



## Economic Empowerment of Women In India: Status and Implications

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### ABSTRACT

*Women empowerment has got different dimensions (economic, social and political) out of which economic empowerment is most crucial because it brings other types of empowerment along with. India is accelerating fast on the growth track but the rapid economic development necessitates the optimum use of the available human resources both male & female. The analysis of data on literacy rate among women, female labour force participation, male-female employment & wage gap reveals that gender parity in India is at abominable low level. This is a big impediment to the process of financial inclusion and social justice that has been initiated in India. India is a part of 20 worst performing countries on female labour force participation, estimated earned income, literacy rate and sex ratio indicators. It is at 114th position out of 140 countries ranked under gender gap index by world economic forum. Public policy has to take rapid and decisive measures to reduce the gender gap which has high economic and social returns.*

**KEYWORDS :** Women empowerment, Gender gap index, Estimated earned income

The term 'women empowerment' has been used to increase awareness about subordinate status of women and the need to empower them through measures to increase social, economic and political equity, access to fundamental human rights, improvement in nutrition, basic health and education (Lopez-Claros and Zahidi, 2005). Persistent inequality between men and women constraints a society's productivity and ultimately slows its rate of growth. Women empowerment has different dimensions, which may include economic empowerment, social and political empowerment, health and general well-being etc of these, economic empowerment is the crucial one as it may also bring other types of empowerment alongwith. Economic empowerment of women is essential for economic development, growth and poverty reduction not only because of the income it generates, but also the help to break the vicious circle of poverty (Tembon and Fort, 2008). This paper tries to examine economic empowerment of women in India in terms of extent of their presence in the workforce and education level, which is a critical aspect of economic empowerment. The paper has been divided into two sections. Section I examines the status of economic empowerment of women and Section II brings out implications for improving their status.

### I

Women contribution to the economy and the society is far more than is usually recognized. Their contribution is underestimated because of the home based nature of the work for which the price is not charged. There is triple burden on women of childbearing and rearing, domestic work and productive labour. There is statistical *purdah* of methods of measuring labour force participation, which renders much of the work of women invisible (Lynn, 1992).

#### 1. Labour Force Participation Rate (LFPR)

Going by the available data, the labour force participation rate by sex and place of residence are given in Table 1.

**Table 1**  
**Labour Force Participation Rates by Sex and Place of Residence.**

NSS Round	Male		Female		Male-Female Gap	
	Rural	Urban	Rural	Urban	Rural	Urban
1983	55.5	54.0	34.2	15.9	21.3	38.1
1987-88	54.9	53.4	33.1	16.2	21.8	37.2
1993-94	56.1	54.0	33.0	16.5	23.1	37.5
1999-2000	54.0	54.3	30.0	14.7	24.0	39.5
2004-05	55.5	57.0	33.3	17.8	22.2	39.2
2009-10	54.6	54.2	26.0	13.7	28.6	40.5
2011-12	54.2	54.5	24.7	14.6	29.5	39.9

Sources : (1) Rustagi (2013)

The figures of LFPR given in Table 1, present a dismal picture of male-female participation rates and the gap between the two. In

the rural areas while the LFPR of males experienced marginal decline during the 30 year period, of females declined by 9.5 percentages points. In the urban areas, while LFPR for males experienced marginal increase, it declined in case of females. The male-female gap in LFPR in rural areas increased from 21.3 percentage points to 29.5 points, in case of urban areas, it increased marginally from 38.1 percentage points to 39.9 percentage points. This shows that despite the policy makers claiming to have opening more avenues for employment for women, the male-female gap in LFPR has increased. It cannot be attributed to more women opting domestic work or education. The results are disappointing and belie the common notion than in an era of socio-economic development and demographic changes (involving declining fertility and demographic dividend), labour force participation of females would increase. It indicates failure of the economy to integrate females into labour force market, more so in the rural areas.

#### 2. Male-Female Literacy Gap

The literacy ratio in India by sex is given in Table 2.

