

Empowering Women As A Source of Increasing Employment and Fulfilling Macroeconomic Indicators

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ABSTRACT

The research has indicated that it is extremely important to empower women not only for the increase in GDP numbers but also as a sense of independence and achievement. This has been validated by the primary data that was collected and analyzed.

Keywords: Women empowerment, developing economies, sustainable development, opportunities, and resources, employment, inflation, education.

Research question: The study would attempt to analyze the impact of skilled women in small towns such that they are empowered to become independent. How much can these women earn with the skills that they have learnt? Is it sufficient for them to become independent? Is skill empowerment free for them or do have to pay for it? What is the response of the women in both the above cases? Are these married women or unmarried? How far are they able to continue with the skills that they acquire? these and similar types of questions will be attempted to be answered during the paper.

1. Introduction

Women empowerment is an extremely important concept for an economy, besides achieving brain-full employment for this section it is important to equip them with skills, education, and good health. In developing economies like India where the population growth has been high, and it is only very recently that the Indian economy has achieved a situation whereby it needs to take cognizance of women to achieve a demographic dividend. As the economy has been emphasizing the right to education and has also been propagating (beti bacho beti padho) there must be a simultaneous effort to gainfully employ the independent women workforce. This will not only increase the dignity and the status of Indian women in society, but it will also

substantially add to the GDP numbers of the economy. Women empowerment has five components:

- Women’s sense of self-worth
- The right to have and determine choices.
- The right to have access to opportunities and resources.
- The right to have the power to control their own life, both within and outside the home
- Their ability to influence the direction of society.

Women’s empowerment is an important goal in achieving sustainable development worldwide. This empowerment can take place on three distinct dimensions:

- The micro level refers to an individual’s personal beliefs as well as actions where personal empowerment can be observed.
- The meso level (this is the group level between micro and macro) refers to actions amongst women in groups where their empowerment can be observed.
- The macro level refers to outcomes in the broader societal and governmental context.

Time and *culture* are important factors that influence women’s empowerment. The time lag between an intervention and its evaluation may influence the empowerment effects on the different types of areas in which it occurs.

Cultures may differ depending upon what the considered indicators of empowerment as well as the status of women in society is.

Figure 1: Empowering rural women



Source: www.ConnectGujarat

Figure 2: Empowering rural women



Source: www.CSRmandate

It has been documented throughout history and across nations that men on average have greater access to power (Brown 1991; UNDP,2015). Men relative to women have greater access to force, to resource control, and they have fewer social obligations to control and thus are in more advantageous positions concerning cultural ideologies. This gender inequality can be observed in several aspects of daily life such as access to education, job opportunities and economic resources (UNDP,2015). Gender equity is an important goal to be achieved (UN Women,2011). Diverse interventions have been developed and implemented to strengthen the position of women across the world in areas such as health, educational and financial programs (UN Women,2016). This concept of empowerment has been developed as a framework aimed at addressing inequity.

Empowerment is a process and stresses two main perspectives:

- Individualistic – free exercise of personal choice
- Collectivistic – through collective behaviour that emphasizes collective growth. E.g. micro finance interventions.

2. Definition

To understand the impact of empowering women, it is necessary to study this impact from various important indicators for the economy. Amongst the most important are

- Gross domestic product (GDP)
- Employment figures
- Inflation
- Inequality

- Social economic indicators
- Health
- Education
- Sanitation
- Safe drinking water
- Self-respect
- Freedom of speech

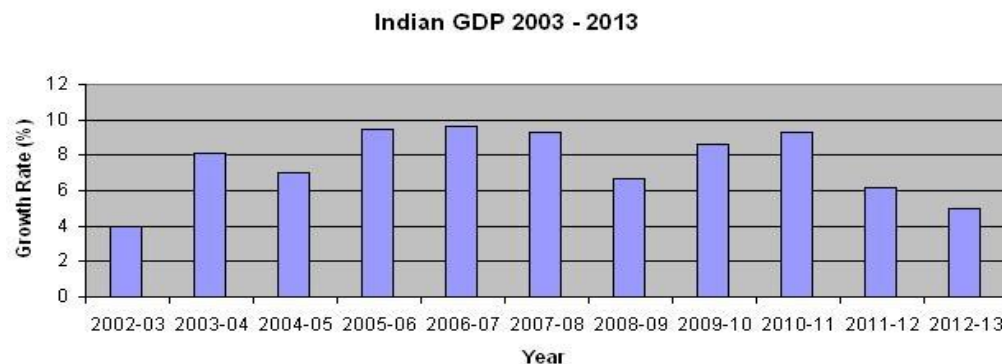
2.1 Macroeconomic indicators

The three most important macroeconomic indicators are.

