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A STUDY ON FEMALE LABOR FORCE PARTICIPATION IN INDIA

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Abstract

The prediction of the neoclassical theory of HR suggests that increase in women's education and literacy levels should generally result in a rise in the female labor force participation. As per the report of census in 2010, an inversely proportional relationship is been seen between them. This is also known as the U-shaped relationship that exists between the female literacy levels and workforce participation rates. In India, the Female Labor Force Participation (FLFP) rate remains extremely low at around 27% in comparison with the male labor force participation rate, which is around 79.9%. In the recent years, India has seen this trend of vanishing women workforce, which was opposite from what was predicted due to the increase in female literacy level. According to an IMF (International Monetary Fund) research it is predicted that the Indian economy can be boosted by 27%, if the participation of women in the workforce is increased to that of the level of men. India is still a patriarchal society, and even if the women are working, they are still expected to contribute to their household chores and duties. This creates a demotivating factor and lack of enthusiasm to overtake more responsibilities in their workplace. In spite of providing flexible work hours, the employees effectiveness in Indian working scenario is still judged on the basis of long working hours, the tendency to travel for work, which is not that

much feasible for any middle class working female. The objective of this study is to identify certain cultural and structural factors that has contributed in this inversely proportional relationship.

Keywords

Women Workforce, Human Resource Management, Indian Corporates, Declining Women Employment Rates, Female Labor Force Participation

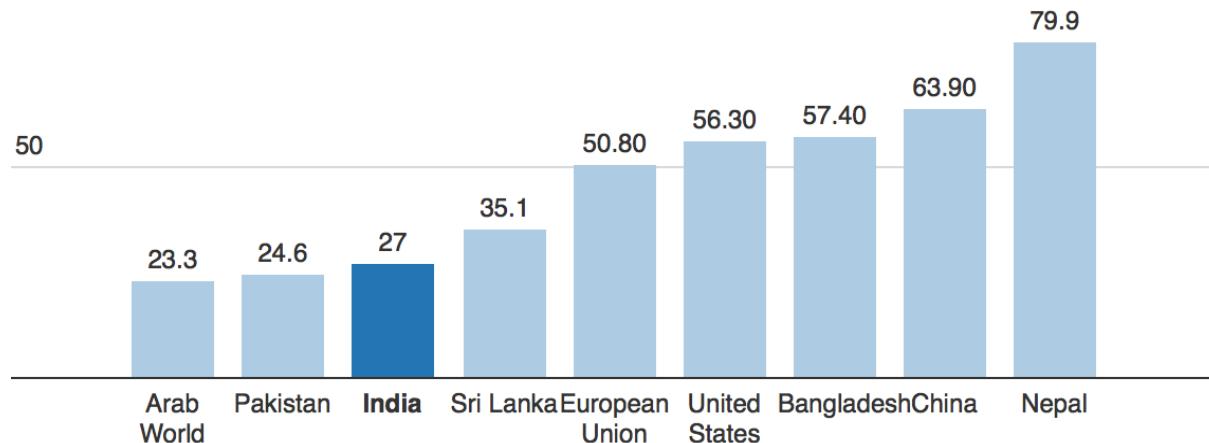
1. Introduction

Jawaharlal Nehru once remarked, “I have long been convinced that a nation’s progress is intimately connected with the status of its women” (Parthasarathi, 1985) (Andres, 2017). In the recent year, India has successfully improved in the terms of economic and human development. The status of women has also increased, with increase in the education rate of females and significant other opportunities, but the paradox of this situation is that India is still lacking behind in the aspect of Female Labor Force Participation.

According to the neoclassical theory, the increasing rate of girl’s education, should bring a growth in the female labour force participation rate. More number of educated females with higher education, should mean more number of female workers and employees. But in the current scenario, this has proven to be not true. Instead of an increase, it has been observed that the female labour force participation rate has been declining in the past few years.

