

The Indian Labour Market: A Gendered Perspective

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Abstract

Gender inequalities in education and employment hinder women empowerment and impede the process of growth and development of a country. The rapid economic growth accompanied by massive expansion of the education system should lead to an increase in women employment. But the conspicuous absence of women in the Indian labour market is an outcome of the deep rooted gender bias that continues to dent the process of women empowerment and gender neutrality at workplaces. There is a wave of policy discourse on declining participation of women in the labour force and rising unemployment. The paper, through an economic analysis of historic data, attempts to examine the gender perspective of the Indian labour market. It is found that the decline is sharp for rural women. Moreover, women employment in rural areas is largely agriculture-driven which makes them vulnerable to urban employment opportunities.

Keywords: gender gaps, women, education, unemployment, India

1. Introduction

Women in India are going through a paradoxical situation as their participation in the labour force² has fallen despite improved levels of educational attainment and economic growth. Given the fact that women are largely deprived of the employment opportunities because of the deep rooted societal factors, as economic growth and education rise, they are continuously becoming less important in the labour force. The yawning gender gaps in the Indian labour market are acknowledged in the policy discourse by national and international organisations. Women, in general fail to be considered as efficient factors of production of labour and total economic product, despite their motivation and educational aspirations. It must be realised that they are an asset and crucial for the progression towards economic independence and social cohesion.

Based on the data from 2000-2004, the United Nations Economic and Social Commission for Asia and Pacific (ESCAP) estimates that if India's female labour force participation reached parity with that of United States (86 pc), its gross domestic product (GDP) would increase by 4.2 pc and growth by 1.08 pc per year representing an annual gain of \$19 billion (UNESCAP, 2007). There is rather limited and mixed evidence on the impact of economic growth on female's employment (Lahoti & Swaminathan). Women constitute a significant proportion of the labour force in any economy but conversion of this labour force into workforce (employed people) is contingent upon many factors, especially in India. Gender inequality has been a stigma and stereotype for decades in the economic history. Three concepts- patriarchy, reproduction and ideology have been conceptualised in the Marxists feminist approach (Barrett, 1980). Patriarchy (drawn from radical feminist writings), reproduction (drawn from Althusar's emphasis on reproduction of the relations of production) have been used to address the question of the independence of women's oppression from the general operation of the capitalist mode of production. The concept of ideology takes us to the question of whether the oppression of women takes place at the level of ideology. The interplay of the three forces decides how women participate and sustain their contribution in economic terms and their dominance in the social structures.

The persistent decline in women's participation in labour force and workforce is a cause of concern as it impacts their well being, which is the ultimate aim of SDGs (Sustainable Development Goals) as laid down by the UNDP (United Nations Development Programme).

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² Comprises all persons who fulfil the requirements for inclusion among the employed or the unemployed, from <https://data.oecd.org/emp/labour-force.htm>

A better future of work for women can only be realized by redressing discrimination and disadvantage and thus, overcoming entrenched stereotypes relating to women in society, the value of their work and their position in the labour market (ILO, 2019).

The World Bank and UNDP have reported that India will lead global economic growth in the coming years. With a productive and healthy social-economic environment in place, one would expect gender parity to improve at both micro and macro level which would eventually lead to a gender-balanced labour market. Ironically, India has one of the lowest labour force participation rates for women (an indicator of employment and gender equality in labour market) among emerging markets and developing countries. India adheres to the U-shaped hypothesis that relates the behaviour of women employment decisions with the growth process. This dependency of women's decisions has been attributed to the structural shifts, income & substitution effects along with improvements in educational attainment.

