

## Executive Summary

The Report *Low Female Employment in a Period of High Growth: Insights from a Primary Survey in Uttar Pradesh & Gujarat* has been prepared by The Institute of Applied Manpower Research, as a study commissioned by the International Labour Organization, warranted by the steep and continuous fall in female labour force participation rate in India since 2005. This study has been completed under the leadership of Dr Santosh Mehrotra, Director General, IAMR. The lead authors are Partha Saha, Ankita Gandhi, Kamala Devi and Sharmistha Sinha.

There was a sudden spurt in the number of women labourers in India during 1999-00 to 2004-05, with rural women showing a remarkable participation in paid work. Since then, however, there had been a drastic and persistent fall in female labour force at the time, particularly when the economy was experiencing unprecedented growth. Several studies have shown a U-shaped relationship between economic development and women's economic activity (Goldin, 1994; Tansel, 2002), hypothesizing that female labour force participation declines initially with economic development, plateaus and then rises again, a phenomenon reflective of structural shifts in the economy, changing influence of income and substitution effects, and an increase in education levels of women in the population (Goldin, 1994).

Creating productive non-farm jobs is crucial for any growth process to sustain. In India, even though the economy grew at a very high rate during second half of the 2000s, it was not translated to a concomitant increase in employment – a phenomenon described as jobless growth (Mehrotra et al., 2012). The problem of insufficient jobs was more pronounced in the case of females who experienced a sharp decline in employment during this period, more in the case of rural women.

The sharp decline in female employment has raised concerns among the policy makers regarding gender equality, women empowerment, and women livelihood strategies. Women's employment is a critical factor in their economic empowerment and their overall status in society. This study has been undertaken as a response to the growing concern over declining female employment in India, with the objective of understanding some of the reasons behind this phenomenon. The study revolves around determinants behind the declining female employment, and also focuses on problems and constraints, that females face related to their participation in the labour market.

Reproductive roles, household and care responsibilities, cultural sanctions, patriarchal hierarchies; and factors like continuing in education and migration after marriage can explain the withdrawal of females from the labour force. On the push side, female participation in work force is linked to the availability of opportunities, household income, migration, and distress in the economy.

It also needs to be understood whether this withdrawal is in the nature of discouraged worker phenomenon; that is, whether the decision to withdraw from the labour force was voluntary or a

forced one due to lack of suitable employment opportunities. This study was undertaken to explore some of the determinants of female participation in the labour market in selected locations in both rural and urban areas, and also to explore other possible reasons for the declining trend in female employment.

This study was conducted in **Gujarat** (a relatively better off state in terms of per capita income and other economic indicators), and in **Uttar Pradesh** (a state which lags in most socio-economic indicators vis-à-vis the national average). The selection of states was on the basis of work participation rate, socio-economic profile, incidence of poverty, and change in the absolute number of female employment between 2004-05 and 2009-10. Preliminary analysis of NSS data reveals that in 2009-10, Gujarat has a higher labour force participation rate (LFPR) of 25.6 percent and workforce participation rate WFPR of 25.3 percent for females than the national average of 23.3 percent and 22.8 percent respectively, while Uttar Pradesh has lower LFPR of 15.6 percent and WFPR of 15.5 percent as compared to the national average. Similar is the case even in 2011-12.

There are rural-urban differences in female employment. During 2004-5 to 2009-10 both these States have experienced decline in female workers. In rural Gujarat female LFPR declined from 43 percent to 32 percent during 2005 to 2010, falling further to 28 percent in 2011-12. Urban Gujarat witnessed a consistent decline, albeit marginal over the years. Uttar Pradesh also saw a decline in rural areas; however, in urban locale there are signals of revival with an increase from 8.3 percent to 10 percent. Female work participation – the incidence and the nature of job in which they are employed varies with social groups in India. About 6.3 million women (Census of India, 2011) belong to socially deprived groups among 30 million women in Gujarat, wherein most are scheduled tribes in rural areas. In Uttar Pradesh 21 out of 100 million women are socially deprived with majority being rural scheduled castes.

