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WOMEN'S LABOUR FORCE PARTICIPATION IN INDIA

Today's Class

- Women's labour force participation (LFP) in the Indian context
- Why has women's labour force participation in India been declining?
 - a) supply side factors
 - b) demand side factors
- Measurement issues and under-reporting of women's work
- Other factors impacting women's LFP
- Challenges women face in urban regions

Today's Class

- Relationship between women's education and LFP
- Why do we see a J-/U-shaped relationship between women's education and LFP in India?
- What is occupational sex-segregation?
- Consequences of occupational sex-segregation
- Jobs in urban regions that employ women
- Role of structural transformation
- Policies to enhance women's LFP
- Challenges posed by the COVID pandemic
- Future challenges

Context

- Overall women's LFP in India (% of female population ages 15+) has been stagnant at around slightly above 30% between 1990-2000, increased slightly to about 32% by 2005, and since has been declining and stood at about 19% in 2021 (ILO estimates).
- In contrast in most countries women's LFP has increased, (with the exceptions: of China (fell from about 73% in 1990 to 62% in 2021), some countries in Africa, US (it has been fluctuating, but still stood at around 55% in 2019))

Context

- Women's LFP in rural India and urban India has declined, but women's LFP in urban India has always been lower than women's LFP in rural India
- NSSO data says:
 - Urban: 2004-05: 24.4% 2020-21: 18.6%
 - Rural: 2004-05: 49.4% 2020-21: 27.7%

Why is women's LFP Declining?

- Supply Side:
 - a) Rising other family income
 - b) More women are attending school
 - c) Greater Husband's Education
 - d) Gender norms in the household/context
 - e) Stigma associated with working outside
 - f) Inadequate infrastructure and transportation
 - g) Safety issues

Why is women's LFP Declining?

- Demand Side:
 - a) Changes in sectoral structure of employment
 - b) Not enough growth in sectors that employ women in comparison to the growth in the no. of educated women
 - c) Gender norms and attitudes of employers

Measurement issues and underreporting

- ILO: 'work done for pay or profit'
- *NSSO: 'Principal usual status and Secondary Status reference past 365 days (NSSO usually asks about each person's principal or secondary activity; but say if someone's principal and subsidiary activity are household activities; they could still be involved in other family businesses and temporary work) Current weekly status reference 7 days. Also these questions asked only to those in the LF, women could get excluded'.*

Measurement issues and underreporting

- Deshpande and Kabeer 2019: *‘say “yes” if they were involved in any economic activity currently, i.e. in the last 12 months, either earning an income or doing work that they thought saves household money’(no restriction on no. of days, and paid/unpaid)’*
- Chatterjee, Desai, and Vanneman 2018: *Greater than 240 hours per year in any kind of work. IHDS reviews each activity & asks for each activity (including every business) who all contributed*
- *Future: Time use*

