# What's really happening with women's employment in India?

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The most recent annual report of the NSSO's Periodic Labour Force Surveys indicate an increase in aggregate employment rates, after a prolonged period of decline and/or stagnation since 2011-12. This is dominantly due to a significant recovery and rise in women's work force participation, which had declined from the already low levels of the early 1990s to 2017-18. Since, then—indeed, ever since the new quarterly Periodic Labour Force Surveys were introduced—women's work participation rates have been increasing continuously, and quite sharply in 2023-24.

Figure 1 shows that men's work participation rates have risen slightly from 71.2 per cent in 2017-18 to 76.1 per cent in 2023-24. But those for women increased much more dramatically in the relatively short time span of six years. The rate was at only 22 per cent in 2017-18, and went up by more than 80 per cent, or more than 26 percentage points, to reach 40.3 per cent in 2023-24. (All the figures refer to shares of population of 15 years and above.)
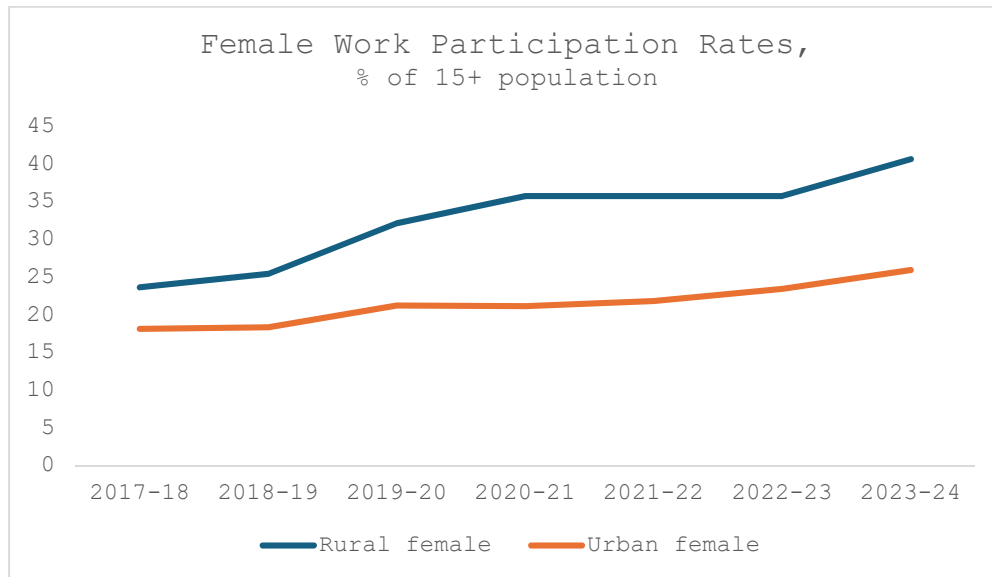
Figure 1
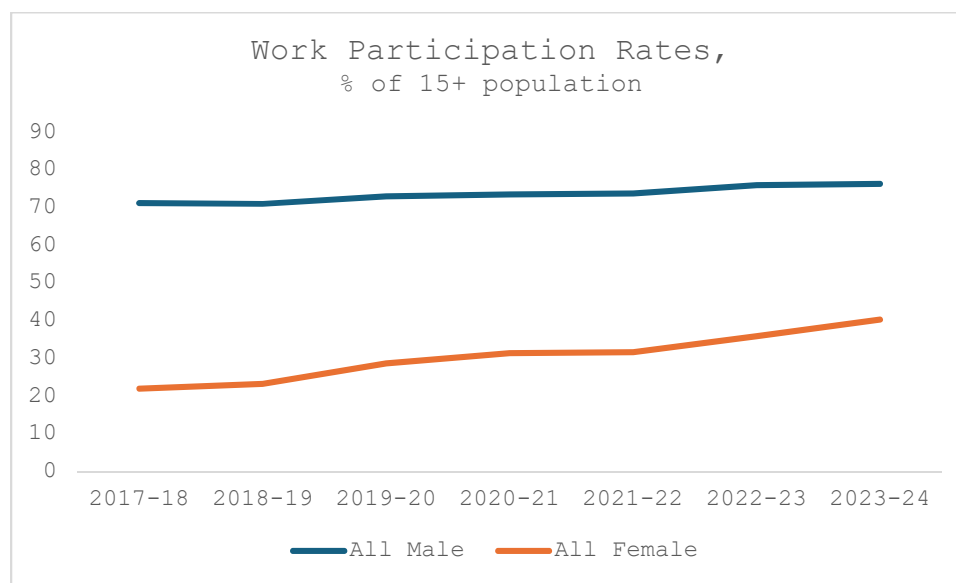
Source for all figures: Annual Reports of NSSO Periodic Labour Force Surveys, various issues.

