

How to ensure more women in the workforce

By Ashwini Deshpande, Bhuvana Anand, Shaveta Sharma-Kukreja

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Non-discrimination in the law is a necessary first step to help female job-seekers enter the market without any roadblocks. But employers also need to see the paucity of women as a problem and be willing to implement solutions

India aims to become a \$5-trillion economy by 2025. China, which started from a similar base in the late 1970s, today has an economy four times larger than India's. There is much to compare and contrast between the two countries. We focus on the fact that while the male labour force participation rates in the two countries are fairly similar, their female labour force participation rates (FLFPR) are vastly different. While China's FLFPR, at more than 60%, is higher than the figure for the world and Organisation for Economic Co-operation and Development (OECD) countries, India's FLFPR is abysmally low at 18.6%. The big gap in the size of the female workforce is a critical detail that unabating comparisons between the two countries have overlooked.



Indian women's labour force participation is more likely shaped by low and declining demand for female labour rather than supply-side constraints keeping women indoors (Shutterstock)

enough jobs to absorb the steady rise in its workforce. To rev the engine for sustainable growth, India needs to create at least 90 million new non-farm jobs by 2030.

India experienced high growth for over a decade, has seen steadily declining fertility and maternal mortality rates, and rising female education attainment levels until the pandemic hit. These are the classic preconditions to rising FLFPR elsewhere in the world. But not in India. According to the ministry of finance in 2021, only 24.5% of working-age women participated in the labour force. Women also bore the brunt of the pandemic – the likelihood of a woman being employed in August 2020 was nine percentage points lower than that for men, compared to August 2019. The decline in unemployment rate for women indicates that they are not moving from unemployed to employed, but out of the labour force altogether.

The bulk of the research on female participation in the labour force has been on supply-side constraints: Family income and employment, marital status, childcare arrangements and safety, and domestic responsibilities. However, none of these phenomena fully explain the frequent transition of working-age women in and out of the labour force, as well as the women expressing the desire to be in paid work, if work were to be available at or near their homes. Indian women's labour force participation is more likely shaped by low and declining demand for female labour rather than supply-side constraints keeping women indoors. Certainly, demand-side constraints are more amenable to policy interventions. Recruiters are around 13% less likely to click on a woman's profile than a man's while hiring candidates and 3% less likely to advance a woman to the next round of the hiring process, according to LinkedIn *Gender Insights Report*. Employers may do so because they perceive women as less capable and unsuitable for certain "male-dominant" jobs.

Gender-discriminatory laws with the intent to protect female workers further reinforce such essentialist norms by drawing parallels between adult women and children. For instance, the Factories Act, 1948, prohibits the employment of women, adolescents, and children alike in operations the government deems "dangerous". The *Trayas State of Discrimination* report explored gender-discriminatory employment-related laws, a hitherto unexplored demand-side constraint. The study used 48 Acts, 169 rules, and 20 notifications or orders to uncover the cumbersome regulatory landscape women and their employers face in India. States adopt different regulatory stances in spelling out discrimination against female job-seekers. They either completely prohibit female employment at certain hours or jobs, require permission or give conditional exemptions.



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relationships. The Shops and Establishments Acts of Madhya Pradesh and Orissa allow women to work in shops/establishments at night only if they are family members of the owner. This mentality also reflects in the biases of hiring managers who are likely to discriminate against married women, especially with young children, but not against men.

Additionally, employers believe that hiring women is costlier than hiring men. Providing infrastructure and special amenities such as crèches, compulsory safe transport at night, women's hostels, and maternity leave make employers averse to hiring women. Unsurprisingly, the 2017 Maternity Benefits Act, which increased the mandatory maternity leave period from 12 weeks to 26 weeks, is seen as a leading reason behind the drop in female hires.

Lately, there seems to be a gradual movement away from absolute restriction. For instance, the Occupational Safety, Health and Working Conditions Code, 2020 (OSHWC code), which replaces the Factories Act, allows women to work at night based on conditions that states set. While Himachal Pradesh's draft OSHWC Rules impose 14 conditions, Haryana imposes 25 conditions, including requirements of a minimum number of women in the night shift, and Punjab proposes to bring the number of conditions down to eight. By introducing the right type of reforms, states can set trends for years to come.

Non-discrimination in the law is a necessary first step to help female job-seekers enter the market without any roadblocks. But employers also need to see the paucity of women as a problem and be willing to implement solutions to alleviate the multiple demand-side constraints. As a country we need to commit to first providing and solving for women in our labour force as we celebrate Labour Day.

Ashwini Deshpande is professor of economics and director, CEDA, Ashoka University, Bhuvana Anand is co-founder, Trayas, Shaveta Sharma-Kukreja is co-managing director, Central Square Foundation and adviser, Circle In. With additional inputs from Sirjan Kaur, Prisha Saxena, and Tarini Nath The views expressed are personal.

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