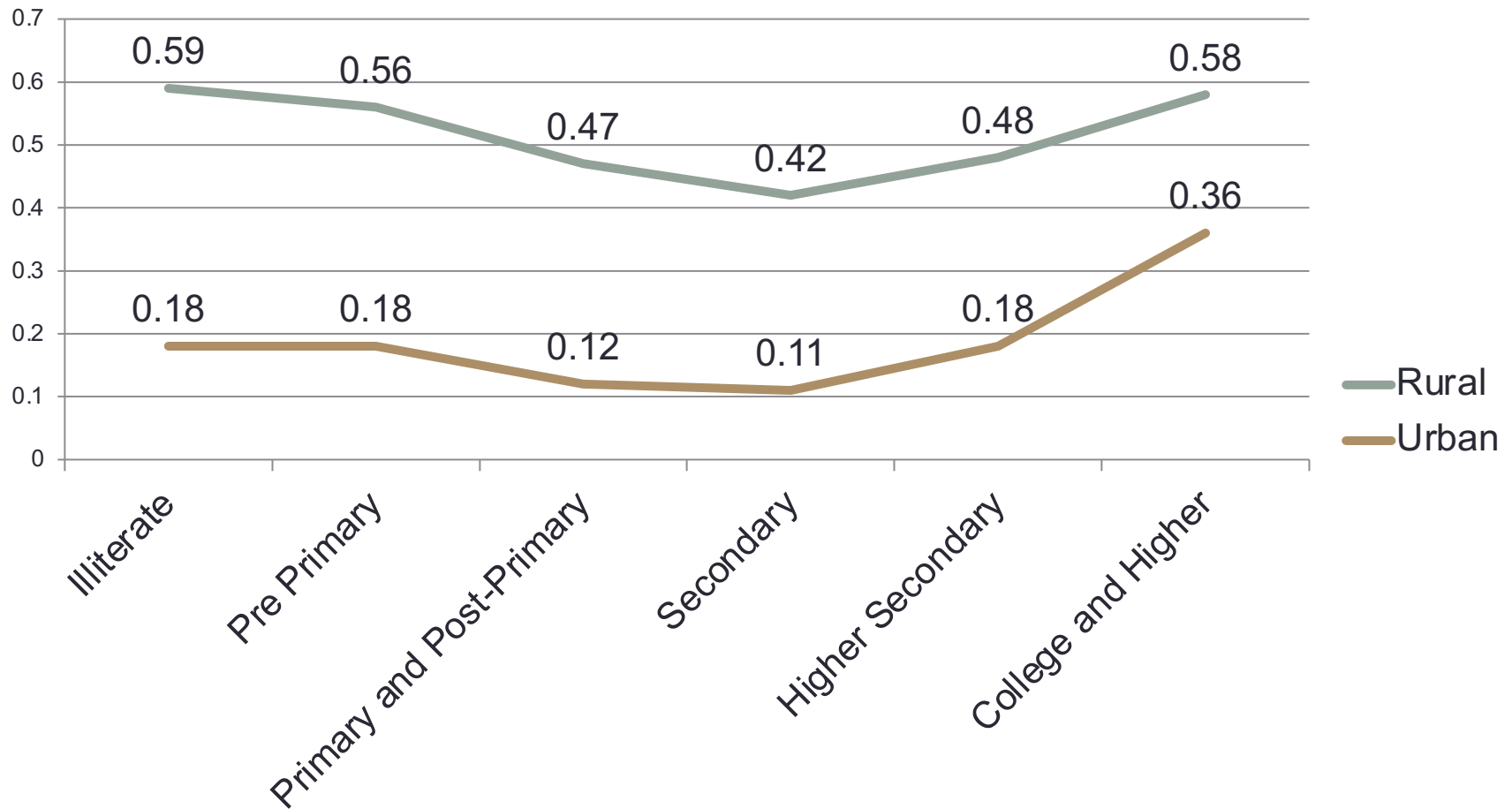
Other Variables that can impact Women's LFP

- No of Children 0-5
- No of children aged 6-12
- No of married female members in the household
- Marital Status
- Caste
- Age

Challenges women face in Urban Areas

- Transportation
- Sexual Harassment
- Inadequate infrastructure: poor conditions at work ,and home (for the urban poor) For e.g. hygienic toilet etc.
- Temporary work: no policies to support childcare, leave, issues around flexibility
- Motherhood penalty versus fatherhood premium

