

# A Research on The Status of Women's Work and Employment in India: A Review

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**Abstract – Women empowerment and the movement towards gender equality is a modern phenomenon that continues to develop around the world. To be precise, women empowerment refers to a process of empowering women with all the denied aspects of life. Reforms undertaken in the early 1990s have made India one of the world's fastest growing economies. However, it is interesting to note that this economic growth had bypassed the poor and vulnerable, especially, women.**

**People in low-power positions, whether due to gender or class, tend to exhibit other-oriented rather than self-oriented behavior. Women's experiences at work and at home are shaped by social class, heightening identification with gender for relatively upper class women and identification with class for relatively lower class women, potentially mitigating, or even reversing, class-based differences documented in past research. Gender-class differences are reflected in women's employment beliefs and behaviors. Research integrating social class with gendered experiences in homes and workplaces deepens our understanding of the complex interplay between sources of power and status in society.**

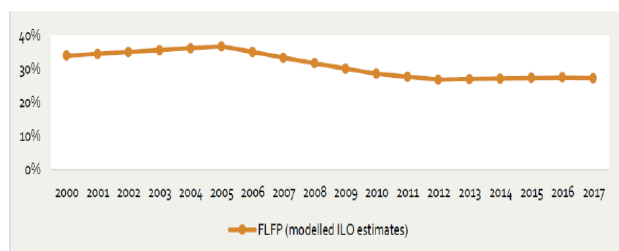
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## INTRODUCTION

Women's empowerment is a modern phenomenon which has been gaining attention around the world in recent years. The Beijing Declaration and Platform for Action in 1995 initiated a move to focus on women's empowerment. In 2000, the Millennium Development Goals furthered the campaign for women's rights in areas such as education, health, and poverty. Reforms undertaken in the early 1990s have made India one of the world's fastest growing economies. But the economic growth that had taken place so far, bypassed the poor and vulnerable particularly women. However, it is essential for any country that each section of society should contribute to the economic growth and, at the same time, the benefits of the growth should reach to all sections of the society. In recognition of this, the Planning Commission had made „inclusive growth“ an explicit goal in the Eleventh Five Year Plan (2007 – 2012). The inclusive approach has been extended in the Twelfth Five Year Plan (2012-2017), which lays emphasis not merely on economic development but on inclusive growth to bring more poor and marginalized citizens under its ambit. The present study aims to examine the status of women in India and the issues of their empowerment in the era of inclusive growth.

The status of female employment in India has been the subject of much debate of late in the national fora, due to its intrinsic relationship with female empowerment. The Economic Survey 2017-18

mentions an Organization of Economic Cooperation and Development (OECD)<sup>1</sup> analysis that indicates that the proportion of women who work has steadily reduced over time, from 36 percent to 24 percent in a decade, (when examined in 2015-16) signaling a decline of 33.3 percent in Female Labour Force Participation (FLFP) in ten years. It also showed that the gender gap in Labour Force Participation Rate (LFPR) is more than 50 percentage points in India. This gender gap is visible in the plot for Median Earnings as well. As the Survey Report notes, women workers often constitute the most vulnerable of the workforce as they are “employed in the least secure, informal, unskilled jobs, engaged in low- productivity and low-paying work”. Among peers, India performs the worst compared to Brazil, Mexico and Indonesia, according to both indicators analyzed by OECD. This is also corroborated by the estimates released by the International Labour Organization (ILO) and World Bank, as given below. They have defined FLFP as percentage of working female population in the 15 years and above demographic.



**Figure 1: Female Labour Force Participation Rates in India have been declining in the past 12 years according to ILO, WB**

The plot above shows annual trends in Female Labour Force Participation Rate (FLFPR) in India since the turn of the millennium. It stood at 34 percent in 2000, peaked at 37 percent in 2005, but declined to 27 percent in 2017, effectively reducing by 20.5 percent since 2000.

To quote the Economic Survey 2017-18, which makes a case for gender equality, "Addressing the meta-preference in favour of sons and empowering women with education and economic agency are critical challenges for the Indian economy". This statement brings out the cyclical nature of the problem: neglect of the born girl child leading to adverse health and education outcomes, which in turn, affects their economic productivity and capacity to contribute or earn an income, impacting adult women's mobility, decision-making power and social and eventual economic emancipation. Therefore, women's employment is critical for (1) instrumental reasons related to efficiency and productivity of the economy, as well as (2) the innate reason of women's empowerment.