Figure 2 shows that this increase was evident in both rural and urban areas, with the increase in women's work participation particularly sharp in rural India. The last two years of this period showed the biggest increases.
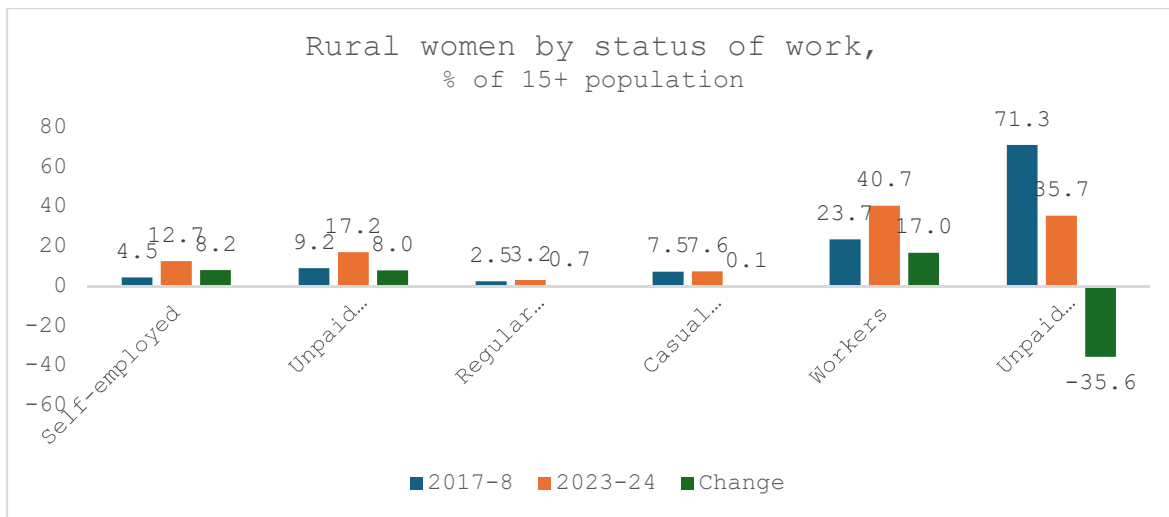
Figure 2

On the face of it, this is obviously a welcome development. The low and declining women's work participation until recently was a stark comment on both the status of women in India and labour market conditions in the economy, which clearly did not generate enough productive employment to meet the needs of the existing labour force, leave aside the tens of millions entering the labour force every year. Could this increasing work participation in recent years, especially among women, suggest that the period of jobless growth is finally receding? Is it possible that the benefits of GDP growth are finally translating into higher employment, and affording greater work opportunities to women in particular?