**Table 2**  
**Literacy Ratio in India : 1981-2011**

Census	Males	Females	Persons	Male-Female Gap
1981	56.38	29.76	43.57	26.62
1991	64.13	39.29	52.21	24.84
2001	75.85	54.16	65.38	21.69
2011	82.14	65.46	74.04	16.68

Note: The literacy rates relate to the population aged seven years and above. The 1991 census literacy rates exclude Jammu and Kashmir

Sources: Census of India, 1981, 1991, 2001 and 2011

The figures in Table 2 show that during 1981-2011, the male literacy rate was much higher than that of female literacy rate. However, the gap between the two has been bridging over time from 26.62 percentage points in 1981 to 16.68 percentage points in 2011. More emphasis was laid on education, especially of women during this period, as is evident from different five years plans, National Policy on Education and National Policy on Empowerment of Women (2001). Many programmes targeting different segments of population were initiated to promote literacy among women, young and old. These efforts have been partially successful in promoting female literacy and bridging male-female literacy gap.

#### 3. Male-Female Gap in Attending Educational Institutions

The male-female gap in attending educational institutions is given in Table 3.

**Table 3**  
**Current Status Regarding Attending Educational Institutions**

**tions (Age group 15-24 years).**

Category	1993-94	1999-2000	2004-05	2009-10
<b>Males</b>				
Not attending	68.57	66.91	65.47	54.59
Upto primary level	1.47	1.61	0.68	0.45
Middle level	3.83	5.07	3.83	2.76
Secondary level and above	26.13	26.85	30.02	42.20
<b>Females</b>				
Not attending	82.76	79.32	76.03	66.60
Upto primary level	0.95	0.88	0.57	0.50
Middle level	2.13	2.95	2.81	2.11
Secondary level and above	14.16	16.86	20.59	30.79
<b>Persons (Total)</b>				
Not attending	75.37	72.82	70.53	60.25
Upto primary level	1.17	1.05	0.63	0.48
Middle level	3.02	4.03	3.34	2.45
Secondary level and above	20.44	22.11	25.50	36.83

Source: Papola (2013)

As shown in Table 3, there has been sizable increase in 15-24 years age group population attending educational institutions during 1993-94 to 2009-10. In 1993-94, 24.63 percent such persons were attending educational institutions and the percentage increased to 39.75 in 2009-10. There has been rapid increase in such persons attending secondary level and above institutions from 20.44 percent to 36.83 percent during this period. Even when there has been relatively rapid growth in the females of this age group attending educational institutions from 17.24 percent to 33.40 percent as compared to males (from 32.43 percent to 45.41 percent) during this period, indicating bridging of the male-female gap, but still in 2009-10, this gap was of the order of 11.71 percentage points, indicating further strengthening of the efforts in this direction.

#### 4. Declining Female Labour Force Participation Rate Across Age Groups

To examine whether increase in percentage of females attending educational institutions has led to fall in female LFPR or not, the LFPR of females across age groups is examined in Table 4.

**Table 4**  
**Female Labour Force Participation Rates Across Age Groups**

Category	15-29 years		30-44 years		45-59 years		Total(15-59 years)	
	1999-2000	2011-12	1999-2000	2011-12	1999-2000	2011-12	1999-2000	2011-12
Rural Female	40.5	27.1	57.2	46.4	51.6	44.6	48.5	37.8
Urban Female	17.3	18.1	27.1	27.3	25.1	21.9	22.2	22.2
Total	34.3	24.4	49.1	40.7	45.0	37.8	41.5	33.1

Source: Rustagi (2013)

As seen from Table 4, the decline in female LFPR across age groups during 1999-2000 to 2011-12 is almost uniform, though it was somewhat higher in case of 15-29 years age group. There is marginal increase in LFPR during this period in case of urban females, though there is sizable decline in case of rural females. Thus plausible reason for declining female LFPR could be the lower demand for female labour.