This study was based on a primary household survey, where the focus was not only on measurement of quantitative variables, but also on the interactions between various qualitative, socio-economic dimensions which have an implication on female participation in the labour market. Further, this study also analyses through a time-use survey of adult females whether burden of household responsibilities have any bearing on participation in labour market. In addition to household surveys, focused group discussions were held with various stake holders to get a larger picture of constraints, opportunities, and aspirations of females in selective study locations. The survey collected information on basic amenities, demographic particulars, occupational pattern of adult household members, problems and constraints faced by adult female members regarding participation in labour force, participation of females in various skill training programmes, participation of females in household decision making, and time-use of adult female members in both economic and non-economic activities, from 500 households in each State in both rural and urban areas.

The report starts with an analysis of employment and unemployment survey data (conducted by the National Sample Survey Organization), and the focus of this analysis is on change in female employment particularly during the period 2004-5 to 2009-10 and then in the next two years 2009-10 to 2011-12 (Chapter 2). The trend indicated by an analysis of secondary data was carried forward for further analysis through household survey in selective locations. The selection of the study locations along with a detailed methodology is discussed in the following chapter (Chapter 3). Chapter 4 provides a broad macro setting for this study and presents the research questions which are addressed in the following four chapters. The dominant pull factor impacting female employment in the study locations (i.e., education) is analysed in Chapter 5. Employment opportunities in the study locations are discussed in Chapter 6. Problems faced by working women (both at work place and in household), and constraints faced by those non-working women in order to participate in the labour market are discussed in Chapter 7. The following chapter (Chapter 8) examines the time use of females and analyses time disposition of working females (in different occupations) in non-economic activities. The last chapter (Chapter 9) provides some broad conclusions and suggests some policy recommendations.

The National Sample Survey Data reveals that in India, there has been a consistent decline in female labour force participation rates both in rural and urban areas since the 1970s, with the period 1999-2000 to 2004-5 being the only exception. During 2005 to 2010, there had been a decline in female employment by 21.2 million (according to usual principal and subsidiary status). This decline is primarily attributed by the 19.8-million fall in female employment in rural India. Post 2010, employment opportunities for women in rural areas further declines by 2.7 million. In urban areas, however, there has been an increase in female employment of 4.5 million during 2010-2012. The decline in rural female labour force participation rate during 2005 to 2010 was much sharper in case of principal and subsidiary status taken together as compared to only principal status, thus implying that a larger share of fall could be attributed to decline in subsidiary status. In the next two years, female employment by subsidiary status increases by 6 million coupled with a continuing decline in principal status in rural areas. Focusing on rural India, the bulk of the decline in female employment was on account of fall in self-employment which is primarily attributed to decline in unpaid family work (Chapter 2).

A comparison across States indicates that Karnataka, Bihar, Uttar Pradesh, and Gujarat experienced decline in female employment to a significant extent between 2004-5 and 2009-10 in both principal and subsidiary status. In order to understand the possible determinants of declining female employment, two among the four states had been chosen for the Study. Two districts from each State had been studied, based on the work participation rates for females, one above the State average and one lower. Along with the trend in declining female employment, national level surveys indicate an increase in real wages, and greater participation along with increasing continuation of females in education. Therefore, could it be the case that the positive income effect of higher real wages and positive outcomes of educational programmes are responsible for withdrawal of females from the labour market? Also there had been absolute

decline in the number of workers in agriculture, a phenomenon witnessed for the first time in the history of independent India, which reflects a shift out of low productivity jobs in agriculture. And since 80 percent of the women workers are in agriculture, an optimistic interpretation could be that with lowering of poverty, the excess workers who got absorbed into agriculture are now withdrawing. Given the wide range of information provided by these large scale national surveys, we can analyse broad patterns and trends of employment and unemployment across different States and regions of India. However, these trends and patterns are outcomes of fairly complex socio-economic relations which often work within the broad frame work of social hierarchies, traditional norms, and social, political and economic setting in the neighbourhood. The Survey, therefore, is intended to understand activity pattern of females along with their possible determinants, the nature of constraints and problems that females face.