Women increasingly engage in paid employment. Labor force participation rates among women aged 25–54 across OECD countries rose from 54% in 1980 to over 72% by 2015. Studies of men's and women's employment across countries and cohorts expose two clear patterns: the work pathways of men and women diverge as parenthood approaches and diverge even further after childbirth; and women's wage trajectories and labor force participation rates exhibit rising intra-cohort variation over time. Family background and status play a measurable role in women's preparation for and decisions related to paid employment. Women with post-secondary education, a marker of higher social class, are increasingly more likely to be employed than less-educated women. Overall, social stratification, together with gender ideologies and work-family constraints, shape women's employment beliefs and behavior. The central purpose of this article is to integrate recent gender research, suggesting both social class (or 'class') and gender shape women's approach to employment, into current social psychological research on class-based identification with self versus other. Class effects may be substantially weaker for women than for men: people

in relatively low-power positions, whether due to gender or class, tend to exhibit other-oriented rather than self-oriented behavior. We also explore the possibility that women's employment beliefs and behavior may demonstrate a reversal of the class-based orientations documented in social psychology, in response to class-based pressures in the social contexts women face at work and at home. As we consider the interplay between gender and class, we rely on Wood and Eagly's definition of gender as meanings and associated expectations 'that individuals and societies ascribe to males and females.' Gender (in contrast to biological categorizations) is rooted in the historical and enduring division of labor between women and men. As such, gender is dynamically constructed and reconstructed through psychological, interactional, institutional, and cultural means

## EMPLOYMENT TRANSITIONS OF WOMEN

In spite of having significant economic growth, strong fertility decline and rapidly rising female education in the last two decades, India has not witnessed a commensurate rise in the female labour force participation rate. High economic growth has been accompanied by the closing of the gender gap in educational participation. Moreover, fertility rate has also declined from 4.2 in 1988 to 2.6 in 2012 (World Bank, 2012). While this environment seems conducive for women's participation in economic activities, various studies document rather low, stagnant, and declining female labour force participation in India during this period (Himanshu, 2011; Klasen and Pieters, 2015; Siddiqui et al., 2017; Afridi et al., 2017). This puzzle has attracted some attention in the recent literature (e.g. Afridi et al., 2017; Klasen and Pieters, 2015; Sorsa et al., 2015).

The decision for a woman to work is a complex issue that involves social norms, educational attainment, fertility rate, household care, access to other services, and availability of opportunity. There is a growing literature which seeks to explain the drivers of women's labour force participation by analysing various supply and demand side factors in the economy.<sup>1</sup> Most of the studies in this literature analyse repeated micro-level cross-section data to examine the trend in women's employment over time, and how that is associated with the changes in potentially explanatory factors. In absence of individual level panel data, the analysis in the existing literature on trends has been done at an aggregate level (state or district) without observing how an individual's employment status changes over time along with the explanatory factors (e.g. Lahoti and Swaminathan, 2016).

We use a nationally representative individual level panel dataset to investigate women's employment transitions in India. The contribution of our study is

twofold. First, we show that there is substantial dynamics in female employment over time. In particular, we estimate the rate of entry into and exit from employment at the individual level. Second, we exploit cross-sectional and temporal variations to attribute the employment dynamics of women to various explanatory factors. Specifically we estimate how the entry and exit probabilities are impacted by factors such as household and spousal income, assets, childcare needs, education, caste, religion and other policy relevant variables including a large rural workfare program.

