



Women Employment Situation in India: Economic Discriminatory Aspects

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Abstract:

The illustration of Indian Labour Market from the gender perspective is crucial to understand the importance and role of labour in the Indian economy. The different parameters (like labour force growth rate, work force growth rate, employment growth rate, unemployment growth rate and so on) that have been used in the various NSSO report to assess Indian labour market reveal significantly different result from a gender point of view. For instance employment growth rate and labour force growth rate of females are lower to that of males. The present work tries to find out the reasons behind the declining female labour force participation rate (FLFPR). The results suggests that the main reasons that have been pointed out for low participation of women in the labour force are that wage rates of women are lower to that of men in many occupations and women are denied of many occupations though they are capable of doing the work as well as men.

Keywords: *Economic Discriminatory, Women Employment Situation*

In 2004-05, about 56 percent of the rural males and 33 percent of the rural females were usually available for employment. The corresponding proportions for urban areas were 57 and 18 percent, respectively. In comparison to 1999-00, the LFPRs increased in 2004-05 by nearly 2 percentage points for males and about 3 percentage points for females, in rural areas. In urban areas, during that period, it increased by 3 percentage points for both males and females.

The decline in female labour force participation has occurred in both rural and urban areas, though the decline is much sharper in rural compared to urban areas. This points to the fact that that in both urban and rural areas girls over 14 years of age (that is, of working age) are either attending the educational institution or have withdrawn from work due to improvement in the family income.

As per UPS approach, 104.5 million women in rural areas and 22.8 million in urban areas were in the workforce in 2009-10. This implied decline in women workforce as compared to 2004-05 when 124 million rural and 24.6 million urban women were working. The NSS 66th round has indicated that an estimated 84.79 million women in rural areas were neither working nor available for work as they attended educational institutions (as per the UPSS approach) in 2009-10. Similarly, in urban areas, 33.88 million women were neither working nor available for work as they attended educational institutions. In the rural areas, women are mainly involved as cultivators and agricultural labourers. The female LFPR declined from around 30 percent to 23 percent between 2004-05 and 2009-10. Similar trends were observable for the female work participation rates. The declines among employed were observed to be sharper among the working age cohorts (15-59), specifically for the rural women, where the FWPR declined from almost 49 percent to 39 percent.

Employment plays a key role in the economic security of any developing country. It is the main source of livelihood and self-fulfilment for most of the human beings. The main goals of economic policy are accelerating growth and expanding employment opportunities in different sectors of the

country. So, employment has always featured as an element of development policy in India. To provide productive employment for the continuing increase in the labour force is an integral part of our objective of inclusive growth. In a broad sense, there is no conflict between the two objectives of growth and employment. Over time, the two go together. Higher growth leads to enhanced employment. But in recent time period this scenario has changed for the Indian economy. Let us examine the employment situation in Indian economy. As per the NSS 66th round survey, as on January 2010, the workforce at the all-India level, was about 459 million (rural men - 231.9 million, rural women - 104.5 million; urban men - 99.8 million and urban women - 22.8 million.

In the past twenty years, Indian economy has grown at very fast rate and now belongs to the fastest growing economies in the world. In such economic conditions, the work opportunities for the peoples should increase and more people should be increasingly pulled into the labour force by attractive pay and employment conditions, but the actual situation is quite the reverse of such expectations. The labour force participation rate of the working age population has declined for the three segments of the population namely rural male, rural female, and urban female. There is some rise in urban male employment in 2009-10 as compared to the previous survey data i.e., 2004-05. In rural areas, there is the sharp decline in female employment as compared to male employment and the urban females employment has also come down as compared to the previous survey. The overall employment situation during 2009-10 shows that there the decline in total employment opportunities if compared to the 2004-05 employment opportunities. Some researchers argue that it had happened just because the females are enrolled in education and hence could not join the labour force. But it is not plausible because if it was the case than why for rural male employment had declined?