- GDP
- Inflation
- Unemployment

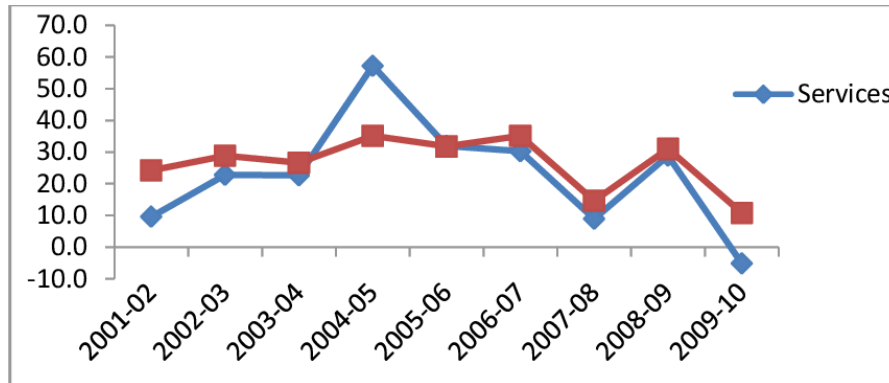
These are fundamental data releases in the form of statistics or readings that reflect the production or output of an economy from a government or sector. These indicate the goals at an economy should achieve. For every economy to prosper it requires a stable and sustainable economic growth. The Indian economy reached high levels of GDP during the period 2003-2008. GDP growth during this period touched close to 9% per annum. However, this was not sustainable as the global recession occurred in 2008. it started in the US and the ripple effect was felt throughout the world. After 2008 the GDP percentage dropped to 5- 6% per annum. One of the reasons that have been indicated is that the growth during this period was a service-led growth rather than a manufacturing one. For growth to be sustainable the manufacturing sector must grow. This sector has the maximum linkage effects.

Figure 3: India's GDP growth rate from 2003-2013



Source: www.InvestorZclub

Figure 4: Services led growth in India from 2001-2010



Source: www.SemanticScholar

Figure 5: industrial growth rate from 2002- 2011

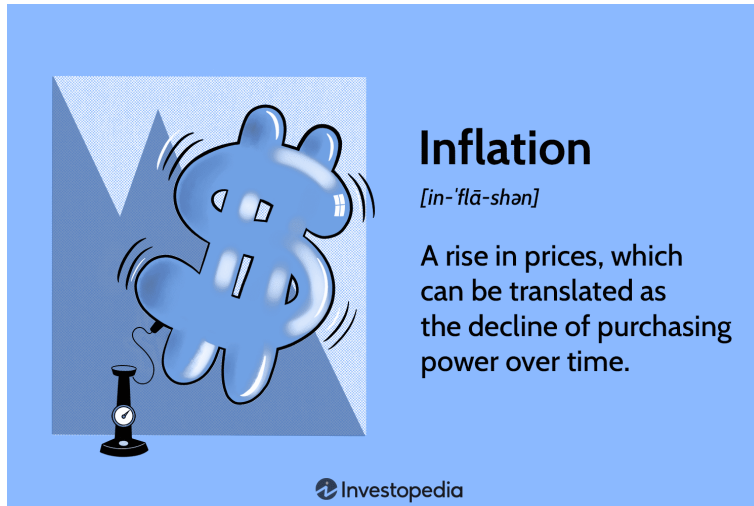


Source: www.CivilsDaily

The figures above indicate that for a sustainable GDP manufacturing growth is important. It is in this context that employment will be generated for both men and women who are migrating from the rural sector. At the initial stages of development as manufacturing growth increases the demand for workforce also increases. At this level, unskilled rural labour finds employment in new industries in the manufacturing sector.

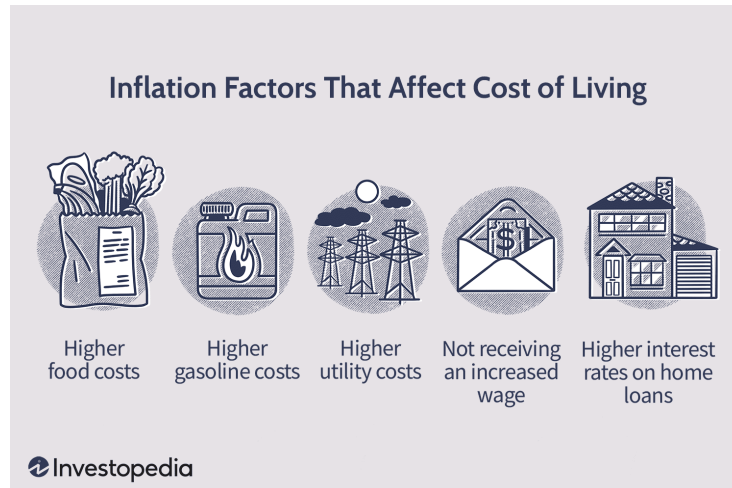
Inflation –“Inflation is an increase in the level of prices of the goods and services that households buy. It is measured as the rate of change of those prices” RBI.

Figure 6



Source: www.investopedia.com

Figure 7



Source: www.investopedia.com

There are 3 different types of inflation

Demand-pull inflation – “ It occurs when aggregate demand in an economy is more than aggregate supply. It involves inflation rising as real gross domestic product rises and unemployment falls, as the economy moves along the Phillips curve” Wikipedia.

