

## Women And Workforce In India

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**ABSTRACT:** This study is designed to access the level of female labour force participation (FLFP) in India. As a traditional country which has diversity in culture, customs, and religions, participation of women in the labour force has not been encouraging. India recorded the lowest female labour force participation rate where it fell by 10 percent in the past decade. According to Assocham-Thought Arbitrage Research study, female participation in the workforce has been declining from 37 percent in 2005 to 29 percent in 2010 and then 27 percent in 2014. The decline came at a time when the Indian economy was experiencing an "unprecedented growth". This decline of women in the workforce could be attributed to; access to education, marriage, child birth, other family responsibilities, socio-cultural reasons, lack of support system, etc. This study also aims at analyzing Gender ratios which are usually lopsided in organizations across the world, irrespective of sectors, industries, and job categories.

The study is going to conclude on the Action plan designed to reduce Gender inequality which is considered as a critical economic challenge. Whereas women, who account for almost half the world's working-age population do not achieve their full economic potentials, it will impact negatively on the globe.

**Key words:** Female Labour Force Participation (FLFP), Gender inequality (GI), India

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### I. INTRODUCTION

India is the Second Most Populous Country in the World after China which tops the highest. As at May 26, 2017 India has a population of 1.34 billion (134 crores), where the female constitute 652 million which is 48.65 percent of the entire population, it has one of the world's most lopsided female participation rates in its labor force. In the history of human development as men are considered to be very important so also women. In a society, employment of women, their status and work done by them is considered to be a very significant factor in a nation's overall economic development. Women employees are not taken serious by their superiors, colleagues and the society at large. This as a result discourages them to participate in the nation's workforce. Hence without their active participation in the workforce, the social, economic and political progress of such a nation deteriorates and become stagnant.

Despite India's rapid Economic growth, it still has the worst record and posted the lowest rate of female participation in the workforce among the BRIC countries. Its performance in female workforce participation stood at 27 percent, significantly behind China (64 percent), Brazil (59 percent), Russia (57 percent), and South Africa (45 percent). Normally as income rises, countries often experience a fall in women's labour-force participation and they drop out of low-paying menial jobs, which is mostly in agriculture. But typically as the economy develops further and education levels rises, more and more women enter the labour force. But reverse is the case with that of Indian economy where large number of women would be expected to enter the labour force, based on evidence from other developing nations. And despite the fact that more and more women are pursuing secondary and post-secondary education, India's women keep dropping out of the workforce. Since 2005, more than 25 million Indian women have left the labour force. However, recent estimates project that closing India's gender gap in labour-force participation would generate a 27 percent net increase in the country's Gross Domestic Product (GDP).

### II. LITERATURE REVIEW

As earlier stated female labour force participation (FLFP) rate in India has fallen by 10 percent during the last decade, hence "There is an urgent need to create more jobs and entrepreneurship opportunities to promote women empowerment thereby making them economically independent; Assocham-Thought Arbitrage Research study noted." However, if India's gender diversity in the workforce improves, this will result to women having a better standard of living and as well make great contributions to the nation's GDP. "Ultimately, from a

macroeconomic perspective, women's participation and engagement in work and entrepreneurship is very important if India is to sustain a high level of inclusive growth," Verick said.

Kapsos, S (2015), an economist with the ILO, said, "Despite very rapid economic growth in India in recent years, we are observing declining female labour force participation rates across all age groups, all education levels, and in both urban and rural areas." Eggins (1997) advocates for more facilities to women in the workplace, suggesting that "it is an important part of developmental strategy as well as an act of social justice" Singhal (1995) is of the opinion that, "Participation of women in workforce is essential for economic development and population planning." Ronald J. Burke, Mustafa Koyuncu and Lisa Fiksenbaum (2010) examined the relationship of the perceived presence of organizational practices designed to support women's career advancement, work attitudes, satisfaction and their psychological well-being. Wentling (2003) accerted that the two roles women play i.e. work and home cause tension and conflict due to her social structure which is still more dominant.

### **III. OBJECTIVES**

The main objective of this paper is to examine the female labour participation rate in India which is said to be at a declining rate and as well recommend action plans to reduce the gap in gender inequality and measures to increase the percentage of women workforce in India.

### **IV. METHODOLOGY**

The paper is based on secondary data where Data is collected from various publications, journals, magazines, newspapers, web etc.