An aspect of employment trends and structure that is of interest in a developmental context is the distribution of workers by employment category in terms of self-employed, regular wage and salaried workers and casual wage earners. Till 2004-05 India witnessed predominance of self-employment and increase in the share of the casual category of workers (except for urban females). The latter was generally referred to as increasing ‘casualisation’ of workforce. NSS results reveal that the trend of increasing casualisation continues from 2004-05 to 2009-10 across all the sections (Urban/Rural & sex wise).

The number of casual labour has increased from 329 in 2004-05 to 380 in 2009-10 for rural males and the number of self employed persons and the regular wage employee has decreased. The situation is quite worse for the rural females. The number of casual labour has increased from 326 in 2004-05 to 399 in 2009-10 for rural females. The number of regular wage employee of rural females has increased a little while there is very sharp decline in self employment, i.e., from 637 during 2004-05 to 557 during 2009-10. The casualisation and the number of regular wage employee has increased for the urban labour both for males and for females, but the number of self employed labour has declined for the urban labour. The number of casual labour has increased for all the four segments of the population, it mean that the employment opportunities has declined during the 66th round survey of the NSSO (2009-10) as compared to 61st round survey (2004-05).

Per 1000 distribution of usually employed by category of employment during 1983 to 2009-10

NSS Round (survey period)	Category of Employment		
	Self-employment	Regular employee	Casual labour
	Rural Male		
66th(2009-10)	535	85	380
61 st (2004-05)	581	90	329

55 th (1999-00)	550	88	362
50 th (1993-94)	577	85	338
43 rd (1987-88)	586	100	314
38 th (1983)	605	103	292
Rural Female			
66 th (2009-10)	557	44	399
61 st (2004-05)	637	37	326
55 th (1999-00)	573	31	396
50 th (1993-94)	586	27	387
43 rd (1987-88)	608	37	355
38 th (1983)	619	28	353
Urban Male			
66 th (2009-10)	411	419	170
61 st (2004-05)	448	406	146
55 th (1999-00)	415	417	168
50 th (1993-94)	417	420	163
43 rd (1987-88)	417	437	146
38 th (1983)	409	437	154
Urban Female			
66 th (2009-10)	411	393	196
61 st (2004-05)	477	356	167
55 th (1999-00)	453	333	214
50 th (1993-94)	458	284	258
43 rd (1987-88)	471	275	254
38 th (1983)	458	258	284

Source: various rounds of NSS

Where is the benefit the high growth rate of the Indian economy during the recent few years? The situation is quite worse for the female labours. The women of India is not getting the benefit of high growth rate of our economy in terms of increasing working opportunities for them. In fact, the FLFPR (Female Labour Force Participation rate) has declined in the recent time period, i.e., from 2004-05 to 2009-10 (NSSO 61st and 66th Rounds).

All India employment and unemployment indicators (per 1000)

Indicators	NSS 66 th round (2009-10)			NSS 61 st round (2004-05)		
	Male	Female	Persons	Male	Female	Persons
UPPS						
LFPR	557	233	400	559	294	430
WPR	546	228	392	547	287	420
UR	20	23	20	22	26	23
CWS						
LFPR	550	207	384	550	257	407

WPR	532	198	370	527	244	389
UR	33	43	36	42	59	44
CDS						
LFPR	540	179	365	538	215	381
WPR	507	164	341	496	195	350
UR	61	82	66	78	92	82

Source: Key Indicators of Employment and Unemployment in India, 2009-10, NSSO

Only during the period 1999-00 to 2004-05, the female labour force participation rate increased in urban areas. During this latter time period, lower level of education and increase in female labour force participation are driven more by distress situation rather than by increasing economic opportunities. The economic boom has offered quite few opportunities for women in India. In fact, for all except the very highly educated women, there appears to be a no improvement in the labour market conditions at all, or the conditions have even deteriorated.

