

# Chapter-14

## Gender Gap in Unemployment in India: Trends, Determinants, and Policy Perspectives

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### Abstract

Deeper structural disparities in labour market participation, access to high-quality employment, and sociocultural norms are reflected in India's gender-based unemployment rates. Since the liberalization reforms in 1991, India's economy has grown significantly, but the results of the labour market have not been gender neutral. Compared to men, women continue to experience different patterns of unemployment as well as lower participation rates. In urban areas and among educated youth, the gender gap in unemployment is especially noticeable. Gender-differentiated unemployment rates also show how different structural and social factors have affected women's and men's participation in the labour force. At the national level, there seems to be little difference between the unemployment rates for men and women; however, when comparing rural and urban areas, significant differences become apparent. The unemployment rate for women in urban areas is much higher than men. Deeper structural disparities in labour market access, participation, and job quality are reflected in India's gender gap in unemployment. Focused policy initiatives, like improved access to skill training, childcare assistance, safe transportation, and formal job opportunities, are necessary to address this disparity.

**Keywords:** gender, unemployment, female, liberalization, labour, structural

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### Introduction

Unemployment serves as a crucial measure of the health of the labour market and the inclusiveness of the economy. The disparities in unemployment rates and workforce involvement between genders reveal more profound structural and socio-economic inequalities. In India, the economic liberalization that began in 1991 led to rapid GDP growth, increased trade, and significant reforms that transformed labour markets. However, this economic expansion has not necessarily resulted in fair labour market outcomes for women, who continue to participate in the workforce at a much lower rate than men and face specific challenges related to unemployment dynamics. Recent PLFS data highlight persistent gender gaps in labour force participation and unemployment, as well as differences between urban and rural labour markets. This paper examines the gender gap in unemployment in India by analysing trends over time and exploring contributing socio-economic factors.

### Gender Gap in Unemployment in India

Gender disparities in unemployment in India reflect deeper structural inequalities in labour market participation, access to quality employment, and socio-

cultural norms. Although India has experienced significant economic growth since the 1991 liberalization reforms, labour market outcomes have not been gender neutral. Women continue to face both lower participation rates and distinct patterns of unemployment compared to men.

According to the Ministry of Statistics and Programme Implementation (MoSPI), through its Periodic Labour Force Survey (PLFS), unemployment is measured primarily using the Current Weekly Status (CWS) approach. Recent PLFS estimates (2022-23) indicate that the overall unemployment rate in India was about 5-6 per cent, with male unemployment around 5.1 per cent and female unemployment slightly higher in urban areas (MoSPI, 2023). While the aggregate unemployment rates between men and women appear comparable, a deeper examination reveals significant gender gaps in labour force participation and employment quality.

One of the most striking features of India's labour market is the low Female Labour Force Participation Rate (FLFPR). PLFS 2022-23 data show that the female LFPR (15+ years) was approximately 37 per cent, compared to nearly 78 per cent for males (MoSPI, 2023). The World Bank (2023) also notes that India's female labour force participation remains significantly below the global average and lower than many emerging economies. This implies that a large proportion of women remain outside the labour force altogether, often due to unpaid domestic responsibilities, social norms, or lack of suitable employment opportunities. The gender gap in unemployment is particularly pronounced in urban areas and among educated youth. Urban educated women frequently report higher unemployment rates than their male counterparts. Studies suggest that educated women often experience "aspirational unemployment," where job expectations do not match available opportunities (Klasen & Pieters, 2015). Furthermore, safety concerns, workplace discrimination, and limited childcare support constrain women's employment prospects, particularly in formal and salaried sectors. Another dimension of the gender gap relates to the nature and quality of employment. Even when women are employed, they are disproportionately represented in informal, self-employed, and low-paid work. The International Labour Organization (2022) highlights that women in India are more likely than men to be engaged in vulnerable employment, which increases economic insecurity and reduces job stability. As a result, standard unemployment rates may underestimate the broader gender inequality in labour markets.

Prior to liberalization, India's growth was characterized by structural transformation toward services and capital-intensive industries. However, employment elasticity of growth has been found to be low, contributing to lesser job or job-poor growth. Women have not benefited proportionately from new employment opportunities, particularly in manufacturing and high-productivity sectors. Rural women often participate in agriculture or informal work, whereas urban women face higher open unemployment.

### **Methodology and Data Sources**

This study relies on secondary data from:

**Periodic Labour Force Survey (PLFS)** -primary source for unemployment and participation estimates by gender

**Government and Research Reports** – PLFS annual and quarterly bulletins, labour market analyses, and academic research on gender in the labour market

### **Trends in Female and Male Unemployment in India Since 1991**

Male and Female unemployment rates in India have been on a different path for the past 30 years as a result of the macro-economic structural changes that took place in 1991, with the introduction of economic liberalisation. Male and Female unemployment were affected by macro-economic policies such as robust growth, however the impact of these policy reforms varied across gender. Gender differentiated unemployment rates are also an indication of how women and men have faced different challenges in terms of structural and social factors, which in turn have affected their participation in the labour force and therefore unemployment rates over the past 30 years.