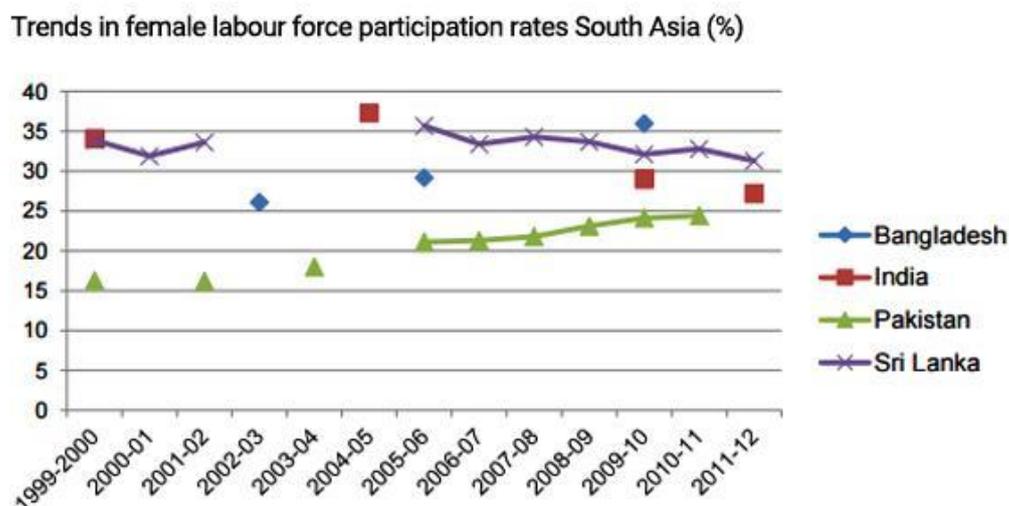
### **V. FEMALE PARTICIPATION RATE IN THE WORKFORCE**

Female labour force participation is a driver of economic growth, therefore their participation rate is a strong indicator which shows the potential for a country to grow more rapidly. However, the relationship between women's engagement in the labour force and broader development outcomes is complex. The participation of women in the labour force varies considerably across developing nations and emerging economies, far more than in the case of men. In the Middle East, North Africa and South Asia, less than one-third of women of working-age participate, while the proportion reaches around two-thirds in East Asia and sub-Saharan Africa. This variation is driven by a wide variety of economic and social factors including economic growth, increasing educational attainment, falling fertility rates and social norms. Apart from labour force, gender gaps are more noticeable in developing countries, and the difference is more in South Asian countries. However it is considered that liberation of women goes hand in hand with economic growth. But data available with the International Labour Organization (ILO) shows otherwise for India.

Between 2004 to 2011, when the Indian economy grew at a healthy average of about 7 percent, there was a decline in female participation in the country's labour force from over 35 percent to 25 percent. This is quite an amazing scenario because over the past few decades access to education for Indian women has increased tremendously but still their participation rate has been declining and most of them have stayed out of employment. The New York Times has analysed the data to link it with age-old gender norms in India where in a male dominated society, women are hardly encouraged to seek employment outside their homes. There are also cases of Gender biasness against certain jobs which lead to poor participation of women in the labor force. Despite a more robust economic growth, India still performs poorly when compared to its Neighbours.

While marginally more women work in India than in Pakistan like (27 percent and 25 percent respectively), Pakistan's female labor-force participation rate grows faster as India's is declining. The percentage of women working in Bangladesh is three times higher than in India, which ranks last among the BRICS countries in terms of women's labour-force participation, and among the G-20 countries it ranks second to last where it is behind only Saudi Arabia.

Fig. 1: Trends in female labour force participation rates in South Asia (per cent) (various years)



Note: Sri Lanka: 10+, excluding Northern and Eastern provinces.  
 Source: Based on data from national statistical offices.