The highly patriarchal nature of Indian society defines specific gender roles for women, which often bars them from the possibility of even entering the labour market. In India, across a variety of regional and cultural divisions, domestic work and childcare are widely considered to be women's work. Moreover, it is also expected to assign a high dignity to women, who exclusively involve themselves with domestic responsibilities. However, over the years situation has changed since the labour force participation rates for women in India have increased over the time. But if we look deeper into the nature of jobs in which women are increasingly absorbed, the trends are not very impressive.

Over the years, there have been significant changes taking place in terms of the gender dimensions of the Indian labour market. Although the labour market participation of women has increased, with more and more women involving themselves in paid work, the quality of women's employment has been an issue of concern. The over-all economic changes associated with liberalization have had significant impacts on the patterns of women's employment. Some of the recent developments in the Indian economy that has bearings on the nature of women's employment are: the increasing informalisation of the economy, the emergence of global production chains with sub-contracting and outsourcing to developing countries and boom of export-oriented manufacturing (Nihila, 1999; Neetha N., 2002; Ghosh, 2004). All these developments have contributed to what has been referred to as increasing feminization of the labour force. The principal characteristics of feminization are: a greater move towards casualisation of labour, shift to part-time or piece-rate contracts and higher freedom of hire and fire. Women have increasingly become preferable for the employers since they are ready to work for lower wages, easier to fire using life-cycle criteria such as marriage or childbirth, and expected to be more subservient to managerial authority. The informalization of labour continues to operate, with women contributing significantly usually in small units or through home-based production, which lie at the bottom of a complex sub-contracting chain (Ghosh, 2004).

The WPR of females has declined very sharply for all the working age groups and for both the rural and the urban areas. During the past two centuries, India has grown at a very fast rate. But the labour force participation rate of women remain quite stagnant for the period before 1999-00, and increased

during 1999-00 to 2004-05 and again fell down by during the period 2004-05 to 2009-10. Despite having one of the most progressive federal constitutions and an extraordinary track record of economic growth since the early 1990s, the participation of women in India's economy is still disappointingly low. There may be several reasons for declining FLFPR in India. There is no more opportunities creation in the economy as could be as a result of high growth rate of economy that would allow higher female participation in India to reap more benefits of its currently advantageous age structure of the population with a large share of working age people and relatively few dependents. Women's participation in the labour market is influenced by social norms governing gender roles and responsibilities as much as it is by economic and structural factors. Apart from these economic benefits, women's participation in the labour force can be seen as a signal of declining discrimination and increasing empowerment of women (Mammen and Paxson, 2000). Women's employment is a critical factor in their progress towards economic independence and is also considered as an indicator of their overall status in society (Mammen and Paxson, 2008). Now it is crucial to know about the factors which affect the FLFPR in India in recent time period. Women's decision to work is affected by social and cultural factors and also by the income and underemployment of household members. Market wage rate also affect the rate of participation of women. Wage rate discrimination may also decrease their incentives to work. Economic compulsion pushes poor women to work, which implies working for wages, this however cannot be viewed as the factor drawing out their labour supplies (Papola, 1986).

Incidence of Unemployment in India by three alternative Concepts-Usual Principal Status, Current Weekly Status, and Current Daily Status

Year	Rural and Urban			Rural			Urban		
	P	M	F	P	M	F	P	M	F
1972-73	1.6	1.9	1.0	0.9	1.2	0.5	5.1	4.8	6.0
1977-78	2.6	2.2	3.3	1.5	1.3	2.0	7.1	5.4	12.4
1983	1.9	2.3	1.2	1.1	1.4	0.7	5.0	5.1	4.9
1987-88	2.7	2.6	2.9	2.0	1.8	2.4	5.4	5.2	6.2
1993-94	1.9	2.2	1.4	1.1	1.4	0.8	4.4	4.0	6.2
1999-2000	*	*	*	*	2.1	1.5	*	4.8	7.1
2004-05	2.9	*	*	2.5	2.1	3.1	5.3	4.4	9.1
2009-10	2.5	2.2	3.3	2.1	1.9	2.4	3.7	3.0	7.0
Current Weekly Status (CWS)									
1972-73	4.3	3.7	5.9	3.9	3.0	5.5	6.6	6.0	9.2