Using individual level panel data for 2005 and 2012 from the India Human Development Survey (IHDS), we show that women in India are not only participating less, they are also dropping out of the labour force at an alarming rate. We consider the sample selection problems of endogenous initial employment and panel attrition in our analysis of employment entry and exit probabilities. We estimate a switching regression model that rectifies this issue of double selectivity. Our results indicate that an increase in wealth as well as income of other members of the household leads to lower entry and higher exit probabilities of women. The income effect persists even after controlling for the dynamics of asset holding of the household. While the effect of household income is consistent with other studies in the literature, our identification strategy relies on temporal variation and hence it offers more credibility on the direction and magnitude of the effect. We also argue that the estimated negative (positive) effect of household wealth on women's entry into (exit from) employment is a lower bound of the true effect. Further, we find that presence of an adult male with higher levels of education significantly discourages women to enter the labour market. Along with the effects of caste and religion, these results reveal the interplay between cultural and economic factors that are important in explaining the declining workforce participation of women in India. With an improvement in socio-economic status, households discourage its women to step out and engage in employment. This finding offers a plausible explanation why economic growth may not necessarily promote women's labour force participation.

Our study highlights the importance of designing policies that create a favorable condition for women to retain their employment status. Such policies need to be multipronged given the role women have to play in the household economy. On one hand female employment has direct positive effect on women's empowerment and indirect effect on her children's welfare (Afridi et al. 2016). On the other hand, employment may pose a double burden for women as the prevailing social norms make them responsible for the care economy and household chores as well. Our study shows that many of these factors are intertwined in determining the dynamics of women's labour force participation.

## LOW FEMALE EMPLOYMENT IN INDIA

Due to the varied nature of the population composition and the differing statuses (both economic and social) which women enjoy across different states, the reasons for low female employment are varied. One of the chief problems which plague any analysis of female employment is the lack of government study on the status on female employment in India. While the National Sample Survey Organization (NSSO) and Employment-Unemployment Survey (EUS) do provide state wise data in female employment, there is no study which identifies women friendly sectors state wise or provides reasons for declining female employment. The following analysis provides a general view of the reasons behind low female employment however these reasons are hypothesis based on academia reports; a government study will go a long way in unearthing the forces which drive female employment and its counter, unemployment.

This analysis becomes all the more relevant as it is revealed that, in comparison to other South Asian countries, India does not perform well in terms of Female LFPR. For a period of ten years from 1990 to 2013, while Female LFPR has grown in countries like Bangladesh and Pakistan and stabilized in Sri Lanka, Female LFPR has declined in India by 6.9 percentage points, from 34.1 percent in 1990 to 27.2 percent in 2013.

### A. Gender Differences:

While an oft-cited reason leading to low economic empowerment of women, it is of paramount importance driving low female employment. Gender differences and consequently preference for the male child and adult has an impact on the economic capacities of women from birth. Male preference and consequently low regard for females leads to inadequate health and education opportunities, from a very young age. Improper nutrition and lack of education deters women from being healthy contributing members of the work force.

### B. Access to Education Leading to Higher Aspirations:

While access to education for females has increased, many economists have theorized that as education empowers women, employment choices for them become more stringent. Both social norms and lack of quality employment opportunities have an impact on the employment options for women with secondary and tertiary education. However, this is more of an urban phenomenon, a significantly larger portion of women in the rural population are part of the work force.

### C. Lack of Quality Employment Opportunities:

This reason is especially valid for rural regions, employment opportunities in rural areas have not kept pace with the growth in the urban regions. The Unemployment Rate (UR) for women in the rural population is 47/1000 which is significantly higher when compared to male UR standing at 21/1000. While domestic duties are a major impediment to any kind of employment, few or the lack of major formal employment opportunities for rural population have particularly hurt the progress of economic empowerment for females. Even entrepreneurship opportunities for rural population are hard to come due to lack of banking infrastructure in the far-flung areas and weak market linkages in others. It is safe to say that while these factors hurt the economic interests of all population, they especially have an overwhelming impact of female employment as they are the more vulnerable gender.

### CONCLUSION

Although gender inclusive growth strategy is being adopted in India since the Eleventh Five Year Plan, gender disparity is still very high in all spheres, crimes against women are increasing and violence against women is all time high. In spite of the various programmes of the government, the country has not made great strides in female employment or entrepreneurship. The economic strategy, as pioneered in other Asian countries would be to promote new industries that are drivers of women's employment. In light of this, the Economic Survey 2016-17 also pointed towards the need to focus on and incentivize industries that can usher in social transformation. While attitudes and values cannot change overnight, it is apparent that targeted economic incentives can overcome the pull of tradition. The right incentives for industry and entrepreneurship will provide the necessary impetus to overcome the barriers to female employment.

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