

# Enhanced Female Workforce Participation in Economic Activity: Data Shows Improved Employment Indicators over Last Six Years

## Rural Women Propel Economic Growth: with Increased Labor Force Participation contributing to Rural Production

## Empowered and Educated: Rise in Educated Female Participation in Workforce

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**Key Highlights:** Data related to female employment indicators in last six years points to enhanced engagement of women in economic activity, declining unemployment rate, upward trend of educated women in workforce, and a steady increase in earnings across employment categories. A sharp rise in female labour force participation in rural areas stems from increased participation in economic activities.

The official data source of employment/unemployment indicators in India is the Periodic Labour Force Survey (PLFS) conducted by the Ministry of Statistics and Programme Implementation (MoSPI) since 2017-18. As can be seen from the PLFS data, Indian labour market indicators have improved in the last six years, as seen below:

An analysis of the PLFS data pertaining to female labour force in the country shows the following trends:

- **Increased female employment indicators:** PLFS , data shows enhanced female employment indicators, showing significant strides in female participation in economic activity across various categories, including rural and urban. As per the PLFS, the rural FLFPR has increased significantly by 23 percentage points between 2017-18 and 2023-24 (24.6% in 2017-18 and 47.6% in 2023-24) indicating a rising contribution of women to rural production. There is also the belief that this data is now being better captured by PLFS survey.

[Note: In this context, to further quote from Economic Survey 2023-24, the possibility of the rise in rural FLFPR stemming from distress does not hold much ground since distress-driven FLFPR should have peaked during COVID-19 and declined afterwards instead of continuously rising since 2017-18.]

- **Upward trend of educated women in workforce:** Further as per PLFS data, around **39.6 percent** of total women with education level of post-graduate and above are working in 2023-24, compared to **34.5 percent** in 2017-18.

At the same time, **23.9 percent** of total women with education level of Higher Secondary are in workforce in 2023-24, as compared to **11.4 percent** in 2017-18.

Further, out of total women educated up to primary level, around **50.2 percent** are in workforce in 2023-24, compared to **24.9 percent** in 2017-18.

- **Earnings Growth for self-employed:** PLFS data for 2023-24 compared to 2018-19 shows Female self-employed workers saw steady growth in earnings.

- **Reasons for Remaining Outside the Workforce as per PLFS data include:**

- ***Education as an important reason:*** A significant proportion of females (37.94%) cited continuing education as the primary reason for being out of the workforce, reflecting a focus on higher qualifications;

- ***Domestic Commitments:*** A notable 43.04% of women identified childcare and homemaking responsibilities as barriers, underscoring the need for societal and policy interventions to balance work and family.

- **Government initiatives to support female participation in economic activity:**

- NITI Aayog report has pointed out that self-employment among rural women has occurred across sectors where government support has been prominent. At the national level, *70 central schemes across 15 ministries focus on supporting entrepreneurship*. The Ministry of MSME, Ministry of Agriculture, and Ministry of Skill Development lead these efforts.

On the state level, as well, *more than 400 state-level schemes support entrepreneurship*.

Together, these initiatives are helping rural women thrive in diverse sectors.

- In addition, the government has implemented various schemes and programmes contributing towards improving female workers' employability, the most promising of which is the Skill India Mission.

Promotion of self-employment for women has been on the priority areas of the government with initiatives like 'Stand up India' that provides loans to women including the marginalized communities.

*Around 9 crore women are connected with self-help groups under the National Rural Livelihood Mission (NRLM) along with provisions for collateral-free loans.*

It is evident from above that employment trends for women in India from 2017-18 to 2023-24 present a *positive picture* of increased female participation in the work force, *thereby indicating their strides in participation in economic activity*. An *upward trend of educated women in workforce* is a positive one, as is the steady increase in earnings across both the self-employed and regular salaried class. As is understood, continuing education and domestic commitments are two important reasons for those females who remain outside workforce.

Improved workforce participation, declining unemployment rates, and enhanced opportunities for women reflect the country's progress toward economic resilience and gender equality. The data underscores the effectiveness of government initiatives and the growing focus on education, skill development, and entrepreneurship as drivers of employment.

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**Himanshu Pathak**

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