- Cost-push inflation: “It occurs when overall prices increase (inflation) due to increases in the cost of wages and raw materials. Higher costs of production can decrease the aggregate supply (the amount of total production) in the economy.” Investopedia
- Hyperinflation: “Hyperinflation is a term to describe rapid, excessive, and out-of-control general price increases in an economy. It is a term to describe rapid, excessive, and out-of-control general price increases in an economy.” Investopedia
- Deflation: “Deflation is a general decline in prices for goods and services, typically associated with a contraction in the supply of money and credit in the economy. During deflation, the purchasing power of currency rises over time.” Investopedia

Some inflations are essential for an economy’s growth as an increase in prices, acts as an incentive to producers to increase production but excessive inflation is extremely detrimental to the economy as it increases the cost of living, reduces demand, reduces supply of commodities, reduces income and further reduces demand. Inflation of about $\pm 4\%$ is what the Reserve Bank of India aims to maintain. This amount of inflation for India would lead to adequate GDP growth levels and would enhance the growth potential of the economy. For developed economies, the adequate inflation levels are $\pm 2\%$.

A large amount of these inflation levels may be ‘imported.’ This means that as the world has globalised and liberalised any upheaval in any part of the world impacts the rest of the world, e.g. the Russian-Ukraine conflict has led to disruptions in oil supply as well as wheat. This resulted in high prices of petroleum leading to it being passed on to those countries who are dependent on imported oil further leading to an increase in petroleum products in that country adding to the inflation levels of that economy. This is a clear case of imported inflation. The present disturbance in the Red Sea has further increased the time taken from one country to another leading to higher freight prices for imports and exports again leading to an increase in prices and thus inflation.

Hyperinflation and deflation are again not good news for any economy in the world. Argentina and other countries in South America experienced hyperinflation where levels reached 50%,60%,and 70%. This meant that every day the prices of commodities used to almost double. This led to the citizens losing faith in the currency. Deflation signals a slowing down of the economy resulting in lower GDP levels.

All the above factors are detrimental to employment levels in the economy and further adversely impact women’s employment, especially in underdeveloped economies. The 2024 Noble Laureate in Economic Sciences has provided a comprehensive account of women’s earnings and labour market participation which have been lower than their male counterparts over centuries.

Women's employment levels are always lower than men's for various reasons;

In India, some of the reasons are

- Patriarchal social norms: Deep-rooted and traditional gender roles often limit women's access to education and employment opportunities
- Gender wage gap
- Unpaid care work
- Social and cultural stigma

In India, gender discrimination, violence against women, and unequal pay continue to be major issues.

2.2 Self-empowerment

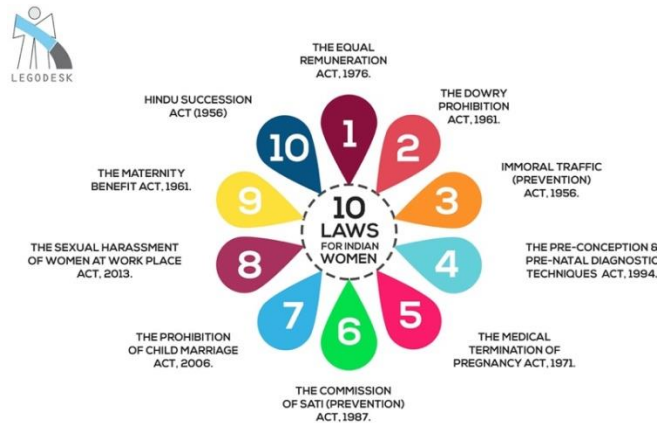
Self-empowerment of women is extremely important as there is a significant gender gap in leadership roles for women. Women empowerment adds to the confidence of women in their ability to lead meaningful and purposeful lives. It removes their dependence on others and makes them individuals in their rights. Unless all economies of the world take this step, it is impossible to remove injustice, gender bias and inequalities. Women entering the workforce bring along with them unique skills and perspectives to the workforce. Having more women join the workforce increases the GDP of an economy.

The importance of women's empowerment leads to five main factors:

- Women's sense of self-worth
- Their right to have and determine choices
- Right to have access to opportunities and resources
- Power to control their own lives both within and outside the home
- Ability to influence the direction of socio-economic-political factors in the economy
- Giving them the freedom to make their programmes
- The ability to gain new skills
- Increased autonomy

The Indian constitution under Article 14 specifically states that there should be no discrimination on grounds of religion, race, caste, sex or place of birth. Article 16 provides equal opportunity for all. Article 39 specifies policies in securing for men and women the right to aqueduct means of livelihood. Article 39D specifies equal work for both men and women. Indian laws reserve seats for women in panchayats and municipalities.

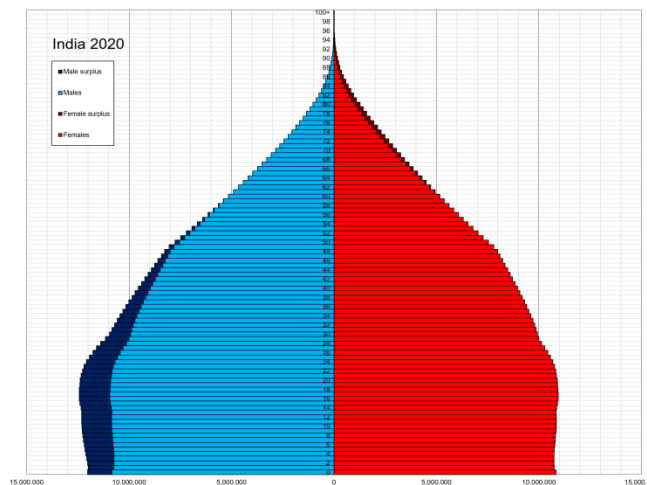
Figure 8: laws under the Indian constitution empowering women