The low numbers of female labour force participation rate of India has been a matter of concern for the last few decades, which is from 1993 to 2013. The Female Labour Force Participation (FLFP) rate in India has remained noticeably low and the International Labour Organisation (ILO) ranks India’s FLFP (Female Labour Force Participation) rate at **121 out of 131** countries in 2013, and is considered one amongst the lowest in the world. Furthermore, in South Asia India had the lowest Female Labour Force Participation rate, with the exception of Pakistan. On a global scale, a Female Labour Force Participation rate lower than India is held by only parts of the Arab World. (Andres, 2017). The more surprising fact is that the FLFP (female labour force participation) rate in India dropped from **34.8 percent** in 1993 to **27 percent** in 2013. This two decade window saw relatively stable economic growth, so it came as a shock when the same was not seen in the Female Labour Force Participation.

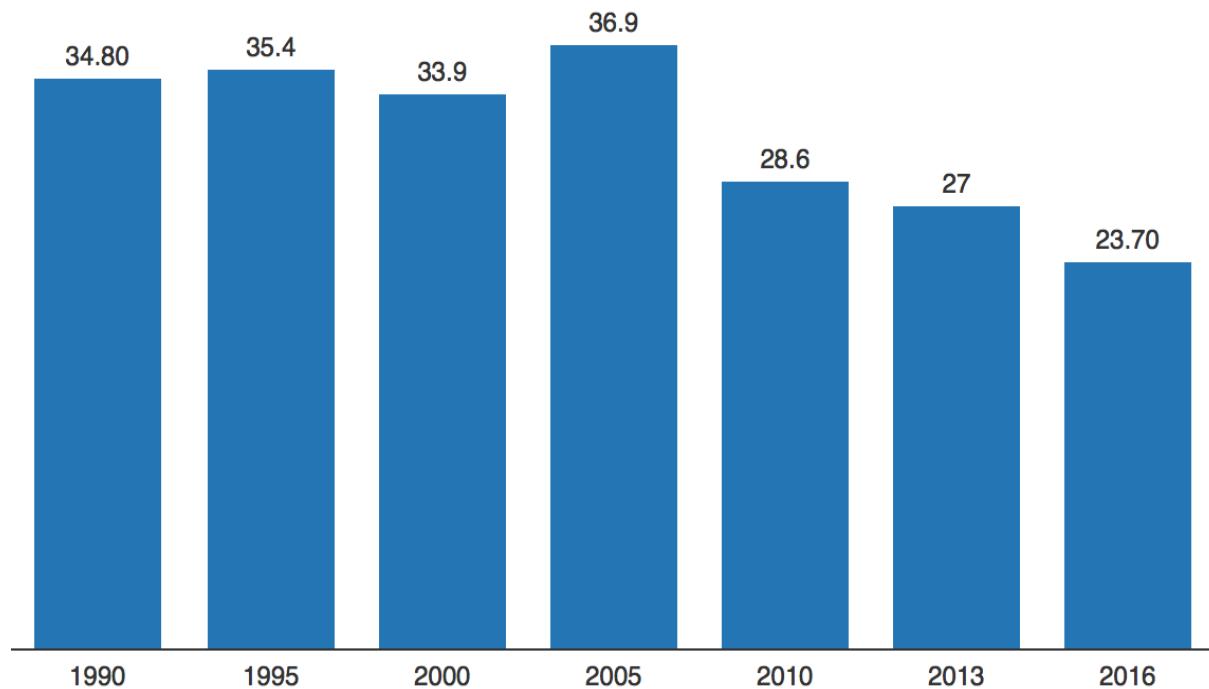
Global Female Labour Force Participation (%)



Source: [World Bank](#)

Figure 1: Global Female Labour Force Participation rate, 2013

Female Labour Force Participation (%)



Source: [ILO via World Bank](#), [Government of India Ministry of Labour and Employment](#)

Figure 2: Female Labour Force Participation Rate of India

Whereas, in the last two decades (1993-2013), the education rate of girls has been increasing significantly in India. This creates a paradox as, on one hand India has been observing

a constant and notable increase in the education rate of girls, thus delivering more females with higher education and skills within the country, but on the other hand, the same cannot be said for the Female Labour Force Participation.