2. Women: A productive human resource

The Indian labour market displays several striking features such as very low participation of women in the labour force, considerable regional differences and informalisation of women's employment. The consistent declining participation of women has been examined by many authors with many focusing on the role of educational attainment responsible for the trend (Mammen and Paxson, 2000). Studies have found that Indian women tend to opt out of the labour market at marriage, losing high potential early career earnings and experience that may be important for their socio-economic trajectories. The researchers from the University of Maryland in the US (Khan, 2018) have found that a married woman with secondary education (up to 10 grade) in India is less likely to be working than an illiterate married woman. Klasen and Pieters (2012) points out the case of urban Indian women whose participation in the workforce at lower education levels is dictated by economic necessity, and there is a pull factor coming into play for highly-educated women entering the workforce. Evidence from the United States suggests that misallocation of talent in the labour market, whereby high ability women are in low skilled, low return occupations, presents a significant hindrance to growth (Hsieh, Hurst, Jones, & Klenow, 2013). Especially in the Indian context, Esteve-Volart (2004) shows that a 10 pc increase in the female-to-male ratio of workers would increase per capita net domestic product by 8 pc. Hence, economic growth depends on factors of production of which females are a significant part. In other words, in the absence or under-utilization of this resource, India will not optimize its full potential in the global context and the wellbeing of women shall not improve considerably.

The expansion of the Indian education system has been massive since the economic reforms of 1990s and the country recorded significant improvements in schooling among girls since the 1950s. All the indicators of education included in the Human Development Index have fared well in 2018-19. The education index improved from 0.46 in 2008-09 to 0.56 in 2018-19 and mean years of schooling also improved from 5.20 years to 6.50 years for the same period (UNDP, 2019). Moreover, returns to education increased for women with higher secondary and tertiary education and declined for women with middle schooling during the same period. A layman would expect a positive relationship between enrollment in education and participation in the labour market and hence, women employment. On the contrary, the Employment and Unemployment Survey (EUS) of National Sample Survey Organization (NSSO) of various rounds brings out two unusual trends: *first*, in 2004-05 (61st round), the work participation of rural and urban women increased by 2-3 pp over 1999-2000, which was contrary to the declining trend since 1983-84 (38th round); *second*, there was a massive decline (12 pp) in work participation of rural women between 2004-05 and 2009-10. Such a decline was unprecedented in India's history (S., Lahiri-Dutt, Lockie, & Pritchard, 2017). The possible reasons that explain a lower participation of women are –

- There is a presence of income effect as educated women tend to marry educated men with higher incomes. This discourages them to enter the labour market and earn. This is called the 'other' family income effect i.e. the effect of the household income on the family of the married woman.
- As women rise up the ladder of education, they prefer to not work in jobs they perceive is beneath their educational qualification and hence, prefer to stay unemployed.
- Women who have received post-secondary education aim for mid-range jobs (regular/salaried) which are in high demand but difficult to obtain.

Thus, it is not only the societal norms that are prohibiting women participation in the labour force but there is more to it. The constrained Indian labour market, due to its inability to create sufficient and satisfactory jobs for educated women in the country, reduces employment outcomes of women as a result of gender discrimination and occupational segregation.

3. Gender surprises in employment

The two key indicators of employment are – labour force participation rate (an indicator of labour force) and unemployment rate³ (an indicator of workforce). The data on both indicators reveal presence of pervasive gender gaps. The gender gap in labour force participation is higher in urban areas as compared to rural areas (table 1). The participation of women in the labour force declined sharply for rural women from 32.8 pc in 1993-94 to 18.2 pc in 2017-18 as compared to a marginal rise of only 0.4 pp for urban women in the same period. On the other hand, the labour force participation for men has risen in both rural and urban areas. It is also equally important to note that gender gap in labour force participation rises as we move to a higher educational level. This explains how women face gender –augmented competition at workplaces as they compete with a higher number of male jobseekers.

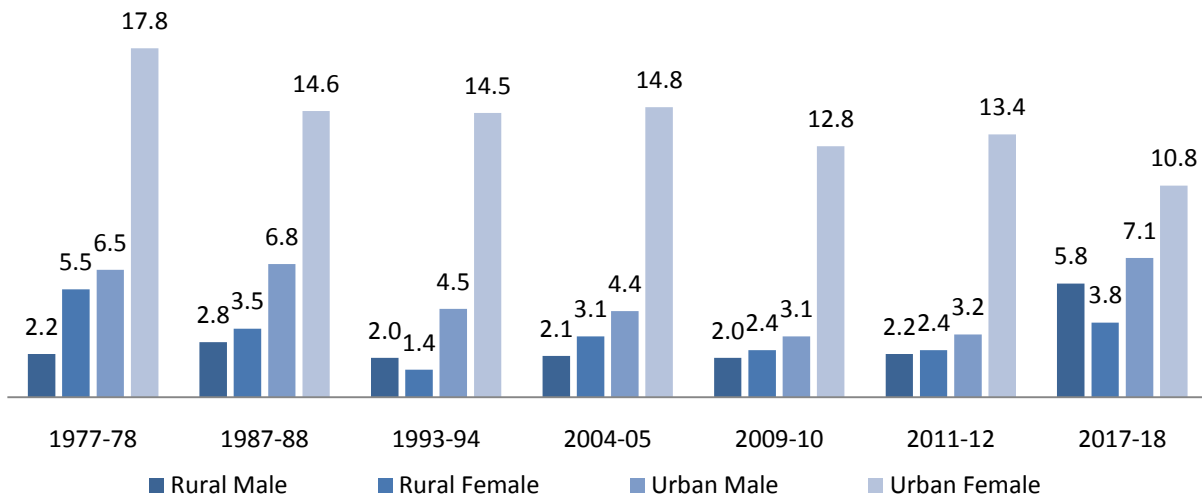
Table 1: Labor force participation rate of the educated by gender (%age)

