

EMPLOYMENT MATTERS: SALIENT BARRIERS TO WOMEN'S LABOR FORCE PARTICIPATION IN INDIA

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Introduction:

The active participation of women in the labor workforce plays an integral role in aiding any economy to effectively harness the complete potential of its human capital. Similarly by 2025, according to the McKinsey Global Institute, India has the potential to boost its GDP by up to 60% simply by enabling women to participate at par with men (Tiwari, 2019). However, according to statistics, despite India achieving steady profitable growth over the last two decades, there has been a significant decay in woman's labor force participation (Lahoti & Swaminathan, 2013) so much so that according to a World Bank report (2019), India is ranked at 121 among 131 nations in female labor force participation (Wadhwa & Retnakaran, 2021). Moreover, India is extremely likely to face a significant shortage of skilled labor in the coming decades which makes it imperative to make the job market more inclusive for women (Tiwari, 2019). This coalition of statistics makes it extremely integral to carefully analyze the factors and conditions impacting the participation of women in the labor workforce in India.

Women employed in developing economies like India may find it difficult to use or view work as a means for anything beyond meeting their basic needs and surviving on a day-to-day basis (Singh & Hoge, 2010). This lack of participation and recognition can be attributed to a plethora of "economic and social factors that interact in a complex fashion at both the household and macro-level" (Verick, 2014, n.p.) like access to education, access to a job market, measurement of work done by women to be recognized as an economic contribution, and impact of overall household income on their participation. It has also been discovered that young women from urban areas, who are enrolled in university education, are professionally qualified to contribute to the labor workforce, however, due to the aforementioned reasons, they are less likely to do so (Tiwari, 2019). By the same token, even when women do participate in the labor workforce, it massively impacts their status in an Indian household due to the breakdown of social dynamics, the hierarchy between genders, the division of labor, and more (Singh & Hoge, 2010). These

elements greatly hinder the inclusion of women in the workforce often causing a decline in the Labor Force Participation Rate (LFPR). Understanding the causes of LFPR stagnation is important for several reasons. India now has a favorable population age structure, with a large and growing proportion of working-age individuals and few dependents. However, the benefits of a country's demographic dividend are dependent on the productive employment of its male and female working-age populations. Indeed, high and rising female employment rates can be correlated to higher productivity growth and have been crucial in maintaining East Asia's strong economic growth rates. Aside from women's contributions to growth, LFPR stagnation has consequences for the extent to which women benefit from growth. Employment and incomes are important indicators of bargaining power, with implications for the well-being of women and children. If structural, economic, or cultural barriers prohibit women from entering the labor force, women are unable to capitalize on these opportunities (Klasen & Pieters, 2015). This makes it imperative to analyze such barriers and why women's participation in the labor workforce matters.

Background:

Despite the constant growth of India's economy in the last two decades, there has been a slow decline in the participation of women in the labor workforce. This contrasting effect is usually attributed to the U-shaped relationship between development and female labor force participation (Klasen & Pieters, 2015). This is often seen in developing countries like India where development increases, participation decreases due to structural measures in economic activities and changes to household labor supply, and attitudes towards women working outside the home (Klasen & Pieters, 2015). Having witnessed low female labor force participation rates in urban India between 1987 and 2011 and a need to implement the U-shaped hypothesis, there have been policies at play to aid their participation and contribution to India's economy. The government has been addressing this problem by implementing several programs to increase the employability of young women like The National Career Service (NCS) Project, which is a digital portal with a repository of career content and serves as a nationwide online platform for job seekers and employers to match in a dynamic, efficient, and responsive manner. Hence, access to job opportunities is easier for them. The Maternity Benefit (Amendment) Act, 2017, which increases paid maternity leave from 12 to 26 weeks and mandates a crèche facility for businesses with 50 or more employees, is one example of the central government's prominent efforts to address the issue by increasing female labor participation. Moreover, the issuance of an advisory to the states per the Factories Act of 1948 regarding the provision of adequate safety measures for women workers working night shifts has been implemented. In addition, the government is training female workers through a network of Women Industrial Training institutes, National Vocational Training Institutes, and Regional Vocational Training Institutes to

improve their employability in multiple sectors. By the same token, The Equal Remuneration Act of 1976 mandates that men and women receive the same pay for the same or similar jobs without regard to gender. Additionally, the Minimum Wages Act of 1948 does not discriminate based on gender, and the wages set by the appropriate government apply equally to male and female workers (PIB Delhi, 2018).