The primary research attempts to capture some of these qualitative determinants that influence female participation in labour market:

- Work history of females to find out whether certain social phenomenon had any influence on their participation in labour market
- Kinds of support/disincentives that females received/encountered from their families and neighbours resulting in their participation/withdrawal from the labour market
- Difficulties and constraints faced by females in their pursuit of economic activities
- Extent to which females participate in household decision making
- Social norms and customs that go into decision making regarding female participation in the labour market
- Females own perception about improving their employability
- Daily time disposition of females in different activities which might have a bearing on their labour market participation

## **Key Findings**

Major findings from the survey were as follows:

- The incidence of illiteracy was quite high among females both in rural and urban areas of both the states despite significant improvements in literacy rates in the last two decades. There was a gradual decline with age in the proportion of females educated at successively higher standards, the sharpest being from secondary to higher secondary level. Socially deprived groups fare extremely poorly in education, thus ending up doing low end marginal jobs.
- In urban UP, the relation between level of education and proportion of females working was U-shaped. Illiterates have to work for their survival, and with improvement in educational attainment females tend to continue in education provided there are opportunities around. Such opportunities exist in urban areas and those attaining slightly higher educational level continue to remain in education with the hope of getting a better

job. This is certainly a positive phenomenon as it could possibly ensure better quality jobs for the educated females in future. Also, females with post-graduate and above level of education have greater opportunities of work in the urban areas particularly in the service sector. The survey revealed that participation of poorly educated women in the labour force was driven by necessity, while employment opportunities determined the participation of highly educated females in the labour force. There is an inter play between social stigma (of participating in a low end job with relatively better education), and to some extent positive income effect (females who can attain more years of education generally belong to well-off families which are not in dire financial need of female members earning). On attaining higher level of education their participation in the work force increases in relatively well paying, decent, and service sector jobs (with some career goals in mind).

- The perception of work is different in the two States. In Gujarat, females not economically active identified themselves as unemployed (implying they were looking for work), while in Uttar Pradesh such females generally reported household chores as their primary responsibility (and hence did not see themselves even looking for work). This does not mean that women in Gujarat had less domestic responsibilities. It is how women identify themselves. Thus, the reporting about perceptions of employment status differs in two States.
- The study revealed that in Uttar Pradesh within the age-group of up to 14 years, a relatively higher share of children, were too young (and were yet to start going to school) as compared to that in Gujarat. For the next two age cohorts (15 to 29, and 30 to 59) the proportion of females who were working was much higher in Gujarat as compared to that in Uttar Pradesh (underlying higher female work participation in Gujarat as compared to that in Uttar Pradesh). In other words, higher proportion of working age females was gainfully employed in Gujarat as compared to that in Uttar Pradesh. In rural areas where the majority of population is still dependent on agriculture, higher agricultural growth in Gujarat provided more employment opportunities for the working age females. In the urban areas, growth of industries has ensured higher working age female participation in the workforce. In Gujarat, one-fifth of working age females reported to be unemployed implying improving work force participation rates for females would require greater creation of employment opportunities in the non-agricultural sector.
- In Uttar Pradesh (both rural and urban), the proportion of females in the age-group of 15 to 29 years who were in education was one-third, which was much higher than that in Gujarat (one-fifth). Therefore, the pull factor contributing towards low female WFPR was much stronger in Uttar Pradesh than in Gujarat. There exists segregation in the nature of employment based on social group, and to a large extent this segregation was guided by educational attainment. Further, an improvement is seen in the nature of employment (higher participation in the service sector) once females attained more years of schooling, at least to higher secondary level. Broadly speaking, attainment of higher

education was essential for getting better quality employment. However, benefits of education vary across regions and to a large extent were dependent on the local economy. However, one over-arching policy conclusion suggested by the survey could be extending financial support (scholarship) to female students at least up to the higher secondary level.