Women enrolment into higher education has increased from **7.5 percent** in 2002-03 to **20 percent** in 2012-13, according to a report made by the United Nations Development Programme (UNDP (Roy, 2018). And on the contrary, the Female Labour Force Participation rate in India dropped from **34.8 percent** in 1993 to **27 percent** in 2013.

Around the same time that girls were making huge advances in education, more and more women went missing from the workplace. In elementary education, the enrolment rate of girls is nearly 100%. And in higher education, it has gone up from just 7.5% in 2002-03 to 20% in 2012-13. (Bhandare, 2017)

Thus, it is established that a U-shaped relationship exists between the increasing levels of the girl's education rate and the decreasing levels of Female Labour Force Participation rate. According to Claudia Goldin's 1994 paper: "The U-Shaped Female Labour Force Function in Economic Development and Economic History" has explained that the female labour force participation rate with respect to the economic development of a country follows a U curve. In the beginning the rate declines with the increase in economic development and education rate and then starts increasing gradually with the growth. Therefore, forming a U shaped curve. (Kher, 2018) (Goldin, 1994)



(Kher, 2018)

Figure 3: A Litany of Abuses, India

This paper focuses on discovering the social and cultural factors responsible for this U-shaped relationship. Following are the certain societal and cultural factors influencing the women's share in labor force participation.

Existing literature identifies ethnic and religious groups that are not very comfortable with the idea of women harboring aspirations to join the labor force. This opinion is many times a resultant of years of poor labor force participation of women and girls from these groups. Over time this behavior of not participating in the workforce has led to a change in attitude and practice. Further, even in communities where women and girls have the support required to join the labor force; their ability & aspirations are counterbalanced by the responsibility to take care of domestic chores. (Women's Voices: Employment and Entrepreneurship In India, 2015)

An additional reason due to which women are dropping out of work, is due to the increasing wages of the male members of the family. This reason could also be known as the income effect, where with the increase in (household) income, people need to work less. (Kher, 2018) However, there are more worrying reasons due to which the Female Labour Force Participation figures have remained historically low in India. These exists largely due to the dominant patriarchal beliefs and narratives in the Indian society. Strangely as it is, but still in many parts of the country there is often a “shame” affiliated with woman stepping out of their home for a job. Women are frequently entailed to seek the approval of men in their family - brothers, father, husband, etc., in order to work. Even today, when India has progressed a great deal in numerous sectors, for many women, their work lives come to an end due to marriage, childbirth or responsibilities of the household work (which is largely borne by women in India). Due to this, many employable and well-educated women are kept out of the workforce. (Roy, 2018) The main reason behind this is that Indian society is still patriarchal, largely dominated by men, in which women are expected to take on the household responsibilities, and men are expected to be the earning members of the household. It is observed in many households that girls are supposed to learn to cook and other household chores in their teenage years, so that in the future, they can be doting housewives. However, boys are not taught any household chores and are not expected to share the household responsibilities after they get married. The sad truth is that, there are many working women who struggle with their daily household responsibilities, balancing their work in office as well as their chores at home. If boys are taught to share responsibilities of household work from an early age, just like how girls are, this in the future can help many women fulfil their dream to work by reducing their burden of household work. Furthermore, it can help them to achieve their desired Work Life Balance. Especially, after childbirth, it becomes extremely difficult for women to continue with their jobs, as now they have to take up the responsibility of child care as well. The providence of maternity leave is much required in such cases. The Maternity Benefit (Amendment) Act, 2017 is a boon, as it has provision for a number of beneficial changes, which includes 26 weeks of paid maternity leave and obligatory crèche facilities in establishments/organizations employing more than 50 employees. (Kumar, 2018). The defective point of this act is thorough implementation. Still, in order to support and encourage female employment, the Indian government should think about providing paternity leave as well, as this would encourage the male partners to share equal responsibility of the child, further enabling the mothers to rejoin the workforce and lessening their burden. Also, in such scenarios, the organizations / companies should also be accommodating, by

providing employee friendly HR policies such as flexi-work, conveyance, work-from-home, part-time work, parental leave, anti-harassment, crèche facilities to female employees and young mothers.