Whilst the policies have been in place for a while, comparatively fewer programs address the social and familial barriers that prevent women from working. This lack of acknowledgment can be witnessed through the stagnancy in the Labour Force Participation Rate (LFPR) of women (Tomy & Menon, 2019). Moreover, the policies are not essentially beneficial to address the gender parity that goes beyond the surface issues they are tackling. For instance, professions like export-oriented manufacturing are extremely unfriendly to women. In addition to this employers in general are “less apt to hire a woman over an equally qualified man” (Fletcher, Pande, & Moore, 2017, p. 3). These structural hurdles directly impact the LFPR since many surveys and statistics clearly show that the high rate of unemployment among educated women in both urban and rural areas is due to great difficulty in finding suitable jobs despite their willingness to contribute to the economy (Sorsa et al., 2015). Policies become obsolete when these structural hurdles are paired with the societal understanding of women’s priorities within a household. Vocational training and other schemes to upskill women become of no use if there aren’t policies or laws in place that aid women to come to par with men (Fletcher, Pande, & Moore, 2017).

This makes it imperative to densely look into social, economic, and structural barriers that, despite the policies in place, hinder these women from achieving their full potential in the Indian labor force as compared to men.

Discussion:

Economic growth is not the only thing that India has achieved in the past couple of decades — it has also soared in promoting and increasing female education levels. However, when paired with women LFPR, the statistics almost seem puzzling (Sudarshan & Bhattacharya, 2009). The answer can be found in the “conservative social attitudes toward women’s work” in developing countries which is the case in India (Klassen & Pieters, 2015, p. 450). While several studies suggest that the U-shaped relationship between development and female labor force participation is the reason for the decline in LFPR in the last two decades, India's structural, economic, and cultural realities offer a completely contradictory picture (Costagliola, 2021). Based on both macro-level and household survey (NSS) data, it has been found that the recent boost in the process of structural transformation has pushed a considerable number of females out of agriculture. Growing mechanization in agriculture and rising capital intensity in manufacturing sectors have combined to limit opportunities for females due to their low education and skill

levels, as well as other cultural constraints. Even with the increase in real wages in rural regions, as well as the resulting improvement in the standard of life, there has been a large negative income effect that outweighs the positive substitution effect. As a result, female LFPR has declined (Mehrotra & Parida, 2017). However, the structural barriers aren't restricted to the rural areas. In Urban India, the structural transformation process gained traction in recent years (after 2004-05), with an absolute decrease in agriculture employment and a commensurate increase in construction, manufacturing (especially in labor-intensive units), and service sector employment. Although approximately 9 million female workers entered non-agricultural sectors with varying levels of skill (5.5 million in non-manufacturing, 3 million in manufacturing, and 3 million in service sectors), a large number of females have withdrawn from the labor force to participate in education and domestic duties. The substantial fall in poverty and an improvement in living standards may have resulted in a behavioral change among women in response to this structural upheaval.

While structural barriers do pose a huge challenge to women's LFPR, these barriers come into effect only with the help of social and economic hurdles. A 2006 survey of women in Delhi reveals that the decision to work outside the home is usually a household decision, i.e., the vast majority of working women did not work before marriage, and the vast majority of unmarried working women stopped working after marriage or childbirth. The external environment and ideology of the marital household appear to have the greatest influence on whether or not women work after marriage, rather than the women's particular skills and will to work beyond their household duties (Sudarshan & Bhattacharya, 2009). Despite having appropriate skill sets and policies to encourage female literacy, traditional values often make these instruments obsolete. Reiterating, even with the expansion in India's economy, conventional views of women's roles in society have not changed and have only been reinforced by unfavorable social attitudes, familial preferences for males, and growing violence against women. Women are relegated to a secondary status within the household and workplace due to traditional norms and rituals (Sumanjeet, 2016). Because of negative social attitudes about women's jobs, large segments of Indian culture discourage women from entering the workforce.