1977-78	4.5	4.4	5.0	3.7	3.6	4.0	7.8	7.1	10.9
1983	4.5	4.4	4.8	3.9	3.7	4.3	6.8	6.7	7.5
1987-88	4.5	4.8	5.0	4.2	4.2	4.3	7.0	6.6	9.2
1993-94	4.8	3.5	3.8	3.0	3.0	3.0	5.8	5.2	8.4
1999-2000	*	*	*	*	3.9	3.7	*	5.6	7.3
2004-05	4.4	4.2	5.0	3.9	3.8	4.2	6.0	5.2	9.0
2009-10	3.6	3.3	4.3	3.3	3.2	3.7	4.2	3.6	7.2
Current Daily Status (CDS)									
1972-73	8.3	7.0	11.5	8.2	6.8	11.2	9.0	8.0	13.7
1977-78	8.2	7.6	10.0	7.7	7.1	9.2	10.3	9.4	14.5
1983	8.3	8.0	9.3	7.9	7.5	9.0	9.6	9.2	11.0
1987-88	6.1	5.6	7.5	5.2	4.6	6.7	9.4	8.8	12.0
1993-94	6.0	5.9	6.3	5.6	5.6	5.6	7.4	6.7	10.5
1999-2000	*	*	*	7.2	7.2	7.0	*	7.3	9.4
2004-05	8.2	7.8	9.2	8.0	8.0	8.7	8.3	7.5	11.6
2009-10	6.6	6.1	8.2	6.8	6.4	8.0	5.8	5.1	9.1

Source: NSS Employment and Unemployment Survey Reports

The unemployment rate for females has declined during 2009-10 as compared to 2004-05 on all the three statuses namely Usual Principal Status (UPS), Current Weekly Status (CWS), and Current Daily Status (CDS). It is not because the employment opportunities for females have increased, but it happens due to the declining rate of female's labour force participation.

In economics, more production is the synonym of more welfare, and production is the function of labour capital and technology. An increase in national income requires the increase in production of goods and services. As production is the dependent factor on labour, so it requires more labour to produce more goods and services. Women are the nearly half of the Indian population. Development data repeatedly reinforces the point that investing in women's health and education results in poverty alleviation, increased development, and healthier, better-educated children. Investing in women is investing in communities and nations. Melanne Verveer, the head of the U.S. State Department's

Office of Global Women's Issues, calls women "the lowest hanging fruit" in order to achieve economic growth. In our country, the rate of growth of GDP was quite high during some previous years, but the labour force participation rate of women had declined from 2004-05 to 2009-10. Women workforce and labour force participation has declined in recent time period and the gap between female and male work participation ratio has increased in India. The rate of growth of India's GDP may be more high if all the females of working age group were engaged in economic activities. Lakshmi Puri, the assistant secretary-general of UN Women, noted in 2011 that India's growth rate could jump by 4.2 percent if women were given more opportunities. That would push India's current growth rate of about 7.5 percent closer to 11 percent, making it, once again, one of the world's fastest accelerating economies.

During the Vedic period, women were given high status. As a mother, sister, and wife they occupy the honoured place. They were considered the epitome of courage and boldness, love and affection, sacrifice and sufferings. But in today's world, women lost their honoured status due to some social, economic and political factors. For centuries they have been deliberately denied opportunities of growth in the name of religion and socio-cultural practices. Before independence, women were prey to many abhorrent customs, traditional rigidities and vices due to which their status in society was very poor. They were victims of widespread illiteracy, segregation in the dark in the name of purdah, forced child marriage, indeterminable widowhood, rigidity of fidelity and strong opposition of remarriage of widow, female infanticide, violence and force to Sati, and complete denial of individuality. Besides, the economic dependence, early tutelage of husband and in-laws, heavy domestic work-load which remained unpaid and unrecognised, absence of career and mobility, non-recognition of their economic contribution, poor work conditions and wages, and monotonous jobs which men generally refuse to do were responsible for their pitiable condition. At the socio-political plain, women were suffering from unequal and inferior status. They were denied