Source :www.legodesk.com

India’s demographic status

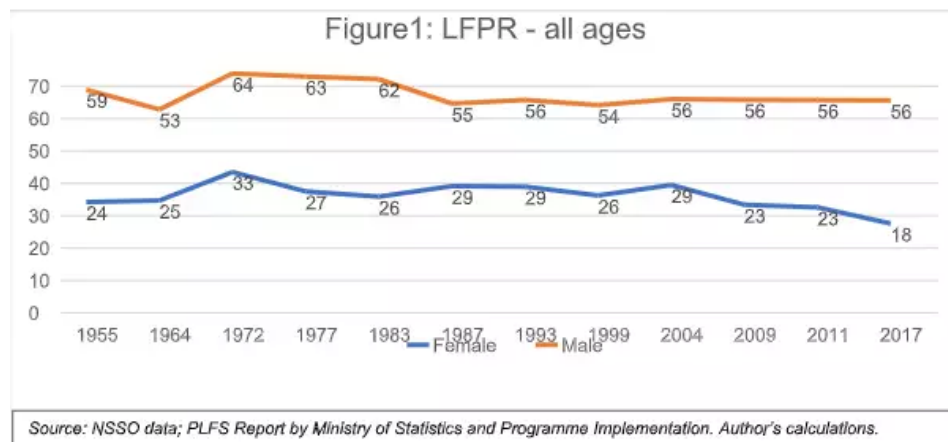
Figure 9: India’s demographic status



Source: Wikipedia

India’s demographic status as indicated in the above diagram states that the independent population which is in the age group of 15 to 59 is the real workforce that has to be used by the economy to take advantage of the demographic dividend. The dependent population which is in the age of below 15 and above 59 have been slowly decreasing. Figure 9 also states that there are more young dependent populations rather than older dependent. Amongst the independent population, women tend to be close to half. But despite being an equal number compared to the male population the share of jobs tend to go more to males than to females. This is indicated in Figure 10.

Figure 10:status of women’s employment in India since 1955- 2017



This figure continuously indicates from 1955 that the number of women employed is half or less than half compared to their male counterparts. The definition of labour force participation rate is “ The number of people who are working or actively looking for work, they fall in the age group of 15-59. The employment is structured and paid formally. Unlike the informal sector of the economy. The difference between the formal and informal sectors of the economy is that those employed in the formal sector have a specific pay scale and various facilities at the place of work. Those employed in the informal sector do get some pay/salary but this may not be the amount specified by the government. The conditions of work may be short of what is specified by law. The labour force participation rate in India increased from 68.6% in 2017-2018 to 73.5% in 2022-2023 while for the same period, the female rate increased from 19.2% to 30% in rural areas.

Factors influencing labour force participation rate:

The main factors that influence the labour force participation rate are demographic in nature such as

- Sex
- Year of birth
- Education
- Marital status
- Presence of young children at home

The actual age group instead of being fifteen should ideally be twenty-five as nowadays young adults have increased the time that they spend educating themselves. People at the age of twenty-five have finished their schooling and are thus showing a higher participation rate in the labour force.

Since 2000 the labour force participation of people without a college degree has declined. Though age is an important factor in LFP, it is not an important factor. Economic conditions and fiscal policies affect LFP. Recessions tend to push participation rates down, especially for women. During recession, there are limited job opportunities and this will likely go to the male population rather than the female population. Fiscal policies that subsidise the earnings of low-income workers tend to increase participation. A lower labour force participation rate is associated with a low GDP. When employment is high the role of the government in providing minimum wages and social securities increases.

Sex - World-wide men are more likely to participate in the labour force than women.

Time/ Year of Birth – some of the differences in the participation rate are explained by demographic characteristics and economic conditions that vary over time. It depends to a large extent on the societal norms existing at that time.

Education-Persons with higher education are more likely to participate in the labour force than people with lower education. The basic difference between men and women still exists and this is translated in their level of education.

Race and ethnicity- Hispanic women between ages twenty-five and fifty-four were less likely to be in the labour force while white and black women were more likely.

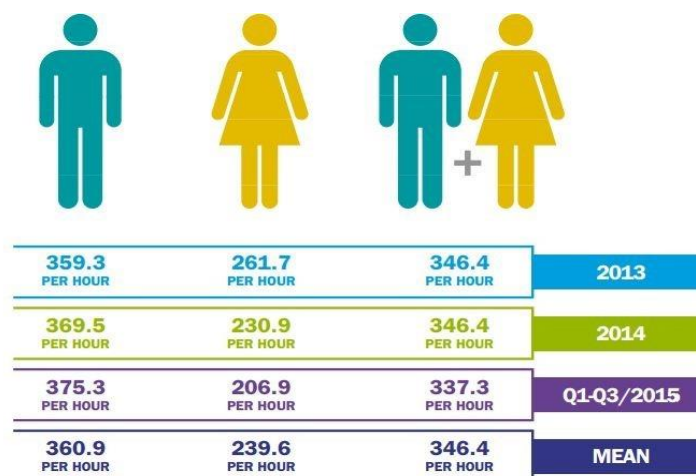
Disability- People with disabilities generally have lower labour participation than people without disabilities. One of the reasons could be that the government in the developed economies provides a large amount of disability to this section of society.

