WOMEN’S WORKFORCE PARTICIPATION IN INDIA: STATEWISE TRENDS

TAMIL NADU

This series of state factsheets highlights the important aspects of women’s employment across the states in India. The factsheets use secondary data provided by the National Sample Surveys’ Periodic Labour Force Survey (PLFS), 2018-19. The factsheets also draw on data from the employment–unemployment surveys (EUS) conducted by the same agency in previous years as well as data from other sources to support state specific analysis.
Tamil Nadu

Tamil Nadu (TN) is a southern state of India and has the second largest economy among all states with a gross state domestic product (GSDP) of Rs 18,45,853 crores, as of 2019-20.¹ Services contribute to nearly 52 percent of the economy, followed by manufacturing at 36 percent and agriculture at 12 percent.² In terms of employment, agriculture is the largest employer, followed by the textile sector.

Tamil Nadu is known to combine rapid economic growth with high levels of social development in recent years.³ It is the most urbanised state in the country as emphasis on industrial growth, transport facilities paved the way for urbanization and creation of smaller towns. The state’s commitment towards expanding public services such as education, health care, social security and public amenities has resulted in TN achieving the third highest human development index among all states.³ It has the third highest literacy rate at 96.8 percent.⁵ Gross Enrolment Rates at secondary and higher levels of education are much higher than those observed at the all India level.⁶ Infant mortality rate is a low 17 percent (all India 34 percent).

Tamil Nadu’s performance in terms of indicators on gender has been consistently better than that of other states. The sex ratio in the state is 908 females per 1000 males.⁷ The General Fertility Rate, defined as the number of live births per thousand women in the reproductive age group 15-49 years, is low at 51.2, as opposed to the national figure of 70.4.⁸ Maternal mortality ratio is also low at 66 (all India 130). TN has the third lowest crime rate against women, additionally.

Women’s participation in the paid economy is significant – female labourforce participation rates (FLFPRs) in TN are substantially higher than the average recorded for India, for both rural and urban areas. Periodic Labour Force Survey (PLFS) 2018-19 finds that rural FLFPR within the state is 35.1 percent, which is 15.4 percentage points higher than the national figure. Urban FLFPR in TN is 23.6 percent, 7.5 percentage points higher than urban FLFPR recorded for all of India.

² Source: Tamil Nadu Budget Analysis 2020-21, PRS Legislative Research. Available at: https://www.prsindia.org/parliamenttrack/budgets/tamil-nadu-budget-analysis-2020-21
⁴ Ibid.
⁶ Ibid.
⁷ Ibid.
⁸ Ibid.
Trends in Female Workforce Participation Rates (FWPR) (Chart 1)

The FWPR measures the ratio of employed females to total female population, unlike the FLFPR which also includes the unemployed in its measurement. Some interesting trends for Tamil Nadu are as follows:

- In TN, gender differences in WPRs are similar to national trends – the difference between male and female workforce participation is persistent across years for urban as well as rural areas. Moreover, the gender disparity in WPRs is wider for urban areas.

- Urban FWPRs in TN, though higher than the national average, have been stagnant at around 21 percent since late 1990’s.

- Rural FWPRs witnessed a decline till 2017-18. The recently released PLFS 2018-19 shows that there has been an increase in rural FWPR of nearly 4 percentage points between 2017-18 and 2018-19. This needs further probing as this is a significant rise for a span of a year, and the corresponding male WPRs for rural TN have declined within the same period.

Source: EUS 1993-94, 1999-00, 2004-05, 2007-08, 2011-12, PLFS 2017-18 and PLFS 2018-19, NSSO, MoSPI, GOI. The WPR figures are calculated for women and men of all age groups.
More than half of the female workforce in rural areas is engaged in agriculture and allied activities. 53 percent of rural women workers are employed in this sector. Construction is the second largest employer with a share of 16.4 percent, followed by manufacturing at nearly 15 percent, services at 8.3 percent and trade, hotels and restaurants at 6.7 percent.

The distribution of rural women workers by major industries suggests that non-agriculture employment in TN is significant, and construction, manufacturing and the tertiary sector (comprising of services and trade, hotels and restaurants) contribute almost evenly in non-agricultural employment. This sets TN apart from other states in India.

Women workers in services form the highest share within the urban female workforce at 36.3 percent. Additionally, in urban areas, 28.6 percent of women workers are engaged in manufacturing, 16.6 percent are found in trade, hotels and restaurants, and 8.4 percent are in agriculture. Construction and transport, storage and communications each employ nearly 5 percent of the urban female workforce.