independence and freedom even at their homes. They were viewed solely as mother and wife and never as women or a person and these roles were idealistic. Men were never subject to these restrictions. Women were considered inferior to men in that society. All these were the sign of backward society and low economic status of the nation. But during the course of time, due to some socio-economic reformers, the women's status improved. They were come out of some ridiculous customs. The status of the women is intimately connected with their economic status, which in turn depends upon rights, roles and opportunities for participation in economic activities. The economic status of women is now considered as an indicator of society's development indicator. Pattern of economic activities of women are affected by prevailing social ideology and are also linked with economic development. The women population in India is characterized by low literacy rate, low work participation rate of and low level of development participation. Most of the women in India have no technical skills, specially the rural women. There is still need for empowering of women to enjoy the rapid growth and high economic development of the economy.

According to UN Women (2012), women's economic empowerment is defined as: '...increasing the ability of women to bring about change that drives valuable outcomes as a result of their increased economic capabilities and agency i.e. their ability to function effectively in the economy; to participate in labour and product markets on equal terms, to shape the gender division of labour; to accumulate assets, and to shape the relationship between markets and the state and to influence the institutions and processes that determine growth and development'. (Round Table on UN Women's Strategic Plan for Women's

Economic Empowerment (India Programme), New Delhi). Mere gender equality does not show those economic effects that empowering of women can show. As the 2012 World Development

Report highlights, empowering half of the potential workforce has significant economic benefits beyond promoting just gender equality (World Bank 2012).

A central driver of economic growth over the past century has been the increased role of women. This empowerment comes in many forms: increased female labour force participation, reduced discrimination and wage differentials that encourage greater effort, and improved advancement practices that promote women's incentive to work, to contribute in national income. But in economic participation, gender disparities remain deeply entrenched in India. The labour force participation of women in India is declined during its high growth rate phase. This is the most striking issue for any economist that why FLFPR in India has declined and why they are not using their potential in labour market and to achieve economic independence. The labour force participation gap for women was driven by two contrasting developments. As women have become more and more educated, in particular in developing countries, their participation rates tended to increase thus allowing them to reap the full benefits of their higher productivity and capacity to generate income. At the same time, the higher education levels for adult women came at the expense of longer stays in the education system for younger female cohorts. This tended to decrease the labour force participation rates for young women, which – depending on the relative size of the youth cohort – even decreased the overall female participation rates in some countries.

The UN Global Gender Gap data shows that women's economic participation and opportunity is worse in India than in 95% of all other countries studied. This column attempts to uncover what drives the gender balances of new enterprise in India and suggests measures for promoting women's entrepreneurship and economic participation.

The UN Gender Inequality Index has ranked India below several sub-Saharan African countries. Gender disparities are even more pronounced in economic participation and women's business conditions in India. Using data from the 2011 Global Gender Gap report,

Despite India being the second fastest growing economy in the world, gender disparities have remained deep and persistent in India.

What explains these huge gender disparities in women's economic participation in India? Is it poor infrastructure, limited education, and the gender composition of the labour force and industries? Or is it deficiencies in social and business networks and a low share of existing or incumbent female entrepreneurs?

Within the manufacturing sector, female shares are highest and typically exceed 50% in industries related to paper and tobacco products. At the opposite end, female shares of 2% or less are common in industries related to computers, motor vehicles, fabricated metal products, and machinery and equipment. In services, female ownership rates in major cities tend to be higher than overall state averages and exceed 30% in industries related to sanitation and education. Industries related to research and development, and transportation has the lowest rates at 1% or less. (Ghani et al 2011b).