If so, this is something to celebrate. However, because of the ways in which the NSSO defines and classifies "work", it is necessary to interpret such data trends much more carefully. In particular, we must unpack them to discover which specific types of work have increased, to decide whether this is indeed a sign of labour market dynamism and improved conditions for women's employment, as has been suggested by official spokespersons.
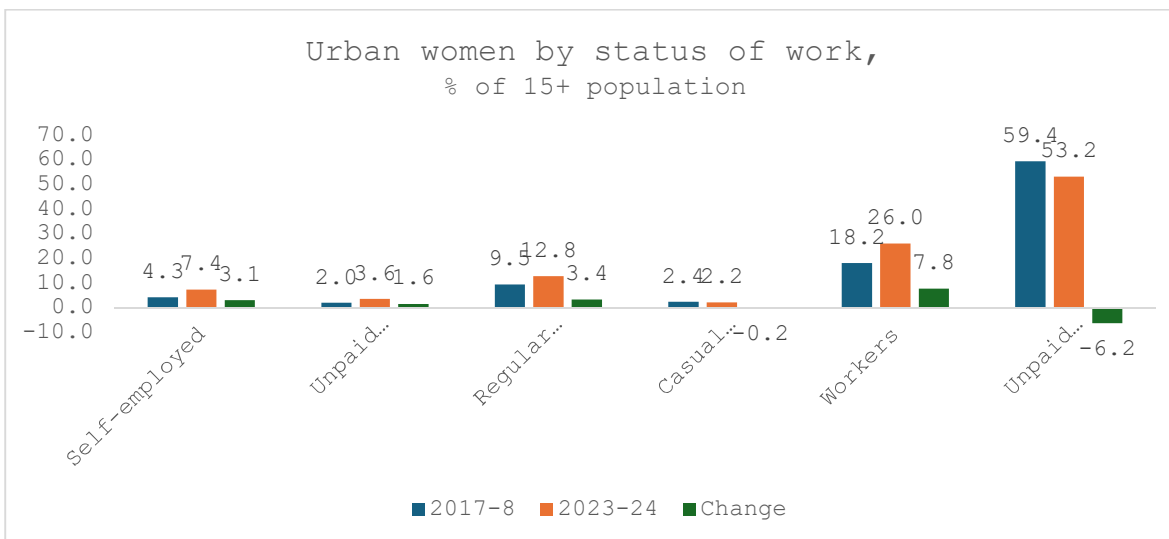
This is because the NSSO includes, in its classification of workers, those who are described as "unpaid helpers in family enterprises", and in turns out that this category is where most of the increase in women's "employment" occurs. Further, the Indian data also include the activity classifications that cover unpaid work done within households, specifically Code 92 (engaged in domestic duties – essentially care work within the household) and especially Code 93 (domestic duties plus extended SNA activities like fetching fuelwood, fetching water, engaging in kitchen gardening and livestock and poultry rearing, etc.) These are economic activities, in that they can potentially be performed for remuneration, and indeed often are. The NSSO classifies those engaged in Codes 92 and 93 as "not in the labour force", so they are excluded from the employment data.

But the dividing line between such activities and those of persons working as "unpaid helpers in family enterprises" is thin and can even be indistinguishable. It is possible, and even likely, that some similar activities are arbitrarily placed in one or the other category. Note that the ILO's own definitions of work and employment make it clear that while work can comprise all activities that generate goods and services, whether for exchange or for consumption within the household or for own consumption, employment is ONLY that subset of work for which remuneration is received. By that token, since "unpaid helpers" are clearly not the primary workers who would receive remuneration, they should not really be classified as "employed" at all.

Figure 3

Rural women by status of work, % of 15+ population

Figure 4

Urban women by status of work, % of 15+ population

Figures 3 and 4 describe this disaggregation of women's activities, and the changes over this recent period, for rural and urban Indian women separately. Consider rural women first. By 2023-24, there was a dramatic decline in unpaid workers (Codes 92 and 93) to half of the 2017-18 level. At the same time, there was a significant increase in self-employment, which amounted to 95 per cent

of the increase in recorded "employment". So the decline in the proportion of unpaid women workers (Codes 92 and 93, who are not included in the labour force by the NSSO) is almost completely explained by the increase in self-employment, including both those serving as unpaid helpers in family enterprises and those working for remuneration on their own account. The share of both regular and casual workers barely increased at all, and in any case together they account for less than one-tenth of rural women of 15 years and above. This obviously raises questions about whether there has simply been some shifting across the two categories that would generate around half of the increase in women's "employment" rates.

In urban areas the pattern is different. Here, there was an 8 percentage point increase in women's recorded work participation and a 6 percentage point decrease in unpaid workers. In this case, the increase in women's recorded employment was split equally between regular workers and self-employed women. This is a welcome development, but note that regular workers still account for less than 13 per cent of females aged 15 years and above, and self-employed women only 7.4 per cent. There was a decline in the proportion of both casual workers and unpaid helpers in family enterprises.