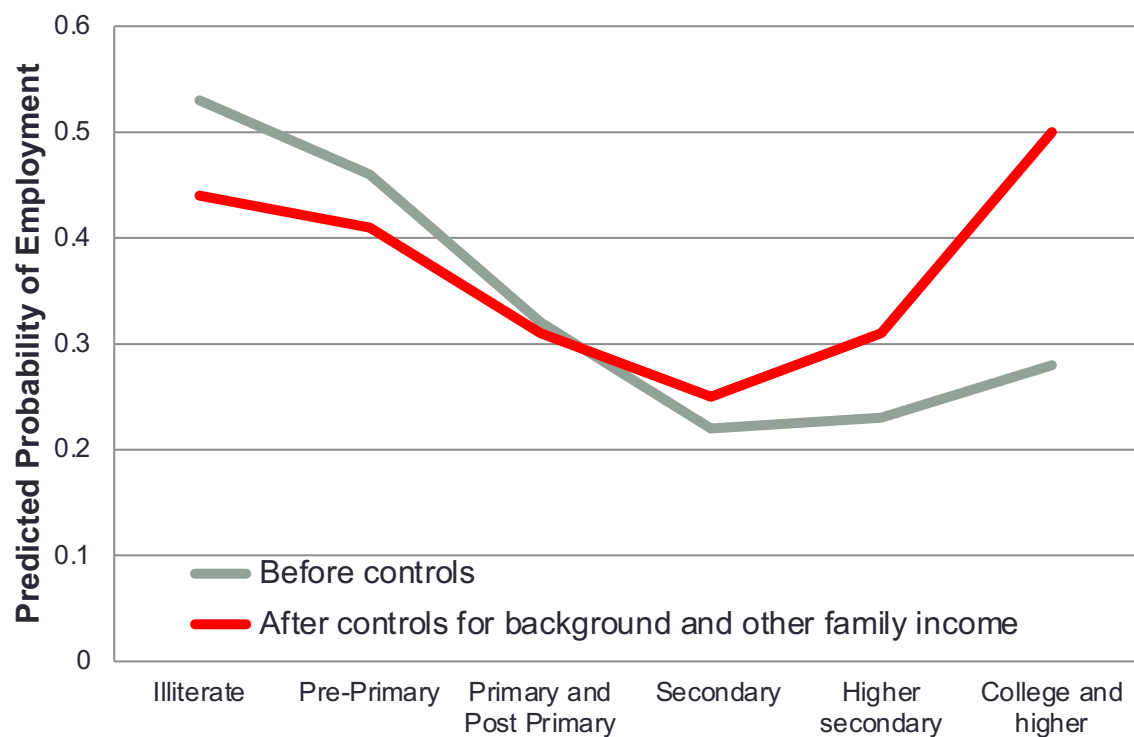
Would Increase in Education lead to increase in women's LFP in urban areas?



Why do we see a J-shaped relationship between women's LFP & education?

- **1. Other Family Income Effect:**
- More educated women likely to marry more educated men with higher incomes.
- If family income is high, women would have less incentive to work
- Rising incomes of Indian households have enabled Indian women to withdraw from the labor market & focus on their role in “status production”.

