Female labour participation in India

What is the issue?

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- India’s growth strategy has focused on domestic demand and high-value service exports.
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- They generate too few employment opportunities for women.
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- This is leading to low and stagnated female labour-force participation in India.
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What is the ground scenario?

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- Economic growth has been high, averaging 6-7% in the 1990s and 2000s.
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- Fertility has fallen substantially and female education has risen dramatically from a low level.
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- So India’s current economic and demographic conditions should ordinarily lead to rising female labour-force participation rates.
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- In other regions, including Latin America and the Middle East and North Africa, similar trends have led to large increases in female participation.
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- Yet National Sample Survey (NSS) data show that labour force participation rates of women aged 25-54 have stagnated at about 26-28% in urban areas, and fallen substantially from 57% to 44% in rural areas, between 1987 and 2011.
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- Different age groups and different surveys essentially tell the same story.
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- India’s economic development as India is now in the phase of

"demographic dividend", where the share of working-age people is particularly high.
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- If women largely stay out of the labour force, this effect will be much weaker.
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- India could run up labour shortages in key sectors of the economy.
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- Also, employed women have greater bargaining power with positive repercussions on their own well-being and that of their families.
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What are the reasons for low-participation rate?

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- One possible reason for this is India is behaving according to the feminization U hypothesis.
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- According to it, in the development process, female labour force participation first declines and then rises.
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- There is a decline in female participation in rural areas is concentrated among married women aged 25-64.
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- Rising education, incomes, and husband's education could account for most of the decline in female labour force this.
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- Another reason is that the rising education and incomes are allowing women to get out of menial and undesirable employment, while jobs deemed appropriate for more educated women have not grown commensurately.
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- The lack of availability of agricultural and non-agricultural jobs in rural areas appears to be driving the declining participation in rural areas says one study.
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- Structural change in India also led to a rapidly shrinking agricultural sector in favour of a rapidly expanding service and construction sector.

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- This also mainly contributed to the declining female labour force participation.
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What is the way forward?

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- Bangladesh shows how an export-oriented, manufacturing-centred growth strategy has led to increasing female employment opportunities there.
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- China also pursued such a strategy much earlier with similar impact on female employment.
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- India’s should also adopt similar strategy.
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- Policies will be needed to tackle the social stigma that appears to prevent particularly educated women from engaging in outside employment.
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Source: Livemint

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