

DEVELOPMENT OF WOMEN: AN ECONOMIC PROSPERITY

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Abstract

Gender discrimination begins at a young age. Girls face a range of structural barriers that contribute to unequal educational and economic performance. In recent decades, India has enjoyed economic and demographic conditions that ordinarily would lead to rising female labour-force participation rates. India's female labour force participation rate fell nearly seven percentage points to 22.5% between 2004-05 and 2011-12, according to NSSO data. The sixth economic census reiterates these findings. While women make up nearly half the population, they account for only a quarter of workers employed. If the workforce participation rate for women in India was the same as for men, roughly 217 million women would join the labour force. Yet National Sample Survey (NSS) data for India show that labour force participation rates of women aged 25-54 (including primary and subsidiary status) have stagnated at about 26-28 per cent in urban areas, and fallen substantially from 57 per cent to 44 per cent in rural areas, between 1987 and 2011. The present study is based on the secondary data collected from various sources like Ministry of Indian Labour Organisation, World Bank Report, Newspaper, etc. Different age groups or different surveys essentially tell the same story, even though the levels differ slightly. This is an important issue for India's economic development as India is now in the phase of "demographic dividend", where the share of working-age people is particularly high, which can propel per capita growth rates through labour force participation, savings, and investment effects. But if women largely stay out of the labour force, this effect will be much weaker and India could run up labour shortages in key sectors of the economy.

Keywords: LFP, Economy, Gender

Introduction

India has experienced rapid growth and development in the past years in many spheres. Gender equity is not one of them. This is deplorable considering the important role played by women in the socio-economic growth of the country. The Indian development model has yet to fully incorporate the important role played by women for propelling the socio-economic growth of the country. Current governments at state and central level must understand that no nation can progress unless its women are given equal access to opportunities and adequate safety and security. A member of the so-called "BRICS" countries, India is noted for its rapidly expanding economy. Though India has certainly grown more prosperous in the recent decades, some groups have benefited from this boom more than others. While women make up nearly half the population, they account for only a quarter of workers employed. If the workforce participation rate for women in India was the same as for men, roughly 217 million women would join the labour force. Yet National Sample Survey (NSS) data for India show that labour force participation rates of women aged 25-54 (including primary and subsidiary status) have stagnated at about 26-28 per cent in urban areas, and fallen substantially from 57 per cent to 44 per cent in rural areas, between 1987 and 2011.

Gender discrimination begins at a young age. Girls face a range of structural barriers that contribute to unequal educational and economic performance: for example, only 53% of schools have sanitary facilities for girls. In particular, women have faced a range of structural and social barriers in fully participating in the Indian economy, which not only hinders their individual agency but also limits India's ability to continue to modernize. This is an important issue for India's economic development as India is now in the phase of "demographic dividend", where the share of working-age people is particularly high, which can propel per capita growth rates through labour force participation, savings, and investment effects. But if women largely stay out of the labour force, this effect will be much weaker and India could run up labour shortages in key sectors of the economy.

Objectives of the Study

1. To study the women's status of Labour Force in India
2. To analyse women's contribution to different sector in India
3. To examine the level of educational attainment of female Labour Force Participation in India

Research Methodology

This paper is exploratory and quantitative in nature. The secondary information is used for the analysis of the study uses simple graphs and tables for the elaboration collected from the various sources like special investigation team report, various government reports, different NSSO up to 68th round.

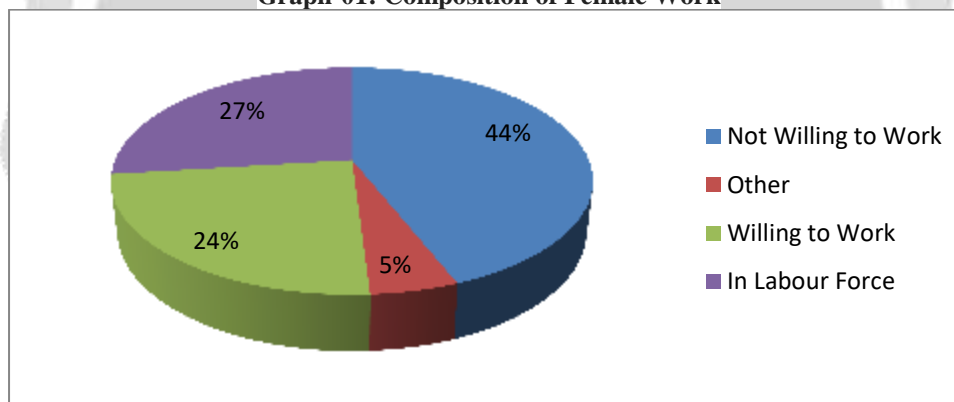
Results and Discussion

The following section will highlight the status of women in the workforce, their contribution in different sectors and educational attainment with respect to men. Thus, the study discuss about the causes for the lower participation of women in a given economy of the country.