In particular, the tertiary sector contributes to more than 50 percent of urban employment of women. While this is significant, it still falls short of the national average by 10 percentage points.

The sectoral distribution of urban women workers also highlights that the share of employment in manufacturing – 28.6 percent – is significantly higher than what is observed for the northern and eastern states.

**Chart 2: Distribution of women workers by broad industry divisions**

- Rural female:
  - Agriculture: 53.0%
  - Mining and quarrying: 14.9%
  - Manufacturing: 6.7%
  - Electricity, water etc.: 0.2%
  - Construction: 16.4%
  - Trade, hotel and restaurant: 0.2%
  - Transport, storage and communications: 0.4%
  - Other services: 0.2%

- Urban female:
  - Agriculture: 8.4%
  - Mining and quarrying: 4.8%
  - Manufacturing: 28.6%
  - Electricity, water etc.: 0.1%
  - Construction: 16.6%
  - Trade, hotel and restaurant: 4.9%
  - Transport, storage and communications: 0.2%
  - Other services: 0.4%

*Source:* Author’s estimates using unit level data from PLFS 2018-19
For urban women workers, regular employment is predominant, as 57 percent are engaged in this type of work. Moreover, the share of regular wage work of women in urban areas has been increasing consistently since 2004-05. Between 2011-12 and 2018-19 itself, this share rose by more than 15 percent, indicating the rising importance of regular work for urban women.

While regular employment for women has been rising over time, the share of self-employed women in urban areas has experienced a secular decline since 2004-05. In 2018-19, 27.5 percent of urban women workers reported themselves to be self-employed.

Causal wage work forms a minor share of 15.5 percent among the urban female workforce.

In rural areas, casual wage work predominates, but has been declining since 2011-12. Between 2011-12 and 2018-19, the share of casual employment fell by nearly 17 percentage points and stood at 46 percent in 2018-19.

40 percent of rural women workers are in self-employment. The share of self-employed among rural female workers has increased since 2011-12, especially in the last two rounds of the PLFS (Chart 3). There is a need to explore this further, especially to locate the sectors and activities that have contributed to growth in self-employment among the rural women workers.
Working Conditions in Regular Employment (Chart 4)

- Despite the impressive increase in the share of regular wage workers in the urban workforce, the working conditions for women engaged in such work remain far from ideal due to high incidence of informality.
- 83.2 percent women workers in regular wage employment report that they do not hold any written job contracts. This is much higher than the national average; nearly 71 percent women in regular wage work all over India work in the absence of written job contracts. Further, 49.3 percent women workers in regular salaried employment are without paid leaves and 48.1 percent do not have any social security benefits. It must be highlighted that the latter figures on status of paid leaves and social security benefits are marginally better than what is observed for women all over India.

**Chart 4:** Share of regular women workers in urban Tamil Nadu without non-wage remunerations (PLFS 2018-19)

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without written job contract</td>
<td>83.2%</td>
</tr>
<tr>
<td>Not eligible for paid leave</td>
<td>49.3%</td>
</tr>
<tr>
<td>Without any social security benefit</td>
<td>49.3%</td>
</tr>
</tbody>
</table>

Source: Annual Report, PLFS 2018-19

Women Workers in Casual Employment (Chart 5)

- The share of causal employment of women has consistently declined in rural areas since 2011-12. Despite this, a majority of casual work performed by women is in non-public work activities. In particular, 58.5 percent casual wage work is non-public and 20.5 percent is public work, excluding work under MGNREGA.
- TN is a leading state in the implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and the share of women engaged in casual work under MGNREGS in rural areas is a substantial 21 percent. Data from the scheme website shows that nearly all who demand work under MGNREGS are allotted work, and of those who are allotted work, more than 90 percent on average go on to work.9
- Women’s participation under MGNREGS is also significant. TN ranked third in terms of the share of women person-days in total generated by the scheme in 2018-19, with a share of 85.4 percent (Chart 6).
- In urban areas, around 93 percent of casual wage work of women falls under non-public work. The share of women in daily wage work in public work activities (other than MGNREGA) is a meagre 0.5 percent.