Education	Male					Female				
	1993-94	1999-00	2004-05	2011-12	2017-18	1993-94	1999-00	2004-05	2011-12	2017-18
<i>Rural Areas</i>										
Illiterate	53.6	51.4	51.0	53.7	49.3	37.8	35.7	39.3	31.5	22.3
Primary	53.1	35.6	52.7	50.5	51.4	21.8	15.3	24.2	19.1	13.9
Secondary	72.1	61.8	75.1	67.8	64.4	25.4	25.1	33.5	23.4	16.2
Higher Secondary	68.6	76.2	76.5	66.0	61.9	23.4	26.9	35.8	21.7	16.4
Graduate and above	82.0	91.2	90.7	84.1	82.1	35.1	44.3	47.4	36.5	31.7
Rural Total	55.3	54.0	55.5	55.4	54.9	32.8	30.2	33.3	25.3	18.2
<i>Urban Areas</i>										
Illiterate	40.6	39.6	38.1	39.5	37.5	19.8	18	20.2	16.3	14.8
Primary	47.3	29.3	52.0	47.9	50.2	10.4	7.4	13.2	11.8	11.4
Secondary	67.0	58.6	70.0	66.2	65.7	13.1	11.2	14.1	11.7	11.8
Higher Secondary	60.7	68.3	68.8	63.2	60.4	14.7	14.2	21.5	14.3	14.4
Graduate and above	81.3	85.9	84.4	83.2	81.6	29.7	32.0	34.9	31.9	34.4
Urban Total	52.1	54.2	57.0	56.4	57.0	15.5	14.8	17.8	15.5	15.9

Source: Author using NSS unit level data for various years

For the period 1993-94 to 2017-18, the unemployment of women witnessed a decline in both rural and urban areas (figure 1). It reduced from 5.5 pc (17.8 pc) in 1993-94 to 3.8 pc (10.8 pc) for rural (urban) women in 2017-18. This could largely be explained by increasing enrolments in education by women resulting in postponing their participation and employment. A closer look at time-series data indicates that unemployment for rural women has risen from 2.4 pc in 2011-12 to 3.8 pc in 2017-18 while it has declined for urban women from 13.4 pc to 10.8 pc for the same period. This trend is a testimony of rising migration from rural to urban areas which leave women with limited or no access to employment opportunities. As evident in the figure, unemployment among men in both rural and urban areas is far less than that for women. The wide gender gap can act both as a stigma and roadblock in achieving full potential of women as a productive human resource in the country and should be treated with caution.

³ The number of unemployed people as a percentage of the labour force, from <https://data.oecd.org/unemp/unemployment-rate.htm>

Figure 1: Unemployment rate by gender (%age)

Source: Author using NSS unit level data for various years

The above paradoxical trend of rising participation in the labour force and rising unemployment among women is of grave concern. If it persists for a longer duration then it is likely that a majority of the Indian women will be pushed to the dark hole of “employable-unemployed” chunk of the society. This will further act a multiplier and exacerbates gender inequalities.