That is, regardless of the reality that we are now in the 21st century, or that all over the world women are breaking new ground in every domain of life and work. Also, in every few months, the bleak status of women's participation in the Indian workforce creates headlines, only to be quickly dismissed by the billow of other news and figures available in the market today.

Other key reasons are absence of basic infrastructure like frequent, safe and last-mile options for public transport; accessible and safe public spaces; and lack of crèche facilities, daycares, and hostels for children restrict the job options obtainable for women. Many of the times, Indian workplaces can also be hostile to women, with high incidents of discrimination, sexual harassment, wage disparity, and low pay. (Roy, 2018)

If we could achieve a successful increase in the levels of Female Labour Force Participation rate, it can help the country to gain a higher GDP level and economic prosperity. According to the IMF (International Monetary Fund) chief Christine Lagarde, "India must continue with reforms especially in the financial services sector and should urgently focus on broad-based and true inclusion of women in its economy". Also, according to the findings shown by the IMF (International Monetary Fund) research, India's economy can go up by 27 percent if we raise participation rate of women in the workforce to that of the level of men's. (India should focus on women's inclusion in economy: Christine Lagarde , 2018)

Another reason can be the present gender parity in India. Gender parity is fundamental to whether and how economies and societies thrive. Therefore, ensuring appropriate deployment and development of half of the world's total talent pool has a significant impact on the competitiveness, growth and future readiness of business and economies worldwide. (The Global Gender Gap Report 2017, 2017) According to the report; 'The power of parity: Advancing women's equality in India', it is revealed that by raising women's participation in India's labor force by 10 percentage points can bring 68 million more women into the labor force. This can only happen through the bridging of both economic and social gender gaps. The elements that can help in accelerating the progress include education and skill building, job creation in key sectors, corporate policies to promote diversity, and programs to address deep-rooted mind-sets about the role of women in work. (Woetzel, 2015)

A women getting a good employment opportunity is bound to create more such employment opportunities. For example, a working women is more likely to hire a cook, a maid, a nanny, etc. to manage and help in her household duties as she is capable of doing so due to her income. Thus she contributes in the creation of more jobs and opportunities, and furthermore strengthening the Indian economy.

2. Evolution of Women Workforce

The phenomenon of women in work force started in the late 19th and early 20th century. During the World War 1 (1914-1918), a considerable number of women got recruited into the jobs vacated by the men who had gone to fight in the war. As part of the war effort, new jobs were also created, for example in ammunition factories. The ammunition factories became the substantial single employer of women during 1918 as there was high demands for weapons. Although there was resistance in the beginning, towards the hiring women for what was generally seen as ‘men’s work’, the introduction of compulsory enlistment of people in national service, most often military services in 1916 led to the urgent need of women workers. During this time, the government began organizing the employment of women through various campaigns and recruitment drives. (Striking Women, n.d.). This led to women working in the areas of work that were earlier reserved for men. Thus, started the evolution of women workforce. There was notable progress for employment opportunities during this period, but this changed when the war ended and the soldiers came back. After the end of the First World War, women were made to go back on their household duties and chores.

Again, the same account of employment of women during World War 1 was duplicated during World War 2. But, the difference this time was that a large number of men did not return home, and were killed or gravely injured due to the severity of the war, which left them unable to do work and earn money. During the era of World War 2, women started working in factories, that built ships, airplanes, and produced munitions, and in the auxiliary services as fire and evacuation officers, air-raid wardens, also as conductors and as drivers of fire engines, and trains and trams, and as nurses. Also, during this period some trade unions serving traditionally male occupations like engineering began to admit women members. (Women And Work, n.d.) Thus, the entry of women into occupations which were male preserves and regarded as highly skilled, started debates about equal pay. This helped women to gain a strong foothold in the workforce and they were not regarded as outsiders or temporary workers anymore. Even after all this women had to struggle a

lot for their right share in the workforce and it can be said that slowly but gradually the scenario of women has changed and evolved globally.