A) Women Status on Labour Force Participation Rate in India

On a macro-level, evidence that gender equality (and more specifically, women's increased labour-force participation) contributes to economic growth is strong. Yet women face discrimination and disadvantage across all aspects of work. They earn less, they participate less, their employment status is more tentative, and the quality of the jobs they perform is lower than men. The International Labor Organization estimates that at the global level, 48% of women's productive potential is unutilized.

Graph-01: Composition of Female Work



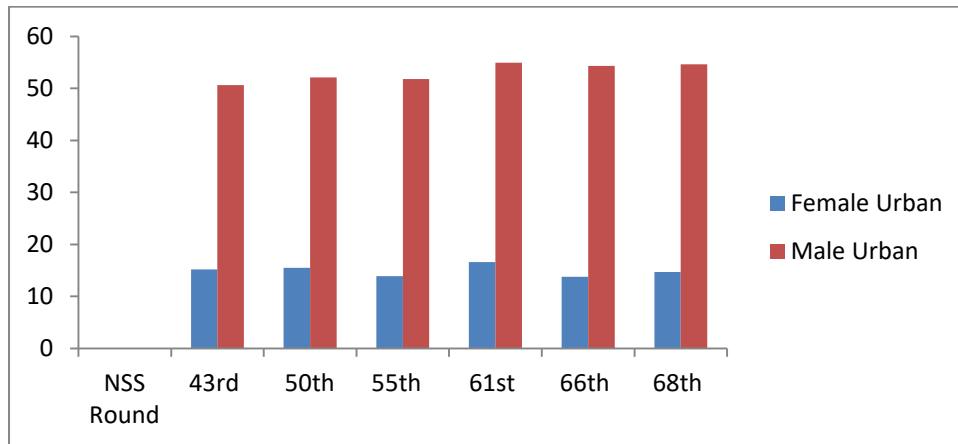
Source: National Sample Survey, Round 68th

The Graph-01 shows that 44 per cent of women are not willing to work. The major reason is because Indian women think that they are unfit for any job and their duty is to serve home and family only. Yet there are 24 per cent of women who are willing to work but denied due to social and economical problems. Only 27 per cent of women are in labour force which tells that these women are influenced due to education that they gained and think equal to men.

Gender bias of Labour Force in India

India's female labour force participation rate fell nearly seven percentage points to 22.5% between 2004-05 and 2011-12, according to NSSO data. The sixth economic census reiterates these findings. While women make up nearly half the population, they account for only a quarter of workers employed. If the workforce participation rate for women in India was the same as for men, roughly 217 million women would join the labour force. The under-representation of women in India's labour force has been a chronic problem. At 53 percentage points, India has one of the worst gender gaps (disproportionate difference between the sexes) in the world when it comes to labour force participation, World Bank data shows. Not only other countries in the BRICS grouping, but peer emerging economies in Asia such as Indonesia fare much better when it comes to employing women.

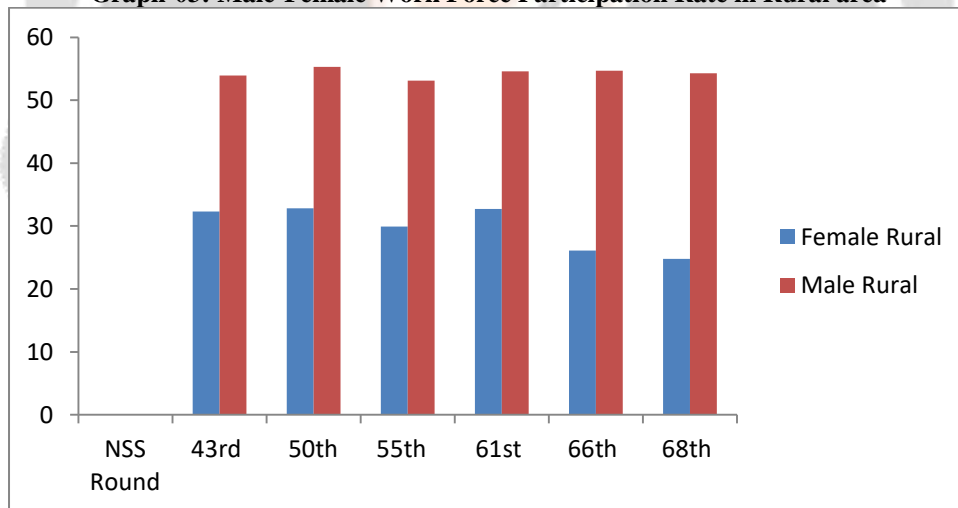
Graph-02: Male-Female Work Force Participation Rate in urban area