#### **1. Unemployment Trends since the 1990s**

Historical data indicates that the unemployment rate in India fluctuated during the post-liberalization period. In 1991, the overall unemployment rate was around 7.7%, with the rates for both men and women being almost identical, as both faced similar pressures within their labour markets at that time (Facto Data, 2024). From the late 1990s to the early 2000s, unemployment remained elevated due to insufficient job creation within the formal sector, before it started to decline. After 2019, unemployment rates fell significantly, reaching the 4-5 per cent range in the early 2020s, although this period was also marked by economic challenges stemming from the COVID-19 pandemic (Facto Data, 2024; Reddit Discussion, 2026).

Despite these overall trends, long-term gender divergence is evident. The raw unemployment figures in isolation may show similar rates for males and females, but deeper labour market indicators reveal that women’s labour force participation remains persistently low, affecting the interpretation of unemployment dynamics.

#### **2. Contemporary Gendered Unemployment Patterns**

Recent Periodic Labour Force Survey (PLFS) data provide the most up-to-date and reliable estimates of gender differences in unemployment for India’s working-age population (15 years and above). According to the latest PLFS results:

**Table-1: Unemployment Rate in 2025**

Category	Unemployment Rate (%)
India Overall	5.1
Male	5.2
Female	5.0
Urban Males	5.8
Urban Females	8.7
Rural Males	4.9
Rural Females	3.9

Compiled data from PLFS 2025 estimates (MoSPI)

The difference between male and female unemployment rates at the national level appears to be small; however, notable variations emerge when analysing rural versus urban settings. In urban areas, female unemployment stands significantly higher at 8.7% compared to 5.8% for males, mainly due to increased challenges faced by women in both the formal and urban labour markets, such as limited job opportunities, safety concerns, and sociocultural barriers.

**Table-2: Unemployment Rates by Gender since 1991**

Year	Male Unemployment (%)	Female Unemployment (%)	Overall Unemployment (%)
1991	6.88	6.85	6.73
1995	7.01	6.99	6.91
2001	7.99	8.03	8.16
2005	8.60	8.69	8.95
2011	8.16	8.22	8.39
2015	7.85	7.89	8.00
2021	6.71	6.38	5.39
2024	4.13	4.38	8.01
2025	5.20	5.00	5.10

**Source:** World Bank / ILO modelled estimates of unemployment by gender and overall. Conversely, in rural areas, female unemployment rates are lower than those of males, primarily because many rural women are involved in informal or agricultural jobs, which are classified as "employed" according to survey criteria (for instance, women who help with unpaid family farming are considered employed), despite the issues of job security and inadequate wages.

### 3. Intersection with Labour Force Participation

To accurately analyse trends in unemployment, it is essential to take into account labour force participation. A notable characteristic of India's labour market is the significant gender disparity in participation: male participation consistently remains high often exceeding 75 per cent while female participation rates have been traditionally low, although they have seen an upward trend in recent years. Recent reports from the PLFS indicate that male participation is approximately 78.8 per cent, whereas female participation has risen from below 25 per cent in 2018-19 to more than 41 per cent in 2023-24. This discrepancy means that many women are not even part of the labour force a condition not captured in unemployment rates which only count those actively seeking work. Thus, female unemployment rates may appear similar to or even lower than male unemployment, but this can mask underlying exclusion from the labour market. Women who are not in the labour force are neither employed nor looking for work and hence do not count as unemployed. This measurement nuance is important when interpreting trends in gendered unemployment.

### 4. Contributing Factors to Gender Differences

Several structural and socio-economic factors help explain the observed gender differentials in unemployment:

**Low engagement of women in the workforce:** Systemic obstacles such as domestic duties, patriarchal values, restricted mobility, and insufficient childcare options limit women's job access, particularly in urban industries.

**Prevalence of informal jobs:** Women are overrepresented in informal and self-employed positions, which may not always be recognized as employment or could be underreported in formal assessments.

**Mismatch between education and job opportunities:** Women in urban areas with higher education frequently encounter elevated unemployment rates due to disconnect between their skills and the available positions, coupled with bias in hiring and promotion processes. **Changes in industry focus:** The emphasis on growth in capital-heavy sectors has resulted in a lower number of jobs compared to labour-intensive fields, which has a particularly negative impact on women seeking employment.

## **Patterns and Structural Determinants of Gender Inequality**

### **1. Labour Force Participation Disparities**

Historically, women's participation in the labour force in India has been significantly lower than that of men and below global averages. A Reuter's poll indicated that, in 2023-24, the female labour force participation rate in India was merely 31.7%, with expectations that it will take 20-30 years to reach the G20 average of approximately 50%. This low level of participation has a direct impact on unemployment figures: a smaller number of women entering the job market often create a 'hidden' gender gap that unemployment statistics do not fully reveal.