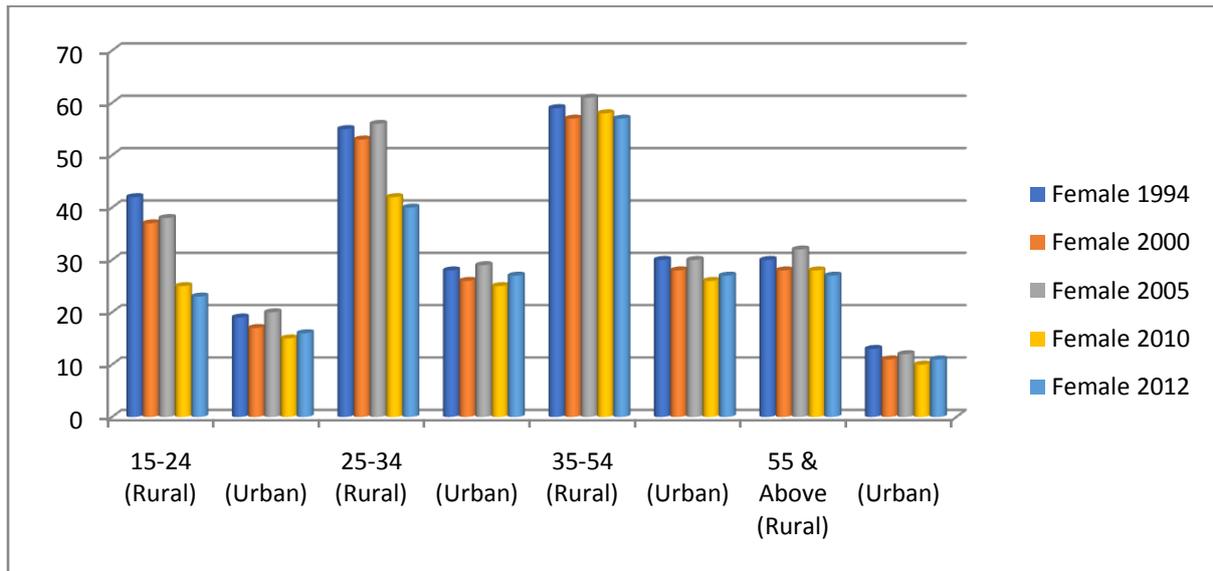
Considerable diversity in the female participation rates can be observed in the region (Fig. 1) and historical gender roles, spaces and stereotypes continue to affect outcomes. As shown in (fig. 1) women participation rate has been steadily increasing in Bangladesh. From 2002-03 to 2005-06 female participation rate in the labour force increased from 25 percent to 30 percent respectively and from 2005-06 to 2009-10 the participation rate grew further to 35 percent and this was due to the growth of the readymade garment sector and an increase in rural female employment, mainly on account of the spread of micro-credit. That of India grew from 35 percent in 1999-2000 to 38 percent in 2004-05, then had a sharp decline to 28 percent in 2011-12. So many factors such as Gender biasness, access to education, Job suitability etc. could result to this decline.

TABLE 1: Male and Female labour force participation rates, by region& Age groups (various years).

Age Group/ Region	Male					Female				
	1994 %	2000 %	2005 %	2010 %	2012 %	1994 %	2000 %	2005 %	2010 %	2012 %
15-24 (Rural)	73	68	69	58	53	42	37	38	25	23
(Urban)	42	37	38	25	23	19	17	20	15	16
25-34 (Rural)	98	97	98	97	96	55	53	56	42	40
(Urban)	98	97	98	97	98	28	26	29	25	27
35-54 (Rural)	98	97	97	98	98	59	57	61	58	57
(Urban)	98	97	97	98	98	30	28	30	26	27
55 & Above (Rural)	78	75	76	77	77	30	28	32	28	27
(Urban)	58	55	54	52	54	13	11	12	10	11