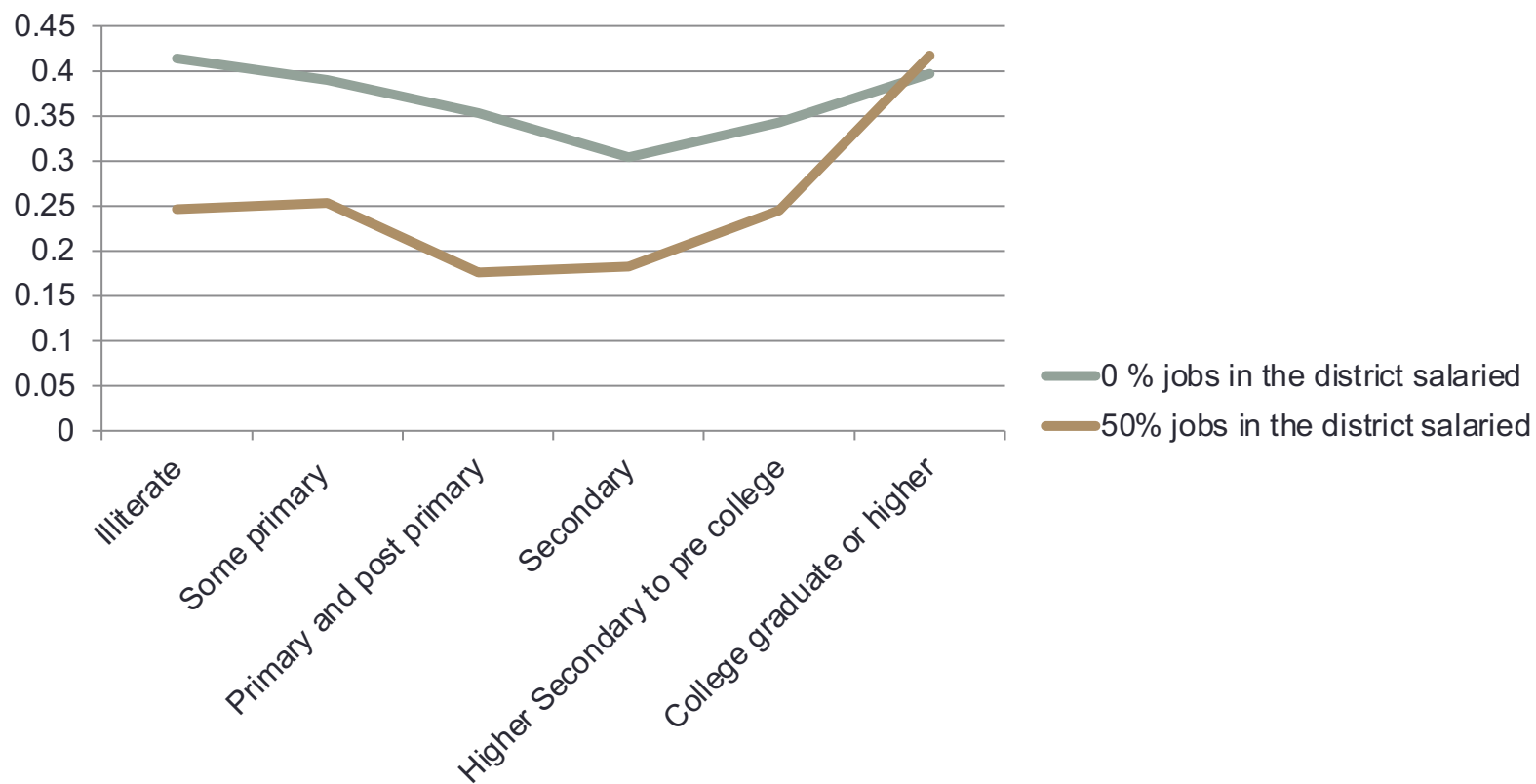
Other family income effect



Why do we see a J-shaped relationship between women's LFP & education?

- **2. Lack of demand:** Lack of demand for women with intermediate education levels because of a lack of availability of salaried jobs in the region where she resides.
- **3. Cultural stigma:**
 - Cultural norm that confers higher status on women at home, other family income can act as a powerful deterrent to educated women's labor force participation
 - Where patriarchal norms are less dominant, the substitution effect should overshadow the income effect (Brinton, Lee, and Parish 1995).

