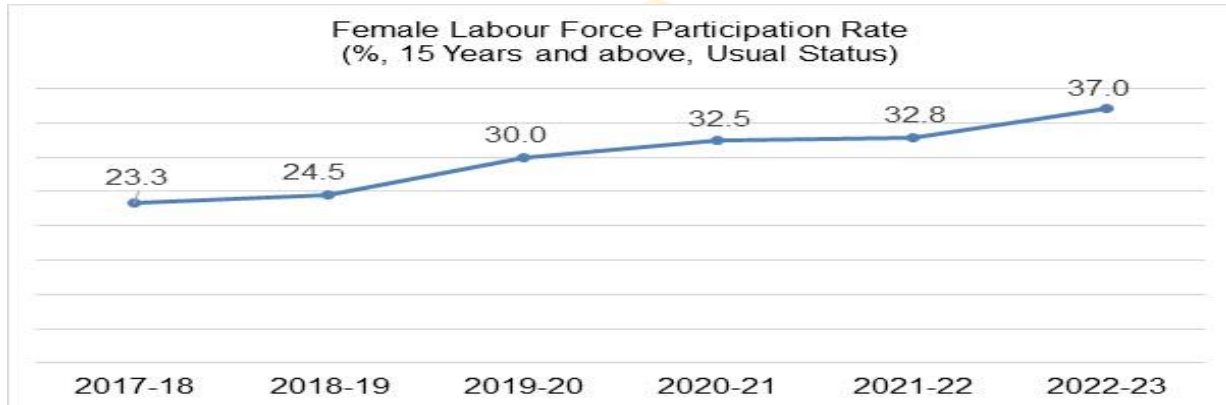
- Globally the level of female labour force participation remains relatively low. World Bank estimates (2022) show that the worldwide LFPR for women was 47.3% in 2022.

Indian Status:

- Despite the PLFS report 2023, showing a remarkable increase of 4.2%, the female labour force participation rate in India remains low at 37%. This low FLFPR is a big threat to India's demographic dividend.
- **Situation in North vs South - Contrary to expectations** based on high literacy rates and women empowerment in the southern states has not translated into a higher Female labour Force Participation rate.



- The average FLFPR in five southern states (Tamil Nadu, Karnataka, Telangana, Andhra Pradesh, Kerala) is 13% less than in five northern states (Himachal Pradesh, Rajasthan, Chhattisgarh, Madhya Pradesh, Jharkhand).
- **International comparison:** The World Bank's data indicates that Indian women's engagement in the formal economy is one of the lowest globally, ranking above only a few countries in the Arab world in terms of FLFPR.



Reasons for Low Female Labour Force Participation:

1. Informal Employment:

- High Informalisation characterized by the absence of formal contracts or social security, prevents women from participating actively in the labour market.
- About 88% of women employed in industries and 71% in services are informal (International Organization, 2018) labour

2. Lack of Alternative Opportunities:

- In India, the scarcity of alternative employment options in manufacturing, suppresses their labour force participation.
- For instance, the automotive industry employs predominantly male workers, excluding a large proportion of potential female employees.

3. Workplace Bias:

- India experiences one of the most pronounced gender disparities in wages, as highlighted in the Economic Survey of 2018.
- Discriminatory pay practices and the 'glass ceiling' phenomenon create a challenging environment for women, impacting their decision to engage in professional work.

4. Occupational Gender Stereotypes:

- Societal norms dictate specific job roles known as 'Pink Jobs' for women, confining them to sectors like nursing, teaching, and gynaecology.
- This limitation hinders women's participation in male-dominated fields. such as engineering and defence, where they face both overt and subtle barriers.

5. Cultural Norms and Domestic Roles:

- Traditional expectations regarding women's roles in unpaid care, childcare, and household tasks significantly restrict their participation in the formal workforce.



- In many patriarchal societies, societal norms discourage or prevent women from pursuing careers post-marriage, further diminishing the FLFPR.

6. Household Income and Employment Choice:

- The rise in household incomes provides women with the financial flexibility to choose not to engage in formal employment, focusing instead on domestic duties or personal interests.
- The National Sample Survey Office (NSSO) suggests that higher family incomes correlate with lower female workforce participation rates.

7. Safety and Harassment Concerns:

- The prevalent issues of violence against women and workplace harassment, particularly in night-time roles, act as significant deterrents, limiting women's participation in the labor force.
- The #MeToo movement in India showed the wide range of harassment women face in their respective workplaces.

8. Mismatch Between Education and Employment:

- Despite higher educational attainments among women, there's a lack of suitable job opportunities.
- Despite the increasing female graduates in STEM fields, their representation in related industries needs to improve due to the scarcity of appropriate roles.

9. Legal Employment Restrictions:

- Certain state laws restrict women from working in specific hazardous sectors, impacting their employment options.
- For instance, laws in some states prohibit women from working in mines or certain factory roles, limiting their employment choices in these sectors.

10. Political Underrepresentation:

- The low representation of women in India's political landscape, with only 14.4% of seats in the Lok Sabha occupied by women, reflects a gender gap in policy-making.

Significance of Enhancing Female Labour Force Participation:

1. Economic Growth:

- The International Monetary Fund (IMF) estimates that gender parity in the workforce could boost India's GDP by 27%.

2. Combating Poverty:

- Women's participation in formal work can address the trend of feminization of poverty, characterized by women's overrepresentation in low-paid, informal work.

3. Impact on Health:

- Increased female employment in formal sectors is correlated with better health outcomes like lower Infant Mortality Rate (IMR) and Maternal Mortality Rate (MMR).
- A study in Sri Lanka observed a direct correlation between women's employment and improved healthcare access, leading to a decrease in IMR and MMR.