Source: International Labour organization Report 2016

**Fig. 2 Female labour force participation rate by region & Age groups (years)**

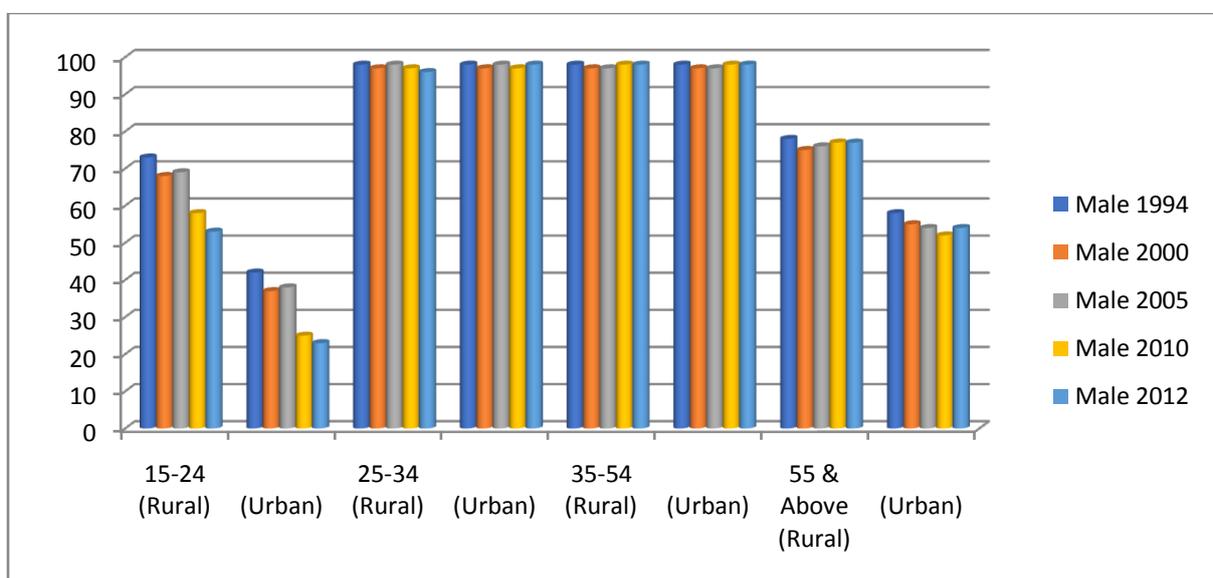


Source: International Labour organization Report 2016

As shown in Fig. 2, while female participation rate in urban areas is much lower than in the rural areas, there is a general fluctuation over the time period stated and are similar across all regions and different age groups. Between 1994 and 2000, there is a slight decline in participation rates across all age groups and a considerable increase between 2000 and 2005, hence there was a sharp decline between 2005 and 2010. Between the periods 2010 and 2012, the trend for both the rural and urban areas differed where the participation rates in the rural area declined and that of the urban area increased for all the age groups.

The figure also shows that in the rural area there was a sharp decline in labour force participation among females aged 15-24 years, where it fell from 42 percent in 1994 to 25 percent in 2010 and further down to 23 percent in 2012, this was however due to increased attendance in education by females of that age group. Thus, women in the 25-34 and the 35-54 age groups also experienced substantial declines in labour force participation, this case could be attributed to the recent decline in overall female participation.

**Fig. 3 Male labour force participation rate by region & Age groups (years)**



Source: International Labour organization Report 2016

In comparison, male participation rate of the 25-54 age group was extraordinarily stable between 1994 and 2012 in both the rural and urban areas. Those of the 15-24 age group also experienced a similar trend as that of the females, with a decline in participation rates in both rural and urban areas. There was fluctuations in the participation rate for those in the 55 and above age group in both regions.

## **VI. FACTS & FINDINGS**

The World Bank study, titled “Reassessing Patterns of Female Labor Force Participation in India”, found that the decision to join the labour force is primarily influenced by economic stability at home rather than social norms, educational attainment and age. The study assessed the percentage of those that are self-employed, those that earn their wages regularly and the casual workers in a given household’s working-age population. It found out that, in both rural and urban areas, the percentage of those that earn their wages regularly in households increased between 2004-05 to 2011-12, while that of the self-employed and casual workers decreased, signifying the rising stability in family incomes. The percentage of those that earn their wages regularly in urban areas was 20 percent more than that of the rural areas, which explains the reason behind its low FLFP (female labour force participation) rates. Therefore, as household incomes become more stable, fewer women join the labour force, where instead they concentrate more on “status production” at home. And this Status production could be referred to as work that maintains and enhances the family’s social standing, although they do not necessarily enhance the woman’s status within that unit. Some examples of status production work include the upkeep of suitable work clothes, provision of food at the workplace, entertainment of colleagues and feeding hired hands and co-workers within the woman’s family.

The World Bank analysis found out that secondary and higher secondary education did not result to women participating in the labour market of India. While the lowest incidence of FLFP rate is among those who had attained secondary (Grade X) and post-secondary levels of education, followed by those with levels of education below the secondary level in both rural and urban areas, the FLFP rate is said to be very high among illiterates and college graduates in both rural and urban areas. Only 691 females attend college for every 1,000 males. This ratio drops from 825:1,000 at the age of 19 years to 531:1,000 at 25-29 years. As many as 1,403 females have never attended any educational institution for every 1,000 males who have not. Between 2004-05 and 2011-12, FLFP has dropped across all educational categories in both rural and urban areas. This indicates that irrespective of one’s education, the incentive for females to participate in the labour force has declined over the period. “The decline in the FLFP rate for all educational categories and the particularly poor performance of those with secondary and higher secondary (Grade XII) levels of education need to be investigate in detail,” the study said. This can probably be explained by a lack of appropriate jobs in rural areas, or the expectation of higher wages among those having secondary levels of education.