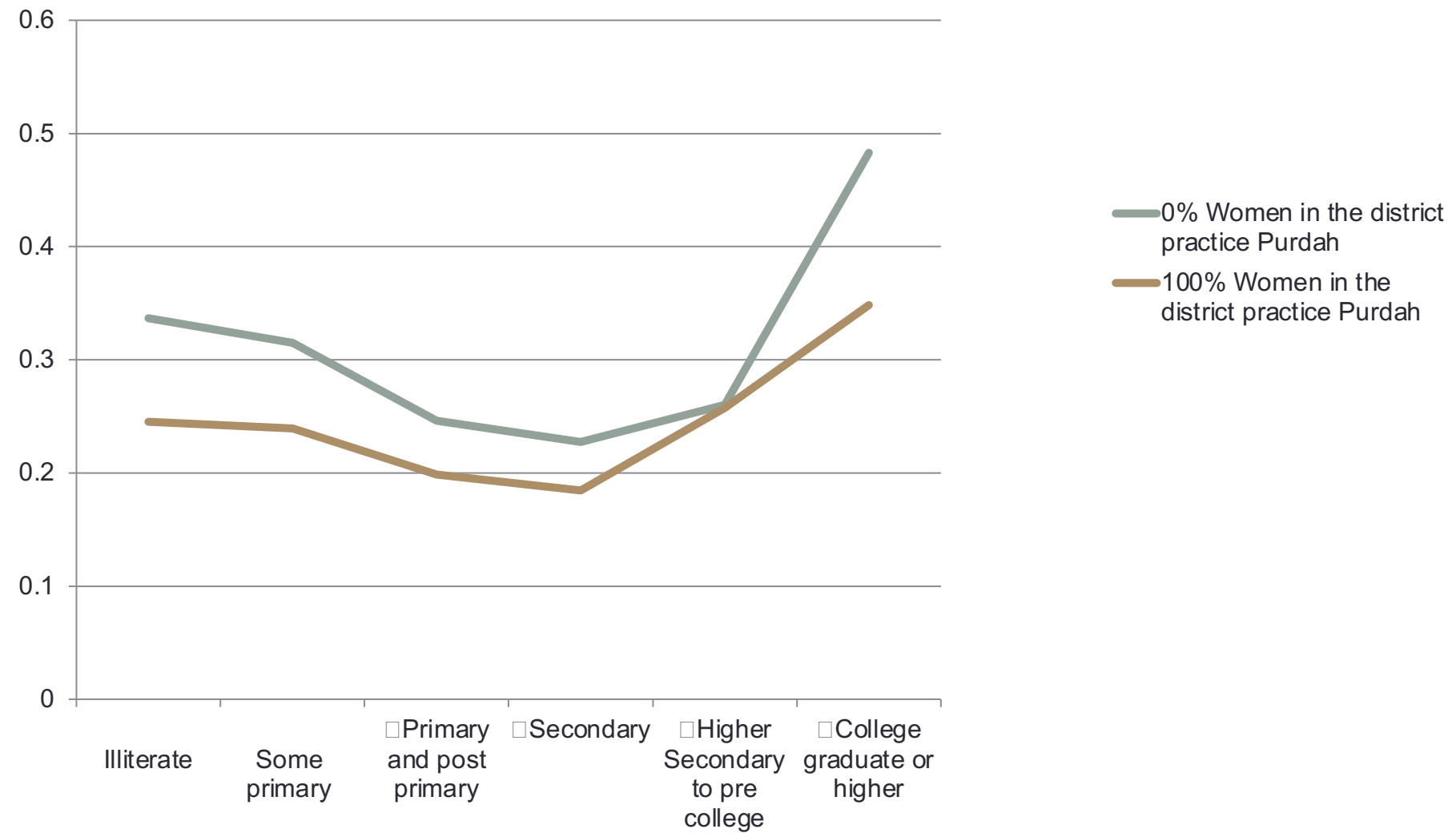
Predicted probability of employment by education level: for districts with high and low levels of salaried employment



Why do we see a J-shaped relationship between women's LFP & education?

- **Cultural Norms:**
- In India, we would expect the income effect to be especially strong.
- Probably the substitution effect dominates only after secondary school education, since the wages women get maybe high enough for families to be okay with them working.