Source: National Sample Survey at various rounds

The Graph-02 clearly mention that the Workforce Participation Rate of male is greater than female in urban. 43rd and 50th round of NSS has remained same for female Workforce, but 61st round had shown progress of female Workforce. Later again it has a declining trend, where male is dominant for each round. The main reason for low participation of women in urban is due to social and financially weak status. This ultimately makes them to deny for accessing to work among men equally.

Graph-03: Male-Female Work Force Participation Rate in Rural area



Source: National Sample Survey at various rounds

Graph-03 depicts that the Workforce Participation Rate of male is greater than female in rural. 50th and 61st round of NSS has almost remained same for female Workforce. However, it has a continuous declining trend after 61st round, where male is dominant for each round. The main reasons for women low participation in rural is because of old Indian tradition of orthodox, whose duty is to take care of family.

The reasons for poor participation of women in the workforce are well-known. Social mores play a major role. For instance, women’s economic participation is highest in the northeastern states, where women traditionally enjoy a higher status in society. Economic census data shows the gender gap to be higher in urban areas. In rural areas, high poverty and the economic necessity of work helps bridge the gap. A high wage gap between men and women for the same work also acts as a deterrent. The economic boom unleashed by liberalisation has bypassed many of India’s women. Even worse: with rapid growth, it appears that women have been dropping out of the workforce in large numbers rather than joining up.

B) Women’s contribution to different sectors in India

India's female labour force participation rate at 27% is among the lowest in the world, and far lower than Asian peers such as China (63.9%) or Nepal (79.9%), World Bank data shows. Only in Pakistan (24.6%) and the Arab World (23.3%), the proportion of women in the labour force is lower.

One reason for the lower participation of women in the Indian labour force is the rise in enrolment rates, which has led many young women to pursue education. Another reason could be rising prosperity itself, research suggests. For many women workers in India, the decision to seek work is often driven by necessity rather than economic opportunities. Thus, economic prosperity allowed women to reduce distress-driven employment.

Table-01: Female Employment Share in Various Sectors

Rounds	Urban Females			Rural Females		
	Agriculture	Manufacturing	Services	Agriculture	Manufacturing	Services
43 rd	29.4	27	27.8	84.7	6.9	3.7
50 th	24.7	24.1	35	86.2	7	4
55 th	17.7	24	34.2	85.4	7.6	4.3
61 st	18.1	28.2	35.9	83.3	8.4	4.6
66 th	13.9	27.9	39.3	79.4	7.5	5.7
68 th	10.9	44	55.1	74.9	16.7	8.3

Source: National Sample Survey at various rounds

Table-01 illustrates the Urban and Rural Female Employment share in Different Sectors. The major gainer has been the other services. It includes both well paying skilled jobs as well as low-paying unskilled jobs in the private and public sphere. For urban women, employment in other services increased from around 28 percent in 43rd round to around 55 percent in the 68th round. The service sector employment needs to be studied at a disaggregated level to examine the nature of service sector jobs being created for urban women. For rural women, the proportion employed in agriculture has declined from about 85 percent in the 43rd round to about 75 percent in the 68th round. It is well known that female working in agriculture is paid proportionally lower than non-agricultural work. The proportion of rural women engaged in manufacturing has been very low and stagnant except an increase of 16.7 percent in the 68th round. Similarly, the employment in other services is also very low and has increased only marginally.

C) Educational Attainment of Female Labour Force Participation

India optimists invariably point to the much-discussed "demographic dividend" as a long-term structural factor, which should propel growth in the coming decades. Studies suggest the demographic transition has been a big part of the growth miracle in the east-Asian economies and has been important for India since the advent of liberalisation in 1991. However, for India to continue to reap the benefits of an ongoing demographic transition, it's vital that young people are able to find gainful employment. Thus, the role of education plays a pivotal not for men only but for women who's economic and social factors are depended upon education itself.