Marital status- the relational ship of marital status to the labour force participation differs for men and women. Married men are more likely to participate than married women.

Presence of young children at home – having children under the age of five is directly related to the labour force participation of women while it does not impact that of men.

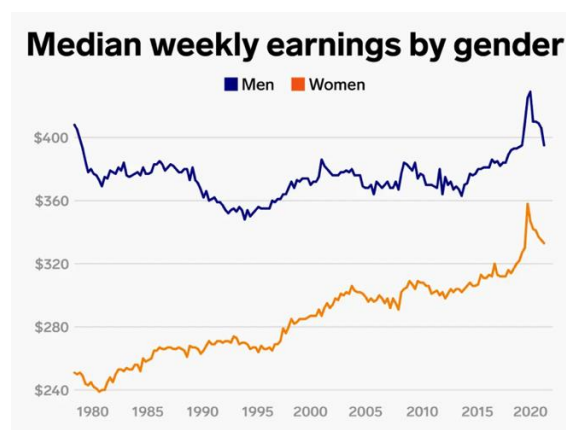
Earning of men and women- it is a fact that the earnings of men for a similar job are more than that of women.

Figure11: Wages due to gender gap in India



Source: www.Ozwayreality.Com

Figure 12: Wages due to the gender gap in the United States



Source: www.businessinsider

2023 Noble Prize laureate in economics science Claudia Goldin provided the first comprehensive account of women's earnings and labour market participation through the centuries. Research reveals the factors that explain pay gaps between men and women. She researched data that was more than 200 years old and indicated that the pay gaps could historically be explained by differences in education and occupation. They now exist between men and women in the same job, which is has what been indicated in Figures 11 and 12. She has adequately provided the underlined foundation for the gender pay gap difference and has paved the way for the policy implications in different countries and different contexts around the world.

She has demonstrated that the supply and demand of female labour have historically been influenced by their opportunities for combining paid work and a family, decisions relating to education and child-rearing, and technical innovations. E.g. contraceptive pills, laws and norms and the structural transformation of the economy.

As globalization and industrialization have spread women have increased participation in the labour force as it makes it harder for many married women to work from home compared to the life before industrialization which is working on the family farm.

According to her research, wage gaps are smaller in industries that have a more flexible schedule. E.g. healthcare and technology.

Figure 13: Claudia Goldin



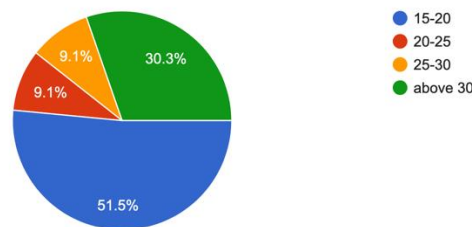
Source: www.IZANewsroom.com

Analysis of the survey conducted in Ludhiana under “Aatma Nirbhar “.

This survey received 33 responses. It was conducted amongst women who were working close to my residence. The aim was to understand the extent of independence and empowerment that they experienced when they had a job. The salary earned gave them a sense of independence and resulted in increasing their confidence.

Analysis 1

2. What is your age?
33 responses

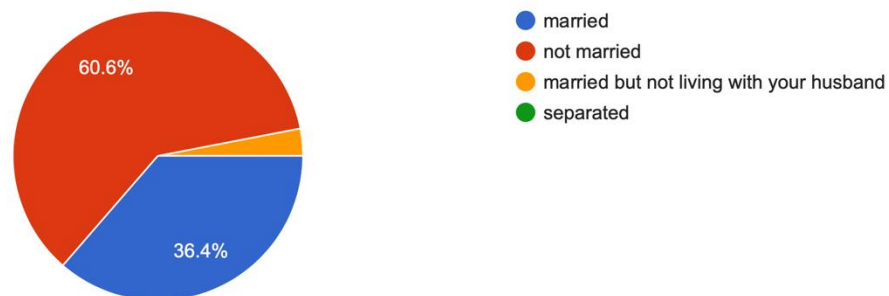


Source: own source

Majority of the respondents were in the age group 15 years to 20 years. This meant that it was most likely that they had not completed their schooling.

Analysis 2

3. Martial status
33 responses



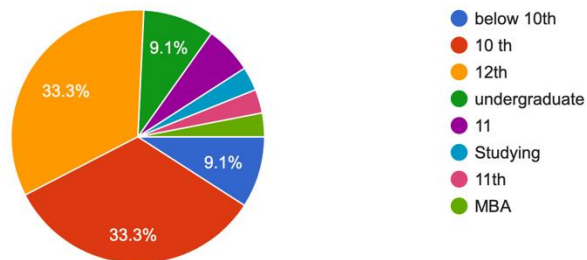
Source: own source

60.6% percent of the women in the survey were not married.