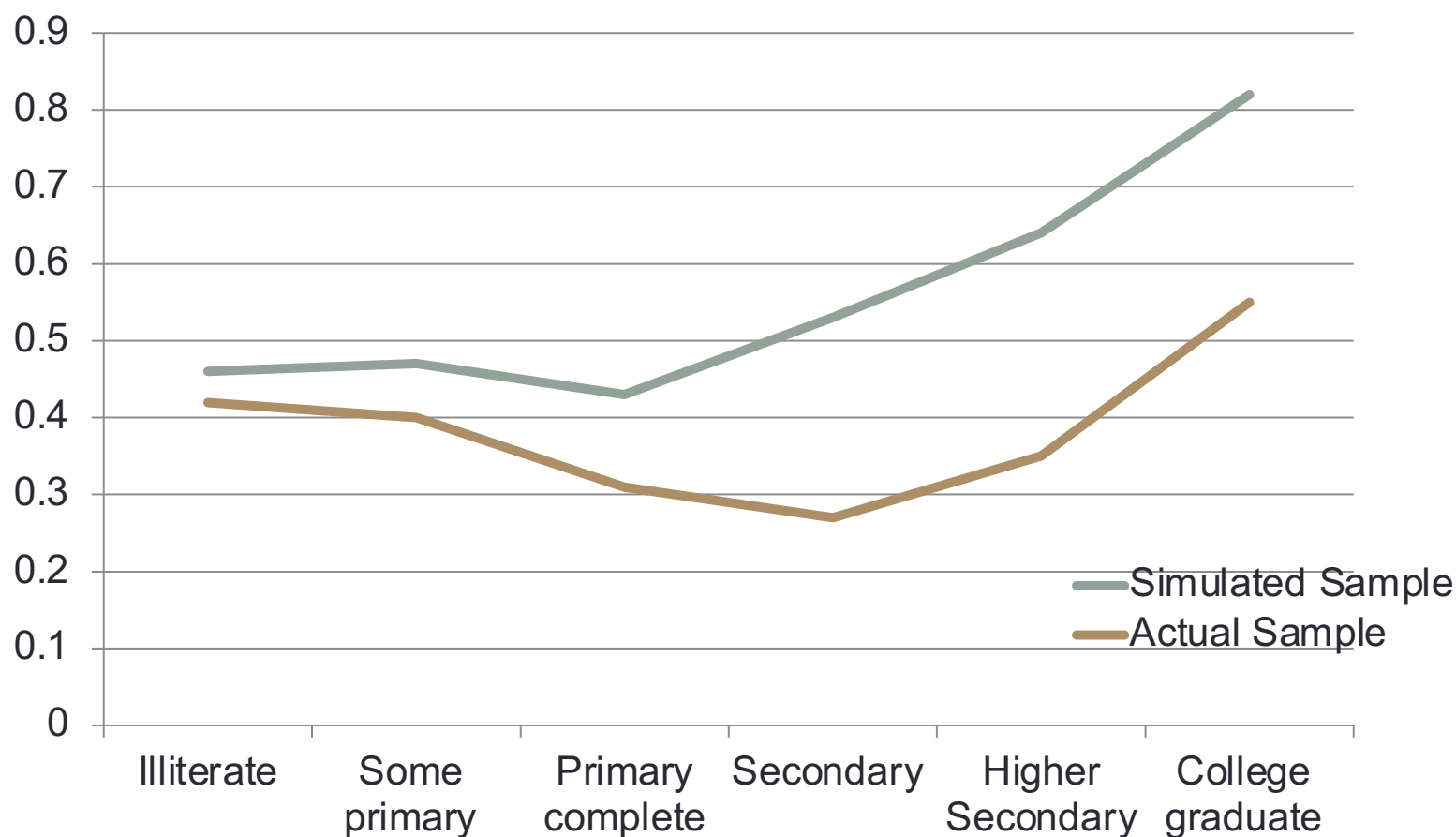
Predicted probability of employment by education level: for districts with high and low levels of purdah observance