According to the World bank study, Marriage affects the participation of women in two ways. After marriage, women typically take on the role of caregiver in the family, which significantly alters the allocation of their time. Marriage changes a woman’s social position and status; a married woman joins the labour force only when social norms and the stigma attached to paid labour conform with family restrictions. In rural areas, the FLFP rate of married women was higher than that of unmarried women and nonetheless in urban areas, participation rates of unmarried women were higher than that of married women. In urban areas, participation rates of women dropped between 2004-05 and 2011-12, which led to an overall drop in the FLFP rate for both married and unmarried women. So, while marital status did have an impact on the participation rates of women in the labour force, it does not explain the drop that occurred during 1993-94 to 2011-12 in the urban areas. The study found that irrespective of their status, the FLFP rate of married women is higher than unmarried women in rural areas.

Increasing women’s access to education and skills will not necessarily give rise to FLFP, the World Bank study suggested. Gains will not be realised unless social norms around women’s (and men’s) work also change, and/or the rural labour markets offer forms of employment that are acceptable and attractive for women and their families. Policies should centre on promoting the acceptability of female employment and investing in economic sectors in rural areas that are attractive in terms of female employment, the report said.

Other findings on the reasons behind the decline in FLFP rate in India could be attributed to; Sexual harassment where today, almost all working women are faced with the challenges of sexual harassment irrespective of their status, the type of their jobs and personal characteristics. They face sexual harassment at working places, in schools, hospitals, and even at home. With this traumatic experience they tend to loose interest in continuing with their jobs or even get employed. Discrimination at workplace is also another reason for the decline in FLFP where they often face outright discriminations. They are being deprived promotions and growth opportunities though it doesn’t apply to all working women, this mostly happens in factories and labour oriented industries. Lack of proper family support is another issue that affects the female labour force participation. Most times, the family doesn’t support women to leave the household work and go to the office.

They also oppose for women working late hours in the office which also affects their performance and promotion. This in turn makes them loose interest in the Job and they leave the workforce.

## VII. RECOMMENDATIONS

Gender inequality is not only an important social issue but also a critical economic challenge. If women, who account for half the world's working-age population, do not achieve their full economic potential, there will be a negative impact on the global economy.

The McKinsey report was based on the India Female Empowerment Index, or Femdex, a measure of gender equality for Indian states. States like Bihar, Jharkhand, and Madhya Pradesh scored very low on the index while the highest score went to Mizoram, followed by Meghalaya and Kerala.

So, research can help identify low-performing regions and communities that need help and support. By increasing gender parity, India can add \$700 billion to the global GDP. The following points could serve as Action plans to be carried out by the government in order to improved female participation rate in the labour force.

- **Vocational education:** Educating girls with a career perspective can make a difference, especially in rural sectors and small towns. In addition develop HRD and training policy centered towards gender perspective, with an understanding of local customs and traditions.
- **Job creation:** Creating more Job opportunities in fields with better gender ratios will lead to more women joining the workforce. The Government can also Provide employment opportunities to trainees after the completion of training so as to assure sustainable livelihood options.
- **Corporate policies:** The private sector could be made responsible for skill development in the country. By encouraging their contribution in curriculum development, provision of training and internships, assessment and certification of training programmes. Hence, diversity and inclusion programmes helps in creating awareness and encourage employers to proactively hire women.
- **Grooming women leaders:** Women at decision-making levels result not just in more women joining the organization but also in providing a supportive work environment, with female-friendly policies and benefits.
- **Removing social stigma:** The government and employers can simultaneously to root out the stigma that surrounds working women. Once the belief that a woman's place is at home is removed from the minds of the masses and, conversely, the participation of male family members in household chores and child care improves, there will automatically be an improvement in diversity ratios.

## VIII. CONCLUSION

India's national income will grow by 27 percent if women are allowed to participate equally with men in the workforce, according to the International Monetary Fund Managing Director Christine Lagarde. She also stressed out the point that "Empowering women can be an economic game changer for any country," "Where if women were allowed to participate in the labour force at the same rate as men, national income could increase by 5 percent in the US, 9 percent in Japan and 27 percent in India respectively."

In a situation whereby women are provided with better economic opportunities and equal pay, it will boost economic growth and make both parties make gains. Government can play key roles by implementing initiatives that will ensure that women get a fair chance in the labour market by increasing their access to finance and removing legal barriers that still exist in most countries. Also smarter tax policies and reforms could be implemented to help low-income families, which are disproportionately headed by women."

India's economy is well beyond the point when large number of women would be expected to enter the labour force, based on evidence from other developing nations. However, recent studies have provided some estimates and projected that closing India's gender gap in labour-force participation would generate a 27 percent net increase in the Gross Domestic Product (GDP). And adding to that, a number of powerful countries, including the G20 bloc that makes up 85 percent of the global GDP, had agreed to improve gender equality in the labor force by 25 ercent percent by 2025.

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