

# Women Workforce Participation in India- A Study

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**Abstract:** India has experienced rapid economic growth, a decline in fertility rate, introduction of employment generation programs and policy shifts towards women empowerment in recent years. Yet, a striking feature has been a declining trend in the female labour force participation rates. The present paper attempts to describe the work force participation rates in India. It also attempts to identify the potential causes of declining female labour force participation on the basis of secondary data. It is observed that social norms, level of education, gender discriminatory practices, policy measures have influenced participation of women in the labour force in India.

**Keywords:** Social Norms, Gender Discrimination, Female Labour Force Participation, Informal Jobs.

## 1. Introduction

India has experienced rapid economic growth, a decline in fertility rate, introduction of employment generation programs and policy shifts towards women empowerment in recent years. Yet, a striking feature has been a declining trend in the female labour force participation rates on the basis of age, education and in both urban and rural areas. The paper first describes key employment trends in India by gender. Then the potential causes of declining female labour force participation are identified on the basis of the secondary data.

## 2. An Overview of Workforce Participation Rate in India

Labour force participation represents a woman's decision to be part of the employed or unemployed population as opposed to being part of the economically inactive population (comprised of those not in work and not seeking work). The relationship between women's participation in the labor force and development is complex and reflects changes in economic activity, educational attainment, fertility rates, social norms and other factors. In India, women represent 48.4 percent of the population. Female labour force participation rate is, however, less than half of that of men. The Employment and Unemployment survey of the National Sample Survey Organization (66<sup>th</sup> Round), 2009-10 reveals that 23 percent of women are in the labour force as compared to 55.6 percent of men. The latest Employment and Unemployment Survey (NSSO 2011) reveals that from 2004-05 to 2009-10 women's labour force participation declined from 33.3 per cent to 26.5 per cent in rural areas and from 17.8 per cent to 14.6 per cent in urban areas. According to the International Labour Organization's Global Employment Trends 2013 Report, India ranks 120<sup>th</sup> out of 131 countries in women's labour force participation.

**Table 1:** Workforce Participation Rates

Gender wise Workforce Participation Rates				
Female WPR			Male WPR	
Round	Urban	Rural	Urban	Rural
43rd	15.2	32.3	50.6	53.9
50th	15.5	32.8	52.1	55.3
55th	13.9	29.9	51.8	53.1
61st	16.6	32.7	54.9	54.6
66th	13.8	26.1	54.3	54.7
68th	14.7	24.8	54.6	54.3

Source: NSSO Surveys

Table No.1 shows that female workforce participation rate has declined in both urban as well as rural areas whereas male workforce participation rate has improved in the urban areas and remained more or less same in the rural areas during the NSSO survey rounds.

## 3. Literature Review

VerickS & Chaudhary R(2014) found that women continue to face many barriers to enter labour market and to access decent work. They disproportionately face multiple challenges regarding access to employment, choice of work, working conditions, employment security, equality in wage, discrimination and balancing work and family responsibilities. In addition, women are heavily represented in the informal sectors of the economy.

LahotiR,Swaminathan H (2014) have investigated the relationship between economic development, composition of economic growth and women's employment. It is observed that economic growth in India has not been employment intensive. Agriculture and manufacturing sectors are typically labour intensive but have not led the overall economic growth in India. The service sector has been the key driver of growth but requires high skills that majority of women do not possess. Their study clearly point to the fact that growth by itself is not sufficient for increasing women's participation in economic activities.

Das S, Jain-Chandra S, Kochhar K, and Kumar N(2015) in their study found that females in households with higher per capita spending, are less likely to be in the labor force. Expected wages have a significant and positive effect on the likelihood of being in the labor force for urban females. Also more flexible labor markets encourage higher female participation in the labor force.

### Identification of Research Problem

The literature survey reveals that, participation of women in the labour force has witnessed a declining trend in India inspite of increase in the GDP of the country. This can have serious implications on the social and economic indicators of development. However, there is very limited research carried out in the Indian context. Therefore, the present study attempts to carry out an exploratory research to examine the trends in women labour force participation and the causes of declining labour force participation rate in the country

**The specific objectives of the study are:**

- 1) To understand the trend in women labour force participation in India.
- 2) To find out the causes of declining women labour force participation in the country.
- 3) To suggest possible measures to improve female labour force participation.