Table-02: Educational Level of Working Women

Rounds	Urban Female					Rural Females				
	43 rd	50 th	55 th	61 st	66 th	43 rd	50 th	55 th	61 st	66 th
Not Literate	29.2	30	27.1	30.4	23.1	52.6	54	51.3	55	43.2
Up to Primary	17.5	20.3	17.7	23.4	20.6	39.1	41.6	40.3	44.9	38.4
Middle	11.3	13.1	12.9	16.1	15.4	29	29	29	29	29.4
Secondary	15.1	13.4	12.4	12.3	9.7	25.8	25.8	25.8	25.7	22.2
Higher Secondary	NA	14.7	12.4	12.9	9.4	23.4	23.4	23.4	20.6	18.3
Graduate and Above	31.5	30.1	27.3	29	25.9	36.6	36.6	36.6	31	29.7

Source: National Sample Survey at various rounds

Table-02 demonstrates the educational levels of working urban and rural women. The education level is divided into 6 categories: 'not literate', 'literate and up to primary', 'middle', 'secondary', 'higher secondary', and

'graduate and above'. In urban areas, WPR is higher for illiterate females than for females with higher levels of education except graduates. For the 66th round, 23 percent of illiterate urban women are employed, but this is only 15 percent and 9 percent for women who have middle and higher secondary education. In the case of urban females with graduate and above level of education, the WPR declined from around 32 percent in the 43rd round to 29 percent in the 61st round and then to 27 percent in the 66th round. This indicates that urban women finding employment are less educated and are probably searching work in low-paying unskilled jobs which do not require much education. Even for rural women, WPR is higher for illiterate females than for females with higher levels of education. In the 66th round, around 43 percent of the illiterate rural women are employed, whereas this is only 18 percent and 29 percent respectively for women who have higher secondary and graduate level of education. Like urban women, WPR of rural women with secondary, higher secondary and graduate and above level of education have also declined from 50th round to the 66th round. This implies that a lesser number of educated and skilled rural women are participating than earlier and most of them finding work in less payable unskilled jobs.

Major Reasons for Women's Low Labour Participation

Labour force participation of women remains woefully low in India, and this could be a major drag, not just on the empowerment of women but on the India growth story as well. Following are the main cause for declining Female Labour Force Participation in India.

1. **Women's LFPR has declined further with more education and urbanization:** Two patterns stand out as proximate causes of changes in the LFP of Indian women. First, a larger share of young women is outside the labour market because they are in school. Second, there has been a dramatic drop in female LFP in rural areas (from 41 to 29 percent), while female LFP in urban areas has stagnated at very low levels (20 percent). The combination of a larger number of girls in school, a declining female LFPR in rural areas, a stagnant female LFPR in urban areas, and urbanization together account for the overall drop in the female LFPR.
2. **More young women in school is a "good" cause of the recent decline in female LFP:** The decline in the number of women aged 15-25 working (expressed as a share of the adult population) almost exactly matches the increase in women of the same age group who are in school.
3. **Urbanization and stagnant urban female LFP drive the overall decline:** While men's LFP in urban and rural areas is similar and relatively stable at around 80 percent, female LFP varies considerably across geographic areas. As of 2011-12, 36 percent of women in rural areas, but only one in five working age women in urban areas, were in the labour force.
4. **The income hypothesis: women prefer not to work when household income increase:** As income increases, some women may choose to drop out of the labour force, some decline in female LFPR can be expected with development. Female LFP is often seen as exhibiting a U-shaped relationship with income and education: at low levels of income and education, women mostly work out of necessity and in poor quality jobs, largely in agriculture.
5. **Women prefer jobs that are well-paying, close to their homes, and with flexible working hours:** Women's decision to enter the labour force is influenced by the type of work available and by the perceptions of their relatives. It is therefore important to understand what women are looking for in a job, how they perceive existing jobs, and also to know what are the characteristics of available jobs that prevent women from taking them.
6. **Concerns about women's safety are strong and often genuine:** In some cases, the need to ensure safety was driven by actual incidents of crime against women. The girls felt that the powerful imagery of violence against women created by popular media also played a role in their parents forcing them to take up jobs in the vicinity of their neighborhood and/or those with flexible working hours.

Conclusion

Unlocking the potential of women definitely requires an increase and shift in the composition of overall employment opportunities as well as questioning of societal strictures. As the country commends itself on world-leading economic growth, it becomes necessary to take women along to make this goal a reality. Societal change will be the largest needle mover, but a constant push through the government, organizations and individuals is critical to bend societal norms for the better. Particularly in rural areas, it appears that declining agricultural employment has left a gap in employment opportunities for women as non-agricultural jobs have not emerged at the required pace. The role of rising female education needs further investigation, as it is not associated with a commensurate rise in labour market attachment.

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