In India, the evolution of women workforce has seen many challenges and improvements. For most of the written history, in India, agriculture was the major occupation as India is an agricultural state. For a long period of time, the only type of physical labour that the women were involved in was the agricultural labour. But the Industrial Revolution, changed this situation for both men and women in the fields of working. The agricultural sector used to accommodate a significant number of woman, generally as casual labor. The 1994 data of the National Sample Survey (NSS) reveled a change in the trend from the 1970s. Now, more and more woman from the casual labor sector were found to be switching to other sectors like forestry, livestock, fishing and hunting, orchards, plantations, etc. (Datta, 2018) However, the role of women did not change overnight.

After the LPG (Liberalization Privatization Globalization) movement in India, the traditional role of women was undermined and resulted in a comparatively better environment for women. Private organizations needed more talented and skilled workforce, so irrespective of gender the recruitment process was enhanced. The critical agents that helped in changing the nature of the work performed by women were factors such as economic development and social change and development as well.

Women started playing more prominent role in the society and now were not restricted to the household, and instead became more active in the work generally reserved for men. Also, as women started taking up jobs and financial responsibilities, they also started to stand up for their rights. (Effects of globalization on women in India, n.d.) Thus, bridging the gender pay gap came into the picture. Also, India is credited to have many women friendly labour laws with progressive provisions like extended maternity leave, crèche facilities, the Sexual Harassment of Women at Workplaces, 2013 Act, etc., but the execution of such acts is not as powerful as the need is. In recent times, a spur was created in India by the #metoo movement/ campaign, where many female artists, actors and employees came forward with their share of sufferings. Therefore, it is true that India has developed significantly in many sectors and is in the race with the other world economies, but when it comes to the development of women, it seems that India has a long way to go ahead.

2.1 Descriptive Summary of FLFP in India

Female labour force participation is an important aspect of the economy in any country. It denotes the count of female population working in paid employment in the age group of 16-64.

Basic descriptive statistics on Female Labour Force Participation show there to be a significant difference in how men and women interact with the labour market, as well as regional and within-caste differences among women. Male Labour Force Participation averages 96% while Female Labour Force Participation averages only 27%, and, as documented elsewhere (Roy, 2018)(Klasen and Pieters, 2015), Female Labour Force Participation is lower in urban areas relative to rural areas. Further, it is noted that 76% of women in urban areas report their primary activity as domestic duties compared to 67% in rural areas. The more likely women to work in unpaid family labor are the ones living in rural areas rather than their urban counterparts.

The striking differences in the urban-rural female labor force participation, given the much higher education levels among urban women: over 60% of women in rural areas have at best a primary education, while for urban women it is only 30%. Yet, higher education does not predict higher FLFP (female labour force participation) rates. Instead, we observe a U-shaped relationship between education and FLFP (female labour force participation), much like income and FLFP (female labour force participation). The U-shape for women is in comparison to that of the male LFP (labour force participation), which increases with education and is nearly universal, excluding those currently enrolled. The women more likely to be in the labor force are the ones with very low levels of education are more likely to be in the labor force, with low-educated women in the labor force consists of 20% in urban areas and 28% in rural areas. The lowest level of participation is shown by women with some secondary education (around 22%) and highly educated women again post higher levels of FLFP. The U-shaped relationship is the clearest for urban women and likely reflects an income effect, whereby women opt out of the work force and into greater household respite and ease as household incomes rise, and then opt back into market work as the opportunity cost of remaining out of the labor force increases. (*, 2017)

3. Conclusion

India has long been present on the right track for women empowerment. India is one such country where the population divide among male and female is almost equal. That is, as per the Census report 2011, India has 48.53% female population in comparison to 51.47% male population. (Sex Ratio of India) Therefore, to truly develop a country like India, it is very important to develop the female sector as well. And it is observed that the Indian women are trying their best to empower themselves. India's defense and foreign ministers are women. An Indian women currently serves as a director of Amazon (the largest ecommerce business in the world). There

have been a female president and prime minister, as well as female chief ministers in various states. Women are becoming better educated, better paid and healthier than they were. (India's gender gap is closing in some respects, but remains vast, 2018)

So it is high time now that the society starts supporting the females stepping out of their homes, by providing more female oriented profiles, by ensuring safe working conditions, women friendly policies, family support and equal opportunities.

And as the women progress, Indian society should evolve from a patriarchal society to an egalitarian one.

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