#### **4. Research Methodology**

The present study is exploratory in nature and therefore relies on secondary data obtained from published sources.

#### **5. Causes of declining female labour force participation in the country**

##### **1) Social dimensions**

In India, women's decision to participate in the workforce is influenced by social norms regarding marriage, fertility and women's role outside the household. Men are considered to be the breadwinner of the family and women are expected to take care of household activities. This leads to gender differences in employment. Right to own land and access to financial services is highly unequal. Social norms affecting female participation differ by region, religion and social groups.

##### **2) Measurement Issues**

In India, women's employment may be undercounted, since many women prefer home-based work, which helps them to carry out their domestic responsibilities. This may create difficulties in measuring the amount of paid versus unpaid work carried out by the women. In 2011-12, 35.3 per cent of all rural females and 46.1 per cent of all urban females in India were engaged in domestic duties, whereas these rates were 29 per cent and 42 per cent respectively in 1993-94.

##### **3) Level of Education**

Less educated women tend to have higher participation rates than women with primary or secondary education. This observation may be related to socio-economic status, as women in poor families have to work to maintain their families. But as men in the family start earning more income, women tend to cut back their work in the formal economy and concentrate more on household activities. It is observed that increasing number of working age women are enrolling in secondary schools. At higher levels of education and income, women again enter the workforce, if they get well-paid jobs that match their education and skills.

##### **4) Household Income**

It is expected that women living in households with increased incomes are less likely to participate in the labour market.

##### **5) Jobless Growth**

'Jobless growth' implies that growth rate of gross domestic product has been largely achieved due to increasing productivity and not employment. The low female participation may be due to lack of jobs. A large number of rising female labour force could not get jobs, as most of the net job creation since 2000 has been taken up by men. The burden of jobless growth was borne mostly by women. There has been a general

decline in employment opportunities for women, as they face increased competition with men for scarce jobs.

##### **6) Gender Discrimination**

There has been some speculation that the low level of female labour force participation in India is due to discrimination against women at the workplace. They receive lower wages and often do not get entry into 'paid' jobs. This may be experienced more by the economically backward communities like the scheduled caste and scheduled tribes who together account for a quarter of the population.

##### **7) Demand side factors**

Employment prospects for jobs typically occupied by educated women (particularly white-collar jobs in service industries, including health, education and public service) might have grown less than the supply of educated workers, leading to fewer women entering the labor force. Thus the relative growth in demand and supply of these types of jobs might have affected participation rates.

##### **8) Wage Differentials**

Labor force participation rates are also influenced by wage differentials facing women. Notably there is a gender wage gap in both the formal and informal sectors, with male workers earning a higher wage on an average in both sectors. Women are being paid less for a number of reasons -so called break in career due to childbirth and 'parenthood duties', not demanding higher rewards during salary decisions and general attitude towards women in India.

##### **9) Occupational Segregation**

Certain industries and occupations, such as basic agriculture, sales, handicraft manufacturing etc. are considered to be meant for women. This reduces opportunities for employment in other sectors of the economy.

#### **Measures for Improving Female Labour Force Participation Rate**

A comprehensive approach is required to improve participation of women in the labour force:

- Women should be provided access to better education and training programs.
- To ease the burden of domestic duties, child care and other supportive facilities should be provided at the workplace.
- There is need to improve women's safety and create job opportunities for women in the private sector.
- Awareness and implementation of anti-discrimination laws is essential for expanding employment opportunities for women.
- Reducing gaps in wages and working conditions of men and women can boost women participation in work.
- The measurement tools used to record and analyse women's participation in the labour market needs revision.

#### **6. Conclusion**

Female labour market participation in India is very low as compared to other emerging markets. Raising female labour force participation could boost economic growth. Women's

employment is driven by a range of factors like education, gender policies, social norms and the nature of job creation.

Gender-responsive policies need to be developed so that women are able to access better jobs or start up a business, and take the benefit of economic growth. Ultimately, the goal is not just to increase female labour force participation, but to provide opportunities for decent work that will, in turn, contribute to the economic empowerment of women.

## 7. Scope for Further Research

Due to the time constraint, the present study was entirely based on secondary data. Therefore the future research may be based on primary data to seek opinion of the stakeholders.

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