Analysis 3

4. Level of education

33 responses



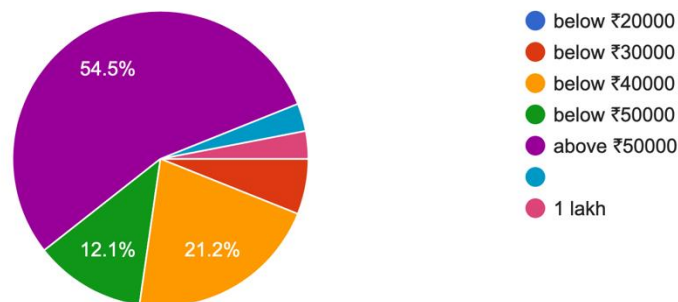
Source: own source

The figure above indicates that the majority of women were between 10th and 12th standard.

Analysis 4

5. Income earned by the family (per month)

33 responses



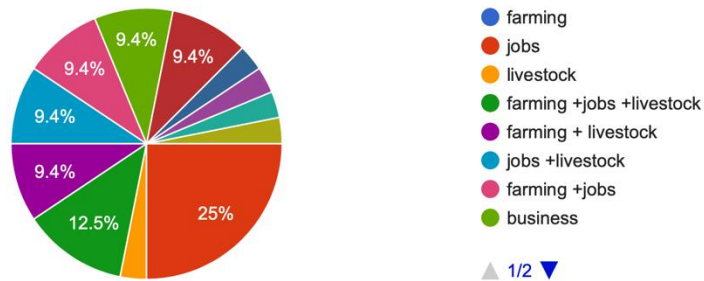
Source: own source

The majority of the respondents seem to have a combined family income of above ₹50000 which seems a decent amount for the family.

Analysis 5

6. Source of income. (for the whole family)

32 responses



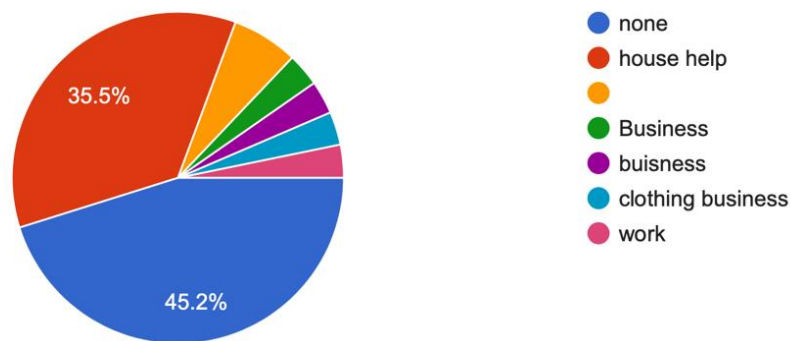
Source: own source

The majority of the income seems to come from only jobs (25%) and 12.5% comes from farming, jobs, and livestock. Most of them seem to have additional incomes arising from either farming or livestock.

Analysis 6

7. Women's source of income

31 responses



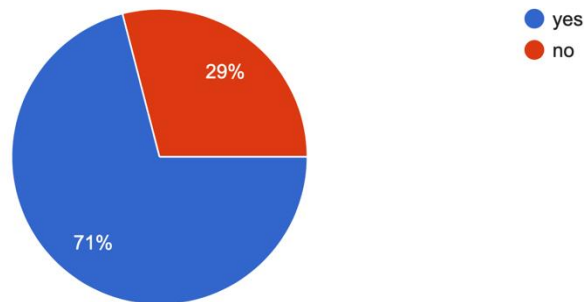
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Women earned their income from working in houses or tailoring.

Analysis 7

8. Do you have a bank account ?

31 responses



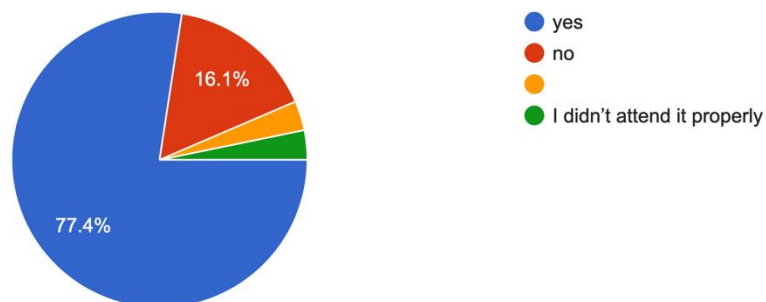
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With the government's trust in UPI payments, 71% of the women had their bank accounts.

Analysis 8

9. Did you learn from the workshop

31 responses



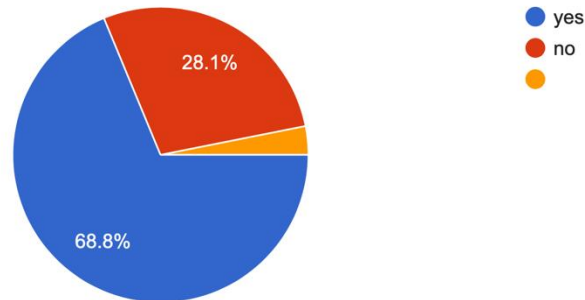
Source: own source

A skill development workshop was conducted to teach the women who were either employed as house helpers or seamstresses. They were taught the art of beading necklaces and bracelets from beads and pearls. 77.4% indicated that they benefited from the workshop.