#### 5. Female Education Level and Labour Force Participation

It could be interesting to examine the female LFPR in relation to educational level. The 2011-12 results are presented in Table 5.

**Table 5**  
**Female LFPR in Relation to Education Level (2011-12)**

Category	Illiterate and Below Primary Level	Primary Level and Above but below Graduation Level	Graduation Level and beyond
Rural Females	18	16	32
Urban Females	11	11	30
Total Females	17	14	31

Source: Rustagi (2013)

Table shows that female LFPR at primary level and above but below graduation level (the medium level) was the lowest but jumped to more than double once the education level was graduation and above. This shows that higher education level was important for raising the female LFPR as there are more remunerable and perhaps respectable jobs available for them.

#### 6. Gender Gap and Employment Status

The employment status could be defined as self-employed, regular employed and casual employed. The picture regarding male-female gap in terms of employment status is presented in Table 6.

**Table 6**  
**Male-Female Gap in Employment Status in India (%)**

Category	Self employed		Regular employed		Casual employed	
	2004-05	2011-12	2004-05	2011-12	2004-05	2011-12
Rural male	58	54	9	10	33	35
Rural female	64	59	4	6	33	35
Urban male	45	42	41	43	15	15
Urban female	48	43	36	43	17	14
Total male	55	51	17	20	28	29
Total female	61	56	8	13	30	31

Source: Rustagi (2013)

It is interesting to see from Table 6 that while the percentage of casual employees both in case of males and females remained almost the same during 2004-05 and 2011-12, the percentage of self employed in case of males and females decreased and of regular employees correspondingly increased during this period.

The percentage of female regular employees increased at slightly higher rate, thereby bridging the gap. In the urban areas, the percentage of regular employees of both males and females has become same (43 percent), however, in case of total regular employees, the males still have an edge of 7 percentage points.

#### 7. Women in Organized Sector

According to the data available from Ministry of Labour, Director General of Employment and Training (DGE and T), women's share in organized sector employment is only 17 percent. Even within the organized sector, most of the women are employed in the lower rungs of hierarchy. In the southern and north-eastern states, the share of women in organized sector is relatively larger. In Kerala, women constitute 39 percent of all organized sector workers, while in Bihar, Uttar Pradesh, West Bengal, Jammu and Kashmir and Orissa, their share is relatively lower.

#### 8. Corporate Gender Gap

World Economic Forum's Corporate Gender Gap Report (2010) is the first study to cover the world's largest employers in 20 countries in terms of gender equality policies. While United States (52%), Spain (48%), Canada (46%) and Finland (44%) have higher percentage of women employees in the larger corporate sector, in India percentage of women employees was much lower at 23 percent.

#### 9. Gender Gap in Different Sectors

The male-female gap in the different sectors of the Indian economy in terms of females per 1000 males is depicted in Table 7.

**Table 7**  
**Male-Female Gap in different sector of Indian Economy**  
**(Females per 1000 males)**

Sectors	1993	1999	2004
Labour force employment	474	455	500
Non-agricultural Sector	244	231	254
New Economy (Groups Experiencing High Growth Rates)	223	223	238
Established Sectors	259	268	277
Emerging Sectors	79	79	102

Source: Mukherjee (2008)

It is seen from the table that female employment as compared to males is very low in non-agricultural, new economy, established and emerging sectors. There were only 102 females per 100 of males employed in the emerging sectors. One of the emerging sector is IT industry. Employment in the IT industry increased from 2,65,700 in 1999-2000 to 7,16,300 in 2004-05. The share of females in IT industry employment merely increased from 15.92 percent to 18.74 percent during this period (Basant and Rani, 2004). However, there was rapid increased in female employment in software consultancy, data processing and database activities as compared to hardware, maintenance and repair and other computer related activities. This has been termed as 'storming of the bastion by women professionals'.

**10. Male-Female Wage Gap**

Women continue to be discriminated against in terms of average daily wages both in formal and informal; regular and casual employment categories, the details of which are presented in Table 8.