- The study further noted that workers with less education were more likely to experience a transition in the opposite direction – from non-farm work to agriculture. In order to ensure better employment for females it is necessary to increase their enrolment at college and university level. One way of achieving this is to establish more women colleges at the district level with special emphasis on technical and vocational education.
- The survey clearly indicates occupational segregation as well as gender based wage disparity in most of the occupations except in construction works in the selected study locations. In vast majority of cases, female workers did not have any social security benefits to fall back on. Household responsibilities, social obligations, and security concerns often forced females to accept rather unfavourable work conditions in terms of low wage and long working hours. Further, in many occupations their economic contribution was not even factored in despite putting no less effort as compared to males. This was particularly true in case of home-based work where men were also involved but the men dealt mainly with the traders.
- There is a complete lack, and often open violation, of decent work conditions, mainly in the unorganized sector of the economy, which is out of reach of any legal entity.
- Conveyance-related security problems seem to be an important hurdle to go to the work place for most of the women in both Gujarat and Uttar Pradesh. This is coupled with long working hours which hinders women's active participation in the labour market. Household responsibility was considered to be a major hindrance in female work participation.
- Another important factor which dampens female employability was the lack of skill training. The record of formal skill training in India is such that NSS shows only 2-3 per cent of the workforce receive formal training. Female participation in skill training programmes in Uttar Pradesh was particularly low, and mostly not related to the demand from the market. On the other hand, participation was reasonably high in Gujarat, and almost half of the females participating in such programmes got some employment opportunities (either as piece-rate workers or as home based worker).
- The importance of the time-use analysis in the survey lies in the fact that it clearly brings out certain qualitative aspects about women work and time disposition and the hardship that they face in day-to-day life without much recognition in labour statistics or in the society. In India, goods produced and consumed by the households are not being covered in System of National Accounts (SNA). Women are generally involved in this. Time spent by males is higher in SNA activities in both rural and urban areas. The trend reverses with respect to Extended SNA and non SNA activities. Therefore, at one point,

women contribute indirectly to the income generating activities of males. Second, their participation in the labour market is greatly constrained by their responsibilities in households which also restrict them from looking for jobs in areas beyond their immediate neighbourhood.

- There is reasonably good awareness among the people in the study regions of both the States about various government programmes and schemes (with the exception of tribals in Gujarat who have been excluded from the main stream of the society for several centuries. Even if the tribals were aware of certain schemes, they were denied access at the local level through the practice of caste hierarchy. The real problem lies in programme implementation which often became complicated by the caste hierarchy at the local level. Among all government programmes, in both the States, benefits mainly accrue from nutrition programmes. In Uttar Pradesh, 64 percent and 26 percent of households report that they are aware of employment programmes and social security programmes respectively but not benefited from the government programmes for the same. The corresponding figures for Gujarat are 16 percent and 45 percent respectively.

In a nutshell, the most pressing problem that females faced were related to conditions of work (low wage, long work hours, physical exhaustion, and health hazards), and that of physical infrastructure (roads and conveyance). Household members are not averse to the idea of females participating in the workforce, even though this willingness in most of the time was distress driven. Apart from economic stability, an important indirect consequence of female work participation was their increasing involvement in household decision making, particularly regarding children's education and decisions related to household savings. The most fundamental problem that persists is the mentality of male supremacy at the work place, with females being treated as inferior beings. Social mobilization, creating awareness are some of the means of coming out of it. But one practical and visible solution lies in facilitating skill training programmes for females in a meaningful way substantiated with follow up actions. Skill training programmes particularly for women remains a major concern not only in the study locations, but throughout the country.

**Work opportunities for females were indeed extremely limited particularly in rural areas with shrinking employment opportunities in agriculture and not enough employment opportunities being created in the non-farm sector.** Due to various socio-economic and cultural factors along with security reasons females prefer to find employment opportunities in the vicinity. This only adds to the problem of female participation in the labour market. Creating employment opportunities in small towns that can be easily accessed by females staying in both rural and urban areas and improving employability of females should be the foremost agenda for the policy makers. Further, in order to protect the quality of employment in terms of decent work conditions, women's association and self-help groups should be promoted both in rural as well as in urban areas.