### **2. Rural-Urban Divide**

In rural settings, women's involvement and job opportunities are typically linked to agriculture and informal work, which may not be accurately represented in official employment statistics. In contrast, urban job markets provide more formal employment opportunities but frequently impose higher obstacles for women due to issues of safety, societal expectations, and childcare duties.

### **3. Quality of Employment**

Even when women are employed, a large share works in low-paid, informal, and precarious jobs. The rise in self-employment among women—often in low-paying sectors—is observed in recent data, with self-employment among women rising sharply from earlier PLFS reports. These conditions contribute indirectly to unemployment dynamics: lack of quality jobs can reduce women's incentives to participate fully in the labour force.

### **4. Education and Skills**

Higher female education has not automatically translated into equal employment opportunities, especially in high-skilled sectors. Women with higher education often face job scarcity, urban job barriers, and cultural constraints, which can result in relatively higher unemployment among educated women compared to their male counterparts.

## **Discussion of Long-Term Trends (Post-1991)**

Studies on labour market trends since liberalization suggest complexities in the gender gap. Many analyses point to persistent structural barriers, including gender

norms, differential household labour constraints, and limited female job opportunities, that have limited women's ability to close the gap in labour market outcomes even as the economy expanded. These factors help explain why women's participation and employment outcomes remain structurally distinct from men's.

### **Policy Implications for Addressing the Gender Gap in Unemployment in India**

The gender gap in unemployment in India reflects deeper structural inequalities in labour market access, participation, and job quality. Although headline unemployment rates for men and women often appear comparable, women's significantly lower labour force participation and higher urban unemployment rates indicate systemic barriers. Addressing these disparities requires targeted and evidence-based policy interventions.

To begin with, enhancing female labour force participation (FLFP) should be a key focus of policy efforts. As reported by the Ministry of Statistics and Programme Implementation (MoSPI, 2023), the female labour force participation rate remains significantly lower than that of males, even with recent progress. Therefore, policies need to aim at dismantling structural obstacles such as the burdens of unpaid care work, insufficient childcare options, and transportation limitations. Increasing the availability of affordable childcare services, maternity leave benefits, and secure public transit can promote higher participation of women in the workforce (Klasen & Pieters, 2015). Global data from the International Labour Organization (ILO, 2022) indicates that investing in care infrastructure greatly enhances employment outcomes for women.

To begin with, improving women's access to quality jobs is essential. A significant number of working women in India are found in informal, low-wage, and precarious positions. According to the World Bank (2023), informal employment leads to income instability and limited social protection for women. Implementing policies that promote the formalization of employment, such as incentives for women-owned businesses, enforcement of equal pay laws, and the expansion of social security benefits, can help mitigate gender-based vulnerabilities. Additionally, bolstering micro, small and medium enterprises (MSMEs) and fostering women's entrepreneurship can create lasting job opportunities.

Finally, enhancing skill development and aligning education with job market needs are crucial for mitigating unemployment among educated women. In urban areas, educated women frequently experience higher rates of unemployment due to a mismatch of skills and a limited capacity of high-productivity sectors to absorb those (Mehrotra & Parida, 2019). Increasing gender-sensitive training programs through national initiatives and encouraging women's involvement in STEM fields and digital industries can boost their employability. It is vital to connect training programs with industry requirements and provide job placement assistance to prevent "aspirational unemployment."

Fourth, policies aimed at creating a gender-sensitive labour market should tackle discrimination and issues related to workplace safety. Prevalent social norms, occupational segregation, and biases in hiring processes persist in constraining women's job opportunities. Effectively enforcing anti-discrimination legislation, laws ensuring equal pay, and safety regulations in the workplace can enhance inclusion in the labour

market. Public awareness initiatives that aim to confront limiting gender norms are also crucial for promoting changes in behaviour.

Ultimately, enhanced data gathering and monitoring are essential for creating effective policies. Although the Periodic Labour Force Survey offers useful disaggregated data, obtaining more detailed information on unpaid work, time allocation, and underemployment can assist policymakers in crafting targeted solutions. Incorporating gender-responsive budgeting into employment initiatives can promote accountability and facilitate measurable results. To summarize, closing the gender gap in unemployment in India necessitates a comprehensive approach that includes labour market reforms, investment in care infrastructure, skill development, and strong institutional enforcement. Addressing this gap is not only a matter of social equity but also an economic necessity, as increasing female workforce participation can significantly boost India's growth potential and demographic advantage.

### Conclusion

In summary, although the overall unemployment rates for men and women may not vary significantly, the gender disparity in unemployment in India is considerable when examined in relation to participation rates, educational attainments, and job quality. Tackling this disparity necessitates focused policy initiatives, such as enhanced access to skill training, assistance with childcare, secure transportation, and formal job opportunities. Closing the gender gap in unemployment is crucial for realizing inclusive and sustainable economic progress.

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