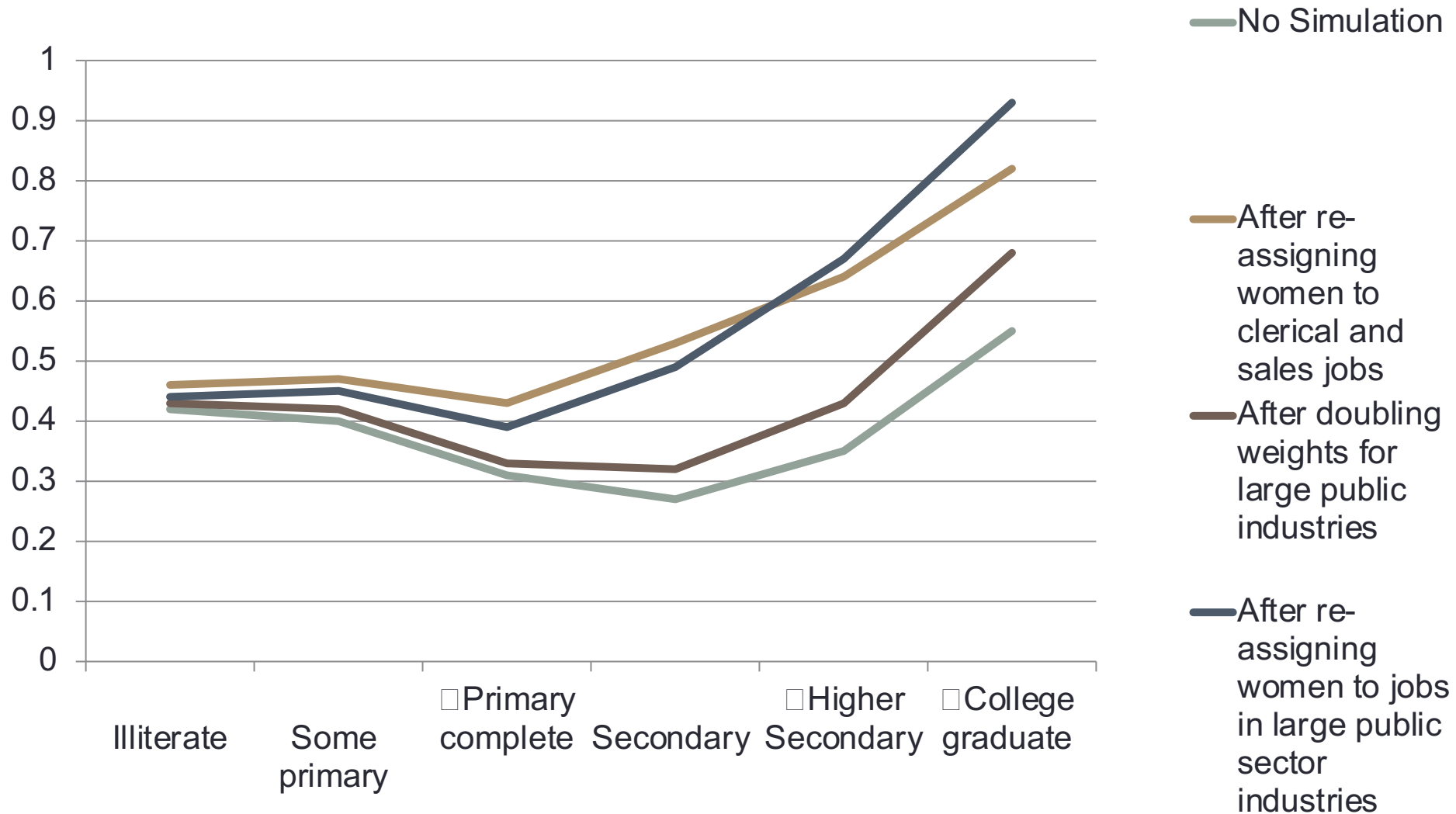
Why do we see a J-shaped relationship between women's LFP & education?

- **4. Occupational Sex-Segregation in clerical and sales jobs:**
- Clerical and sales jobs are major employers for women with intermediate levels of education all over the world, but in India these jobs are pre-dominantly male jobs.
- It could be a reason why women with intermediate levels of education have low likelihoods of being employed.

Predicted probability of employment (with all controls) by education level, for actual & simulated sample



Predicted probability of employment among Indian women (with all controls) by education level, for the actual and simulated samples



What is occupational sex-segregation?