4. Financial Independence:

- Earning their own income enhances women's self-confidence and decision-making power in households, especially in areas like family planning.



- In Kerala, higher women's employment rates have been linked to their Increased role in household decisions (Centre for Development Studies).

5. Economic Stability:

- Dual-income families, resulting from women entering the workforce, enhance household income. and economic stability.
- Dual-income households showed better resilience in economic downturns compared to single-income households (McKinsey Global Institute report).

6. Innovation and Creativity:

- A diverse workforce, including women, brings varied perspectives, leading to increased creativity and innovation in the workplace.
- Companies with more diverse management teams have 19% higher revenues due to innovation (Boston Consulting Group Study).

7. Equity in Pay:

- Increasing women's participation in formal sectors can help address the gender wage gap.
- Countries with higher female labour force participation tend to have a lower gender pay gap (Global Gender Gap Report 2020).

8. Women Entrepreneurs:

- Higher participation in the workforce can encourage women to venture into entrepreneurship, contributing to economic diversity.
- The success of women-led startups in India, like Nykaa and Zivame, underscores the potential of women. entrepreneurs in boosting the economy.

9. Changing Social Norms:

- Employment of women in diverse sectors can challenge and change traditional gender roles, promoting gender equality.
- The participation of women in sectors. traditionally dominated by men in Nordic countries has helped to foster a change in societal norms.

10. Impact on Children's Education:

- Working women are more likely to invest in their children's education, leading to better educational outcomes.
- UNESCO reports that children of employed mothers in developing countries are more likely to be enrolled in school and achieve higher educational levels.

11. Improved Family Health:

- Women tend to spend more of their income on family health, leading to overall improved health outcomes.
- Research in Bangladesh showed that families with working women were more likely to have better nutritional status and healthcare access.

12. Economic Dependency:

- An increased female workforce can lower the dependency ratio in a population, easing economic pressures.
- As per a UNFPA report, countries with higher female labor participation often have lower dependency ratios, contributing to economic growth.

13. Enhanced International Standing:



- A higher FLFPR can improve India's image as an inclusive and progressive economy.
- The World Economic Forum's Global Competitiveness Report often cites gender parity as a key factor in a country's overall economic competitiveness.

Government Initiatives for Female Labour Force:

1. Maternity Benefit (Amendment) Act, 2017:

- Enhanced paid maternity leave to 26 weeks. Option for remote work post-leave on mutual agreement.
- Mandatory crèche facilities for establishments with 50+ female employees.

2. Anganwadi Centers (Integrated Child Development Services – ICDS):

- It offers nutritional support, safe environments, and early childhood education, aiding women in rejoining the workforce post-childbirth.

3. National Food Security Act (NFSA), 2013:

- It provides affordable food and grants cash transfers of at least INR 6,000 to pregnant and lactating mothers, reducing the necessity for early work return.

4. Stand Up India Scheme:

- It facilitates bank loans ranging from INR 10 lakh to 1 crore for new enterprises in various sectors, specifically targeting SC/ST/Women entrepreneurs.

5. The Sexual Harassment of Women at Workplace Act, 2013:

- It provides a legal framework to protect women from sexual harassment at work, promoting a safer and more equitable working environment.

WAY FORWARD:

1. Policy and Legal Reforms:

- Revise labour laws like India's night work restrictions, drawing inspiration from Sweden's successful labour law amendments for increased women's participation.

2. Flexible Work Arrangements:

- Promote work flexibility, akin to Best Buy's ROWE (results-only work environment) program, to help women balance work and family.

3. Enhanced Childcare Facilities:

- Expand affordable childcare, following Sweden's model, to facilitate women's employment.

4. Vocational Training Programs:

- Implement targeted training programs, mirroring the European Union's "New Skills, New Jobs" initiative, to upskill women for emerging job markets.

5. Women's Entrepreneurship Support:

- Foster women's entrepreneurship with credit access and mentorship, as exemplified by Bangladesh's Grameen Bank model.

6. Gender Neutral Recruitment:

- Adopt unbiased hiring policies like Salesforce to ensure a diverse workforce.

7. Equal Pay Initiatives:

- Enforce equal pay laws, drawing from Iceland's equal pay certification approach, to bridge the gender wage gap.



8. Improved Safety Measures:

- Enhance public and workplace safety, similar to Delhi's 'Pink Ticket' scheme, to encourage women's workforce participation.

9. Gender Sensitization Campaigns:

- Run awareness programs to challenge stereotypes, using Norway's gender equality education as a model.

10. Government-Private Sector Collaboration:

- Develop public-private partnerships, akin to Germany's 'Frauen Machen Neue Technologien', to create job opportunities for women.

11. Workforce Re-entry Programs:

- Introduce re-entry initiatives like Goldman Sachs' 'Returnship' programs to support women returning to work after career breaks.

12. Social Security for Informal Workers:

- Extend social security to informal sector women, inspired by Brazil's Bolsa Familia program.

13. National Awareness Campaigns:

- Launch campaigns to promote women's workforce importance, similar to the UN's 'HeForShe' initiative.

14. Increased Political Representation:

- Ensure women's representation policymaking, as demonstrated Rwanda's gender parity in parliament.

15. International Collaborations:

- Engage in global partnerships for sharing best practices in women's labour force participation, like the Canada-UK Women's Empowerment Initiative.

Women continue to face many barriers to enter labour market and to access decent work and disproportionately face a range of multiple challenges relating to access to employment, choice of work, working conditions, employment security, wage parity, discrimination, and balancing the competing burdens of work and family responsibilities. In addition, women are heavily represented in the informal economy where their exposure to risk of exploitation is usually greatest and they have the least formal protection. The goal is not merely to increase female labour force participation, but to provide opportunities for decent work that will, in turn, contribute to the economic empowerment of women.