India's economic growth and development depends upon successfully utilising its workforce, both male and female. Despite its recent economic advances, India's gender balance for entrepreneurship remains among the lowest in the world. Improving this balance is an important step for India's development and its achievement of greater economic growth and gender equality.

Globally, gender gaps in unemployment and employment that trended towards convergence in the period 2002 to 2007, grew again with the period of the crisis from 2008 to 2012 in many regions. The gender gap in participation, examined over a longer period of the last two decades, shows

convergence in the 1990s, but was constant in the 2000s, with increasing gaps in some regions like South and East Asia and Central and Eastern Europe. (Global Employment Trends for Women 2012, ILO). In South and East Asia the gaps could have increased for young women dropping out for more education. India is one of those countries where FLFPR had declined in recent time period.

A central driver of economic growth over the past century is the increased role of women. This growth in the role of women comes in many forms: increased female labour force participation generally, reduced discrimination and wage differentials that encourage greater effort, improved advancement practices that promote talented women into leadership and managerial roles, and similar. Simply put, empowering half of your potential workforce has significant economic benefits beyond promoting gender equality (Duflo 2005, World Bank 2012).

Despite having one of the most progressive federal constitutions and an extraordinary track record of economic growth since the early 1990s, the participation of women in India's economy is still disappointingly low. While women have been somewhat successful in Indian political life – in parliament, as chief ministers and as cabinet-level officials, and in the panchayat system – they have not been nearly as active in its economic life. India's economic growth is remarkable in its reach and impressive for pulling millions out of poverty, but women are still missing at virtually every level of professional life.

Unless females can achieve their full economic potential, families and countries will continue to pay a heavy price.

Why? Because despite the enormous progress achieved in social indicators, women and girls still lag behind economically.

The World Economic Forum's Global Gender Gap Report, sourced from over 600 employers, states that India has the lowest percentage of women employees (23 percent). Overall, India ranks close to the bottom (113 out of 135 countries). The World Bank's recent report, "More and Better Jobs in South Asia," states that the female employment rate in South Asia "is among the lowest in the developing world... Participation rates are particularly low in the three largest countries: Pakistan, where almost four out of every five women do not participate in the labour force, and Bangladesh and India, where slightly more than two out of every three do not do so." Two out of every three women in India are not employed. Can India afford this?

Across all areas of life, whether in political bodies or corporate boardrooms, women have a limited say in the decisions that affect them. Quotas and other special measures open more space for women's participation. New skills help women realize their full leadership potential.

Women lag far behind men in access to land, credit and decent jobs, even though a growing body of research shows that enhancing women's economic options boosts national economies. Macroeconomic policies and policy-making can make the connections to gender equality. The multiple barriers that prevent women from seizing economic opportunities must be dropped.

There are considerable differences in women's and men's access to and opportunities to exert power over economic structures in their societies. In most parts of the world, women are virtually absent from or are poorly represented in economic decision-making, including the formulation of financial, monetary, commercial and other economic policies, as well as tax systems and rules governing pay.

The economic empowerment of women is gaining prominence in the development agenda. It is reflected in Millennium Development Goal 3 and will be the focus of the World

Bank's World Development Report 2012. Expanding women's access to income generating opportunities is a key part of this objective. An important starting point is to understand where women work.

Women's lives have improved greatly over the past decades. Enjoying ever higher education, women have greater control over their life choices. They use those choices to participate more in the labour force; have fewer children; diversify their time beyond housework and child care; and shape their communities, economies, and societies. And the pace of change for many women in the developing world has accelerated. But things have not changed for all women or in all aspects of gender equality. First, for poor women and for women in poor places, sizable gender gaps remain, even in education enrolments and fertility, where global progress has been great. For the wealthiest people

across countries, there is little gender disadvantage, but it is large for severely disadvantaged populations at the bottom of the income distribution. Ethnicity, distance, disability, or sexual orientation, among other factors, further compound gender inequality.