4. Work-profile of women workers

India witnessed a different trajectory of structural transformation as compared to most developed and developing countries. This also holds valid for the trends in women employment in broad industries during 1993-94 to 2017-18. The common pattern observed is that share of agriculture sector in growth declines initially and manufacturing sector's share of the economy grows and in the second stage, service sector experiences growth. On the contrary, India witnessed a rapid decline in agricultural sector but without corresponding growth in manufacturing sector. It is interesting to note that pattern of women employment reflects the rural-urban divide in women's work through the process of structural transformation (table 2(a), 2(b)). In rural areas, the percentage share of women employed has risen for manufacturing, construction and services sector and declined in agriculture from 86.2 pc in 1993-94 to 74.9 pc in 2011-12 and further to 73.2 pc 2017-18. Despite the movement of women workers from agriculture to other sectors, women employment continues to be agriculture-driven. On the contrary, the share of women workers is the highest in services sector in urban areas, increasing from 35 pc in 1993-94 to 39.6 pc in 2011-12 and 44.4 pc in 2017-18. The declining women employment in agriculture in rural areas (dominant work) could be explained by rising migration of rural workers from rural areas to urban areas (as also pointed out in the earlier analysis). Moreover, the cause and effect relationship of urbanization-industrialization in urban areas explains why agriculture sector lost its potential of job creation, especially for women in both rural and urban areas. It shall be noted that the disparities are not limited to the gender aspect but also reach out to the rural-urban divide in India as the economy progresses to a higher growth and structural transformation.

Table 2(a): Profile of women workers (%age), Rural

Activity	1993/94	1999/00	2004/05	2009/10	2011/12	2017/18
Agriculture	86.2	85.4	83.3	79.4	74.9	73.2
Mining and Quarrying	0.4	0.3	0.3	0.3	0.3	0.3
Manufacturing	7.0	7.6	8.4	7.5	9.8	8.1
Electricity, water, Gas etc	-	-	0.0	0.0	0.1	0.0
Construction	0.9	1.1	1.5	5.2	6.6	5.3
Trade, Hotel and Restaurant	2.1	2.0	2.5	2.8	3.0	4.0
Transport, storage & communications	0.1	0.1	0.2	0.2	0.2	0.3
Other services	3.4	3.7	3.9	4.6	5.2	8.9

Source: Author using NSS unit level data for various years

Table 2(b): Profile of women workers (%age), Urban

Activity	1993/94	1999/00	2004/05	2009/10	2011/12	2017/18
Agriculture	24.7	17.7	18.1	13.9	10.9	9.1
Mining and Quarrying	0.6	0.4	0.2	0.3	0.3	0.2
Manufacturing	24.1	24.0	28.2	27.9	28.7	25.2
Electricity, water, Gas etc	0.3	0.2	0.2	0.4	1.0	0.6
Construction	4.1	4.8	3.8	4.7	4.0	4.1
Trade, Hotel and Restaurant	10.0	16.9	12.2	12.1	12.8	13.0
Transport, storage & communications	1.3	1.8	1.4	1.4	2.7	3.3
Other services	35.0	34.2	35.9	39.3	39.6	44.4

Source: Author using NSS unit level data for various years

5. Conclusion

Progress in closing the yawning gender gaps in the societies around the globe has come to a standstill. The gender gaps in labour market have not narrowed down in India. It is worth an argument that the conventional roles and responsibilities that have been assigned to females restrict their participation in the labour market. The fundamental belief-system of Indian mileage which assigns huge importance to “unpaid work” and “care taking” as the ultimate responsibility of females should be addressed such that gender parity is achieved in all segments of the society which includes both home and workplace. Apart from this, the government must intervene to the build effective linkages between education and employment to ensure that females who are completing their studies (even with the help of government initiatives) get absorbed in the labour market. In economic terms, this shall be a win-win situation for both the agents – society and government as they will benefit through the circular-causation relationship of economic growth and women employment.

In order to achieve SDG 5 (Gender Equality) of the UNDP, it is essential that the above concerns are addressed by the ministerial departments, educational authorities and labour market administrations. It has been quoted in 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”. Hence, the problem is cyclic in nature which starts from the neglect of the born girl child leading to adverse health and education outcomes, impacting adult women’s mobility, decision-making power and social and eventual economic emancipation. Therefore, women’s employment is critical for (a) instrumental reasons- related to efficiency and productivity of the economy through enhanced participation in the labour force and employment along with (b) the innate reason of women’s empowerment that encourages them to make choices.

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