Economically speaking, the drop in women's LFPR in India cannot be explained just by the presence of a U-shaped curve — where female LFPR declines as the economy soars. India is an exception in this concept, which may be linked largely to the existing traditional and patriarchal notions of women's roles in Indian society. Re-entry from agriculture into the service sector does not occur for women in India due to difficulties in balancing household duties and work-related activities once women are in the service sector. This often instigates negative perceptions surrounding their participation (Costagliola, 2021).

However, these barriers differ vastly in urban and rural areas. Inclusive of the aforementioned structural barriers amongst both rural and urban women, there are other elements too. For instance, women in rural areas are often involved in unpaid agricultural or physical labor due to the high levels of informal sectors present in rural areas. This involvement often goes unaccounted for in the LFPR. These rural women often cite household duties as a barrier that prevents them from indulging in paid labor in the formal sector — for instance, proximity to job opportunities plays a massive factor in the participation of rural women in formal, skilled jobs. On the other hand, as for the women in urban areas, the reason for non-participation might not always be access or need-based. Urban Women's LFPR is often affected by their marital status, age, household income, education levels, reproductive work burden, perspective, and work patterns (Sudarshan & Bhattacharya, 2009).

Apart from these barriers, representation offers a massive hurdle to women entering job markets. Gender disparity is a problem that goes beyond statistics; it is based on culture, social conventions, and women's self-esteem, all of which influence the career choices of young women entering the labor force which then eventually impacts their LFPR. Women may not aspire to participate in higher-paying professions because they believe they do not deserve them due to, a lack of role models, a low probability of getting them, or due to unfavorable working conditions in a mostly male setting. Few women who are already leaders face the extra burden of serving as possible role models for future female leaders. According to researchers, women in both developed and developing countries require more flexible support from women already in established positions in the workforce other women aspire to enter (Krawiec, 2016).

Conclusion:

The standstill in women's LFPR is striking given that it occurred during a period of fast GDP and wage growth, significant fertility drop, the rapid expansion of female education, and rising returns to education. This stalemate appears to be explained by a combination of demand and supply side effects. Rising male wages and education have reduced female labor market participation, demonstrating that the classic income impact is at work in urban India. The impact of growing female educational attainment on female labor force participation is more nuanced (Klasen & Pieters, 2015). Even with multiple national and organizational policies to bolster women's participation in the labor workforce, women are still placed in a secondary position to men, in household duties, child-rearing work, education, and more. The question today is whether women are truly empowered through these policies put in place to increase their participation in the labor workforce. This is a critical region to study because not only does financial freedom contribute to empowerment for women, but also helps with their social and psychological empowerment. It promotes openness, kindness, and tolerance. Addressing old and patriarchal views of women's roles in society and deconstructing outdated notions of gendered

labor is critical to assuring women's autonomy, mobility, and involvement in the labor market, and, more broadly, in the increment of LFPR during the GDP boost (Khare, 2017).

As aforementioned numerous times, the empowerment to penetrate the female market needs to address issues that go beyond the surface of gender disparity. Dasgupta and Verick (2016) propose four policy planks that can help enhance Indian women's labor-force participation. These include inclusive growth and job creation; education and skill development; time-saving assistance; transportation and infrastructure; legal rights and protection; and measurement. According to Dasgupta and Verick, reducing the time burden associated with unpaid domestic activities will enable women to choose paid work, and policies such as flexible work, shared household responsibilities, and maternity benefits can contribute to this activation of choice. Policies that give economic benefits or pay for certain household chores may not only equalize the distribution of labor in the household but may also reduce the burden associated with unpaid household work. Moreover, depending on the U-shaped hypothesis to justify the decay in women's LFPR is obsolete without putting the decline in contrast with the on-ground realities. The income and education effects of the U-shaped curve do not explain declining consumption levels, falling fertility rates, and established norms and expectations of women's duties in the home (Costagliola, 2021).

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