Second, in some domains of gender equality there has been very little — or very slow — change, even as countries get richer. These “sticky” domains include excess female mortality in key periods of the life cycle and occupational differences in the economic sphere. In many areas of women's agency, including political voice and representation, differences between men and women remain entrenched, even in very rich countries and despite nearly a century of women's activism.

According to World Bank's World Development Report, the lives of girls and women have changed dramatically over the past quarter century. The pace of change has been astonishing in some areas, but in others, progress toward gender equality has been limited even in developed countries. World Development Report: Gender Equality and Development states that gender equality is a core development objective in its own right. It is also smart economics. Greater gender equality can enhance productivity, improve development outcomes for the next generation, and make institutions more representative. The Report focuses on four priority areas for policy going forward: **(i) reducing excess female mortality and closing education gaps where they remain, (ii) improving access to economic opportunities for women (iii) increasing women's voice and agency in the household and in society and (iv) limiting the reproduction of gender inequality across generations.**

Educating and empowering women have proven the catalyst for rapid socio economic growth. The societies where women are repressed are among the most backward. This is true for all the economies. Women have equal capacity or ability as those of men to work, to produce and to improve the economic growth of any economy. Without their inclusion in the economy, it is impossible to grow at fast pace. For their inclusion in economy, it is necessary to educate them, to make them skilled, to empower them and give them the equal opportunities to work to use their potential and their skills. There is a need to enhance women's participation in development efforts and it needs to improve women's access to education, employment, productive resources and property rights. Neglecting the development of women is the compromise with the future of Indian economy and investing in women and in their education is the investing in present and future. Women empowerment in India is heavily dependent on many different variables that include geographical location rural-urban, education status, social status, and economic status etc. In rural India, women's economic opportunities remain restricted by social, cultural, and religious barriers. In many parts of India, women are considered less powerful than men and occupy lower status in the family and in the community which consequently restricts them equal opportunity to access the education, economic opportunities and mobility.

According to Global Gender Gap Report, World Economic Forum 2012,

- India's rank is 123 out of 135 countries in women's participation in labour force and opportunity
- In inequality between men and women in economy, politics, health, and education India's rank 105 out of 135 countries.

In India, certain development indicators like maternal mortality, literacy rate of women, gaining access to healthcare and education show that the life women in India is improving. But, surprisingly their participation in labour force is declining preceding few years according to NSSO's latest round report. What happened in Indian economy so that FLFPR has declined? Are women not given equal opportunities to work as those of men? There are considerable differences in women's and men's access to and opportunities to exert power over economic structures in their societies. Is India one of those countries? Unlocking women's potential and increasing their political and economic participation and leadership is crucial for the rapid growth of the economy. India is a democratic country and in its constitution provision every person of the nation has the equal right to access equal opportunities.

Though women constitute half of the population of the world, yet they own less than one percent of the world's property (UNDP Human development Report 2005). According to UN

Report (2005), women constitute half of the world's population, perform nearly two-third of its work hours, receive one-tenths of world's income and own less than one-hundredth of the world's property. The ratio of female to male earned income is 0.38 for India (UNDP 2005). The female work time as percentage of male is 117 for India and out of which 35 percent of their time of work done goes to market activities and 65 percent to non-market activities. The non market activities of women remain unpaid and count nowhere. While that of men 92 percent of their work done is marketable and only 8 percent is non-marketable. So, women work more than those of men in India and in most of the countries of the world.

The condition of women in India is more miserable in every field of social life. They are paid very low wage rates for the same work as compared to their male counterparts. India is a predominantly agricultural economy and women in India women do more than half of the total agricultural work. But their work is nowhere counted. So, they lose their incentives to work and like to remain at home in spite to do work at fields. In most of the economies of the world, women are responsible for care of family members and household tasks and therefore face greater constraints than men on the amount of time and efforts they can put into paid employment and productive works (ILO). In the developing country like India, there is still considerable reliance on the extended family – usually women and girls for care of children, the sick and elderly.