Table 1: Workers' Remuneration at 2023-24 prices

	2017-2018	2023-24	CAGR
Rural			
Male regular workers (per month)	13931	18029	4.4
Female regular workers (per month)	12109	11914	-0.3
Male casual workers (per day)	362	435	3.1
Female casual workers (per day)	234	290	3.6
Male self-employed (per month)	12132	13907	2.3
Female self-employed (per month)	5584	4908	-2.1
Urban			
Male regular workers (per month)	24749	25502	0.5
Male casual workers (per day)	445	529	2.9
Female casual workers (per day)	264	354	5.0
Female regular workers (per month)	20030	19709	-0.3
Male self-employed (per month)	22104	22930	0.6
Female self-employed (per month)	9621	8489	-2.1

Further disaggregation is required to identify the nature of the regular work that has engaged more women, before assessing its quality. But Table 1 already points to some disturbing tendencies. Real wages for women regular workers fell in both rural and urban areas, suggesting that much of this was distress employment with likely poor conditions. This could well have been in domestic work and similar occupations, which have been significant sources of employment in urban India for poor women.

However, the decline in real incomes from self-employment for women was even greater, once again suggesting a crowding of more women workers into relatively limited types of activities as part of a survival strategy to ensure at least some incomes for their households. As a result of these unfortunate tendencies, the gender gap in earnings grew significantly over this period, particularly in rural areas, a shown in Figure 5. The gap is shockingly high for self-employed workers, whereby women receive only around a third of the incomes from self-employment that their male counterparts earn.

Figure 5
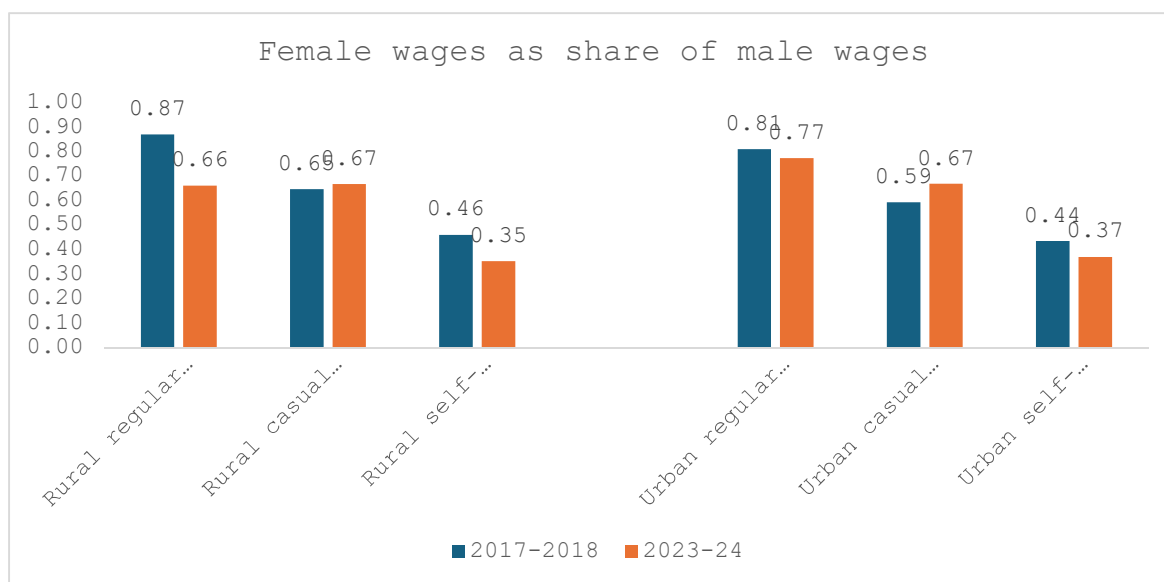
Overall, this is hardly a picture of dynamism in labour markets that is leading to more employment of women, and official sources would do well to move beyond that fairy tale to address the reality of women's work in India.

(This article was originally published in the Business Line on January 6, 2025)