- Job distribution being based on gender. Some jobs segregated as male jobs and some as women's jobs
- Horizontal segregation refers to differences in the number of people of each gender present across occupations.
- Vertical segregation describes men's domination of the highest status jobs in both traditionally male and traditionally female occupations.

Consequences

- Gender wage gap: the average wage of female-dominated jobs is lower than that in comparable male-dominated jobs, and women earn less relative to men in the same jobs.
- Glass Ceiling: is a metaphor referring to an artificial barrier that prevents women and minorities from being promoted to managerial- and executive-level positions within an organization.
- Sticky Floor: metaphor to point to a discriminatory employment pattern that keeps workers, mainly women, in the lower ranks of the job scale, with low mobility and invisible barriers to career advancement

Jobs in urban regions that employ women

- IT
- Telecom
- Financial intermediation
- Modern hospitality including hotel trade
- Education
- Private Healthcare
- Retail
- Garments and Textiles
- Toy making
- Social Sector: Govt schemes ASHA workers, Anganwadi workers, Sarva Shiksha Abhiyan etc.

Role of Structural Transformation

- Shift from agriculture in rural areas would mean...
- Decline in women's employment in rural areas due to loss in jobs in the agricultural sector (lost due to mechanization of agriculture) in precisely the activities that women engaged in (e.g., threshing, winnowing), as a result of which women lost work.
- Demand for skilled labor in the manufacturing/non-manufacturing sectors and modern services
- Women lose out due to not having access to these skills and at times the required education/maybe biases on the employers' end
- Due to lack of skills women are often employed in temporary positions who could be hired or fired anytime

Policies to enhance women's LFP

- Paid maternity leave
- Child care facilities
- Transportation
- Proper roads connecting cities and suburbs to rural areas
- Ensuring Safety at workplace/while commuting
- Incentives to smaller firms so that they can enforce policies to support women employees

Policies to enhance women's LFP

- Linking women's vocational training to female-oriented manufacturing industries
- Tax incentives for families with working women
- Foster women's social networks (Networking sites/outreach)..Pande et al. 2015
- Job portals for women

Policies to enhance women's LFP

- Guaranteed minimum wages
- Safe and healthy working conditions (toilet at workplace etc.)
- Gender sensitization in schools
- Women role models in communities
- Positive depictions on mass media

What does the SEWA story by Pande et al. convey?

- *‘The larger lesson is that when women have little bargaining power in the household, they need to revert to their networks with other women to effect change: we’ve seen this happen in the temperance movement, where women cooperate to influence a household decision, that is, whether their husbands drink. Women can tap into that power to influence other household decisions – what kind of investments to make, and whether or not to work.’*
- Reference: <https://www.theigc.org/blog/getting-indias-women-workforce-time-smart-approach/>

Covid Impact

- In urban India, women work mainly in the informal sector, without secure job tenure, social benefits such as pensions or maternity leave, or protection through trade unions.
- Also, the assumption that a woman is not the primary earner for a household makes it easier to fire women when the going gets tough.
- In the aftermath of the novel coronavirus, as the economy suffers, contract staff, such as women who work as cleaners, attendants at malls, security personnel, counter saleswomen, administrative staff in small enterprises, and workers in small manufacturing workshops, would lose jobs.

Future Challenges?

- As fertility declines, mortality declines, and development occurs, we have a narrow window to reap benefits of demographic dividends (due to the working age population increasing, and dependency ratios decreasing), it is important to note the role of one half of the working population: women)
- Aging in cities will be a future challenge
- Social inclusion in aging cities (what will social exclusion entail: market, service ,spaces) amongst elderly one of the major groups to get excluded are women : ‘females outnumber males at older ages, since they have higher average life expectancy. In 2019, women consisted of 55 per cent of those aged 65 and more, and 61 per cent of those aged 80 or more. Moreover, caregiving responsibility also lies with women. ‘