Analysis 9

10. Have you been able to sell the products that you learnt?

32 responses



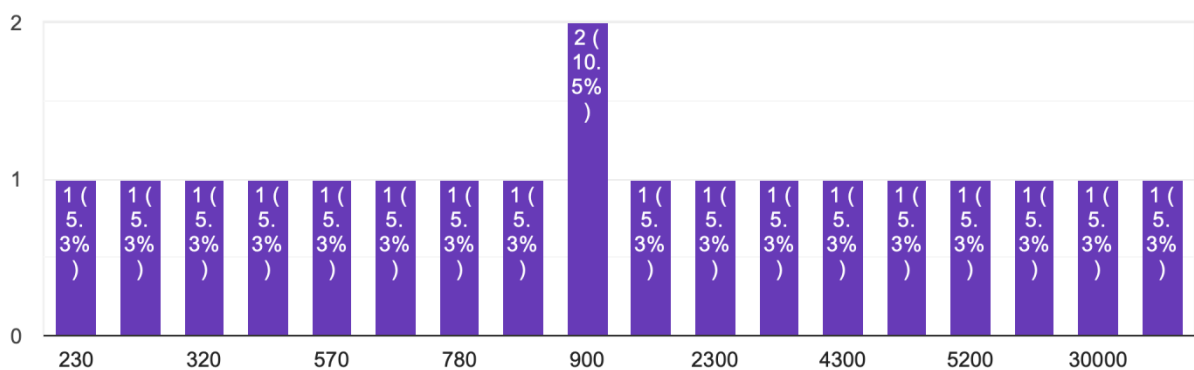
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Most of the respondents sold the products that they had made in the course of the workshop.

Analysis 10

11.If yes , how much have you earned

19 responses



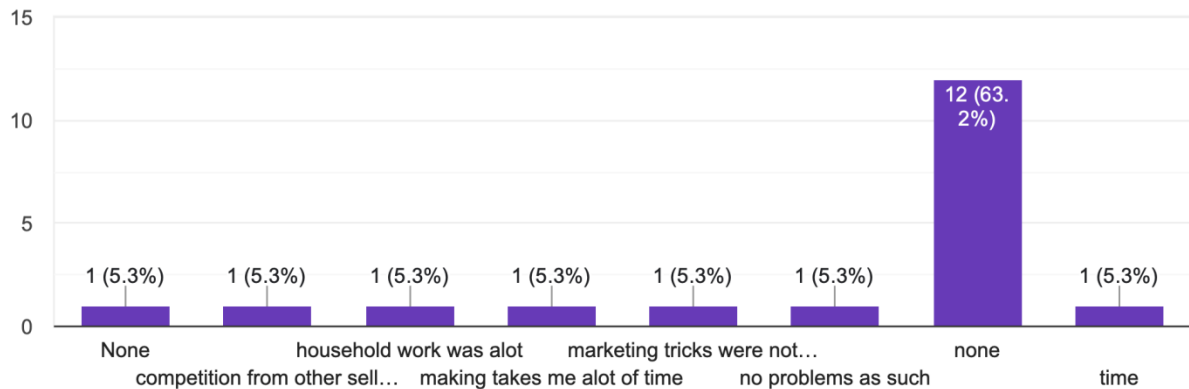
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The majority of the women earned a profit of around 900 rupees from the products they sold.

Analysis 11

12.What are the problems that you face in selling or making your product

19 responses



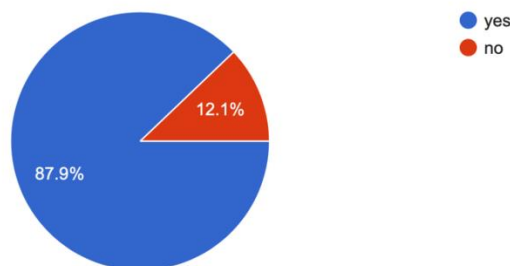
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The majority of them indicated that they did not find any problems in either selling or making the product.

Analysis 12

13.Would you be interested in learning other such crafts

33 responses

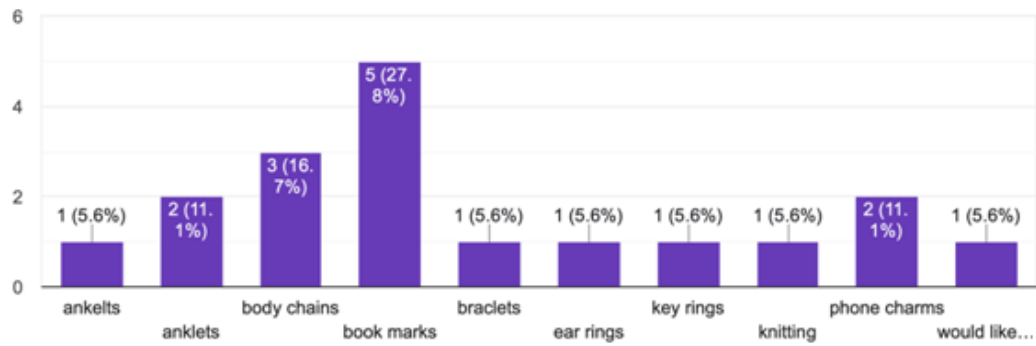


Source: own source

They seem to be keen to learn more such skills which would enhance the basic income that they earned as house helps and tailoring.

Analysis 13

14.If yes indicate your preference
18 responses



Source: own source

They were interested in making bookmarks, body chains and anklets in that order.