**Table 8**  
**Ratio of Female to Male Wages/ Earnings in India**

Residence	1999-2000			2004-05		
	Formal	Informal	Total	Formal	Informal	Total
A. Regular Workers						
Rural	0.66	0.63	0.66	0.62	0.59	0.62
Urban	0.87	0.66	0.80	0.93	0.63	0.79
B. Casual Workers						
Rural	0.55	0.65	0.65	0.64	0.64	0.64
Urban	0.52	0.63	0.63	0.63	0.59	0.60

Source: Deshpande *et al.* (2007)

The table shows that disparities in wages of regular and causal workers both in rural and urban areas among male and female workers persisted. While the disparities in wages among regular workers were less in urban areas, these were a bit more in case of causal workers.

The above results in terms of literacy rates, LFPR, Female LFPR in relation to educational level, male-female employment gap, male-female wage gap, women in organized sector, corporate sector, in different sectors including the emerging sectors confirm existence of sizable gender inequalities in India and hence low level of women empowerment. India has largely been walking on one foot, neglecting about 50 percent of the skill, energy and talent available to it.

World Economic Forum's Gender Gap Index for 2013 gave overall rank of 101 to India out of 136 countries whereas its position in terms economic participation and opportunity is 124, 120 in terms of educational attainment and 135 in terms of health and survival. Even Sri Lanka (55), Thailand (65), China (69) and Bangladesh (75) were ranked much higher as compared to India (World Economic Forum, 2013). According to ILO's Global Employment Trends 2013 report, India's labour force participation of women fell from 37 percent in 2004-05 to

29 percent in 2009-10.

**II**

In the emerging scenario, rapid economic development necessitates the optimum use of all available human resources and underutilization of half of the potential workforce is no longer an acceptable proposition. The continuing neglect and absurd prejudices concerning women have not only brought India's position in gender parity to an abominable low level but has also put a big question mark on the growth model of the Indian economy, which has stalled the growth of the economy much short of the potential economic miracle level. Ultimately economy pays for gender inequality in terms of reduced labour productivity and low level of national output.

As market fails to capture the full benefits to society of women empowerment, government has to take the lead. Public policy has to contribute directly and indirectly to reduce gender inequality which has very high social returns.

Following measures are suggested to empower the women of the country economically:

- As education holds the key to economic empowerment, male-female education gap must be bridged through appropriate policies including free education, scholarships and other incentives. As enrolments improve, more attention be paid to education quality as education completion rates alone do not improve economic returns to education. Providing quality education to the youth even in the remotest part of the country should be the topmost agenda of the government.
- Special skill development programmes should be started for the women who are unable to pursue their studies beyond secondary level to make them employable.
- Measures may be taken to ease women's entry into broader lines of work, which may require regulatory changes and investment in training, especially in labour-intensive export oriented industries.
- Women-specific special entrepreneurship programmes should be introduced to encourage them to start business ventures.
- There is a need to address gender-specific constraints to female employment in business ventures through provision of land, credit, extension advice, technology, raw material and markets.
- Supportive services such as day-care centres for children, flexible working hours, higher age limit for job entry, provision of quality food at workplaces at subsidized rates, guidance for forming groups and co-operatives etc. be provided to solve the women specific job/ self employment hurdles.

Women empowerment is an objective which will lead to the automatic attainment of many other objectives. Women are the backbone of any society. Women empowerment is not an issue of women only because it leads to many other benefits, which include:

- Reducing fertility and slowing the population growth.
- Improved child survival.
- Improved nutritional level of the family, particularly the children.
- Educated and empowered women will build an empowered society.
- Alleviation of poverty.
- Honest, patriotic citizens.

Therefore, a big push is required to economically empower the women by combining all approaches including initiatives of the government, NGOs and group-based self-help initiatives.

Ultimately the challenges of growth, job creation and inclusion are intertwined. While women are to be empowered economically, if the growth of the economy is constrained it may turn out to be a zero-sum game. There are more serious socio-economic political impli-

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