---

9 The period of analysis for these is results is 2015-16 to 2019-20. Data for the same is available at the MGNREGA Public Data Portal.
Chart 5: Distribution of women workers in casual employment

- Rural female
- Urban female

<table>
<thead>
<tr>
<th>Region</th>
<th>Casual labour in public work</th>
<th>MGNREGA</th>
<th>Other casual work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jammu and Kashmir</td>
<td>20.5</td>
<td>0.5</td>
<td>92.6</td>
</tr>
<tr>
<td>Nagaland</td>
<td>21.0</td>
<td>6.9</td>
<td>92.6</td>
</tr>
<tr>
<td>Uttarakhand</td>
<td>20.5</td>
<td>0.5</td>
<td>92.6</td>
</tr>
</tbody>
</table>

**Source:** Author’s estimates using unit level data from PLFS 2018-19

Chart 6: Women person-days out of total in MGNREGA, 2018-19 (%)

Women Workers in Self-employment (Chart 7)

- Among the rural self-employed, nearly one in two women workers report themselves to be own account workers. 4.1 percent women workers are employers and 41.6 percent work as unpaid helpers in household enterprises, additionally.

- In urban TN, the share of self-employed women workers who are engaged in own account work is the highest at 60.5 percent. Further, 30.4 percent women workers are unpaid helpers in household enterprises.

- Among the self-employed in urban areas, the share of women who are employers is high at 9.1 percent. This is worth investigating more as this figure is much higher than the national average, suggesting that women in TN display greater entrepreneurship than what is observed for most states in the country.

- A collaborative study with LEAD involving a primary survey of home-based businesses of women in the handicraft and handloom sectors of TN corroborates these findings, offering some insights to the status of women entrepreneurs within the state. The study reports the crucial role played by the government of TN in enabling and facilitating the establishment of businesses by women. Coupled with this is a strong culture of Self-Help Groups, which has had an empowering effect on women, especially financial. This has contributed greatly to the survival and continuation of women owned businesses, at a time when competition from big businesses is stiff.

- Clearly, in both rural and urban areas, there is high incidence of women’s entrepreneurship as a major share of the self-employed women are either working in their own enterprises or as employers. It must be noted that TN is a leading state in the Micro, Small and Medium Enterprises (MSME) sector. There are currently 22.21 lakh registered units in the state providing employment to 1.42 crore persons.

- Further, TN ranks fourth among all states in terms of the number of establishments situated within the states. It also has the largest share in number of establishments under women entrepreneurship. In particular, 13.5 percent of women owned establishments in India are located in TN. Women owned establishments are also a major source of employment for both men and women in the state as nearly 1.85 million workers were employed in these establishments as of 2013-14, making the share of employment in these establishments the highest among all states.

- While the entrepreneurial status of self-employed women in TN is extremely encouraging, there are several concerns regarding the scalability and hence profitability of such ventures. The LEAD-IWWAGE report shows that a vast majority of home-based female entrepreneurs are solo entrepreneurs, and rely heavily on spousal support and overarching institutions. Further, they face additional barriers of mobility and burden of unpaid care work, which limits their ability expand their businesses, despite aspiring to do so.

---

10 (IN)VISIBLE ENTREPRENEURS: Understanding the market landscape and enterprise readiness for women-led home-based businesses in Tamil Nadu and Rajasthan. Available at: https://iwwage.org/wp-content/uploads/2021/01/IWWAGE_LEAD_report.pdf


12 Source: Sixth Economic Census of India. Available at: http://mospi.nic.in/all-india-report-sixth-economic-census. The Census captures all establishments engaged in various agricultural and non-agricultural activities excluding crop production, plantation, public administration, defence and compulsory social security services activities.
In summary, workforce participation of women in TN is higher than the national level, for both rural and urban areas. In urban TN, a majority share of women workers is in regular wage employment, the share of which has been rising over time. In rural TN, casual wage work predominates, followed by self-employment. MGNREGS has been a significant source of employment for women performing casual labour, successfully engaging nearly all who seek work under this scheme. Sectoral distribution by broad industries shows that non-farm employment of rural women is substantial, which sets TN apart from most states in India.

Finally, women entrepreneurship shows encouraging trends. Women in self-employment are not only working in their own enterprises in large numbers, but a significant share within the self-employed also act as employers, providing employment to several others. These women entrepreneurs would benefit greatly from institutional support involving the strengthening of market-linkages, market access, mobility, and skills – all of which are essential to increase scale and hence incomes accruing to women from their enterprises.