Figure 14: Beaded bookmarks



Source: www.Abeadjustso.com

Figure 15: Beaded body chains



Source: www.ubuy.com

Figure 16: Beaded anklets

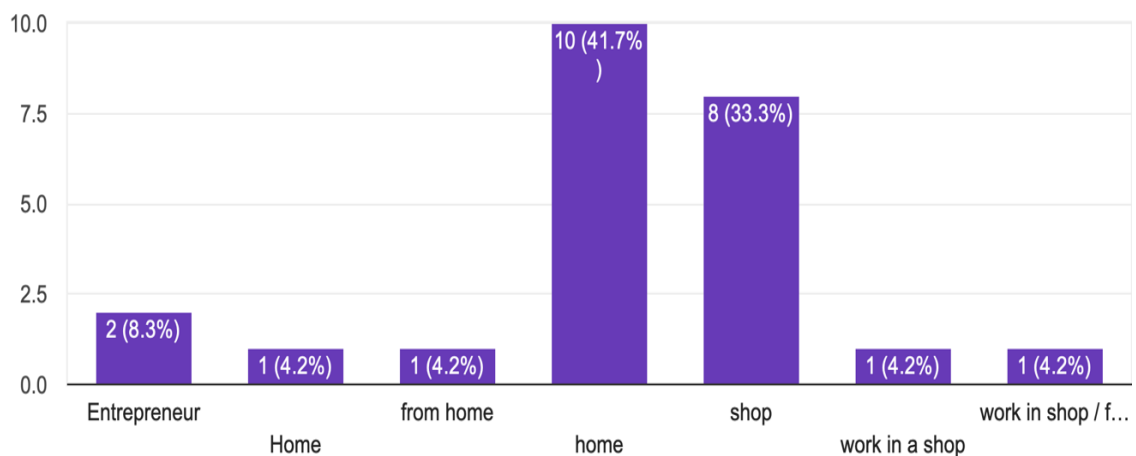


Source: www.walmart.com

Analysis 14

15. Would you prefer working from home and becoming an entrepreneur or work in factory/shop

24 responses

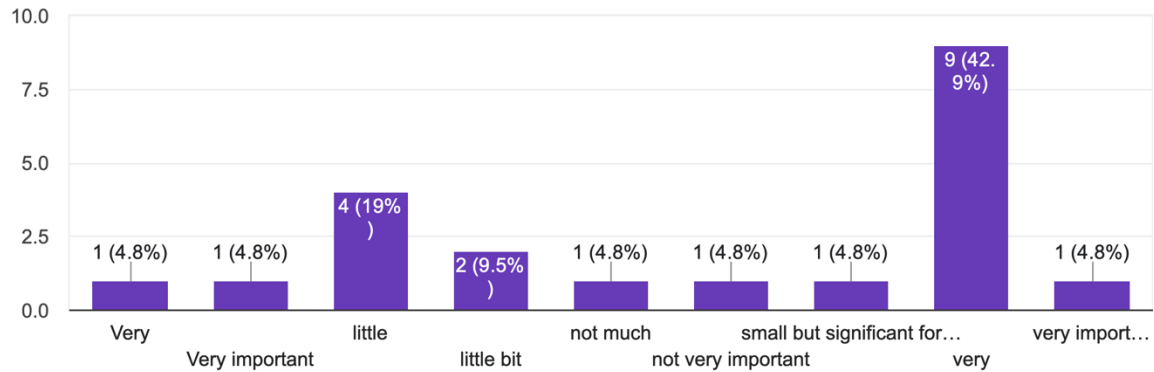


Given that they had to do housework even at their place, they felt that working from home would give them the freedom of time. Working in a shop would be a structured timeline.

Analysis 15

16. How important is your monetary contribution for the family

21 responses



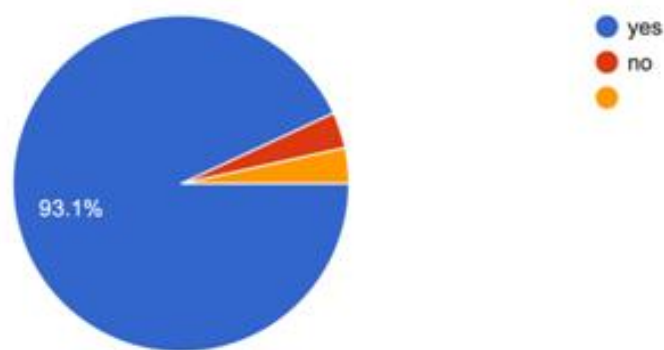
Source: own source

Amongst the respondents, a majority of them indicated that their contribution to family income was important.

Analysis 16

17. Did you feel a sense of independence after learning and selling the product?

29 responses



Source: own source

It was very clear that selling products and earning money gave a sense of independence to 93.1% of the respondents.

Conclusion

Women's empowerment is extremely important to increase the GDP of an economy. This is true for most developed and developing economies. The 2023 Nobel laureate Claudia Goldin has indicated very clearly in her studies that there is a difference in salary structures between men and women and also in the numbers that enter the workforce. For developing economies empowering, and skilling women and them entering the workforce will automatically see an increase in the GDP by the minimum amount of 1 to 1.5%. Empowering them also gives them the power over their own lives. This has been validated through the primary data that has been presented.

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