Employment is not merely a source of income and personal satisfaction, but also an important field for the formation of social relations between individuals and one of the factor that determines social status. Though the basic self-realisation and instrumental needs are more or less common for both the genders, the work has some different role in the life of females than of males. Everybody wants to use one's abilities, to be independent, to do something useful, to earn a living or to be financially independent, but for female all these issues matter to a much greater extent as the social status of women lags behind than that of men. Women need more self-dependency than men. Employment is an important source of empowerment. It provides them financial independence and a social identity. But still their LFPR is too low as compared to their male counterparts in the economy and still declining trends are shown for FLFPR. The economic status of women is critical to success and growth of every state or country. When women can contribute as full and equal participants in work, politics, and community life, they unleash the potential of the nation.

The economic welfare of any nation is directly related to total output produced in that nation. Since production is the function of labour, capital and technology, the welfare of nationals is directly related to the job opportunities for labour. On the one hand labour is human capital, its optimum use can cause a rapid growth in economic production and on the other hand labour is the consumer too. So, employment opportunities are crucial to improve the economic welfare of the nationals. It helps to reduce the poverty, to enhance the human welfare and to improve the economic welfare of the nation or economy. Nation Sample Survey Office (NSSO), Govt. of India conducts the quinquennial survey to collect the data on employment and unemployment situation of India.

It is necessary to find the employment situation of females to understand the actual scenario of the employment and poverty situation of the nation as employment and poverty have inverse relationship between them. Despite rapid economic growth, gender disparities in women's economic participation have remained deep and persistent in India. What explains these gender disparities? Is it poor infrastructure, limited education, or the composition of the labour force and industries? It has been found that female's labour force participation rate (FLFPR) has declined in 66th round survey (2009-10) very sharply as compared to that of 61st round (2004-05) or the 55th round (1999-00) which means that proportion of women participating in domestic duties is higher in 66th round as compared to previous round. But FLFPR had increased in 61st round (2004-05) from its previous survey round (55th round, 1999-2000). It has decreased more sharply for rural females as compared to urban females. Why it has happened in a developing economy like India is a matter of grave concern as in a developing economy the participation both, the males and of the females, increases in labour force with the growth of the economy. The demographic dividend of India is too favourable for the labour force. Then why the reverse trends are seen in Indian economy regarding FLFPR? It is crucial to know the reason behind the declining trend of FLFPR. Why women are not offering their services to the economy? Is there any constraint which prevents them to offer their services? If not then why FLFPR is declining? If women are willingly engaged in household duties or they have no opportunities to go out to work? If they are less skilled as compared to their male counterparts or any other social reason is behind it. Longer years of education may prevent them to enter in labour force at early age, but the women who have completed their education or those who are not joining any educational institution may join the labour force. Then why FLFPR is declining? And what happened about males, are they not joining educational institution for longer years? If yes, it means that females are more qualified as compared to males. Again if yes then why women are accepting low paid jobs as compared to males? To find the real situation it is necessary to find out the wage rate of male and female work. A significant part of women population is engaged in household duties. They also take many activities which provide economic benefits to their households. It is impossible to understand their work. Under those conditions their work is nowhere count even when they perform those activities which are absolutely essential for the system. In all societies and particularly in developing countries, there remain essential but usually unpaid activities such as cooking, cleaning and other housework, provisioning of other household needs, child care, care off sick, and the elderly, as well as community based activities are seen as the responsibility of women and remain unpaid. This shows that women engaged in household activities are not offering their services and not contributing to national product? This pattern is of unpaid work tends to exist even when women are engaged in outside work for an income, whether as wage worker or self-employed workers. More women in India of working age are enrolling in secondary school but that is only one reason why the number of women who are either working or looking for a job is decreasing. What are the other possible reasons for declining FLFPR? Either slow growth in employment opportunities or any other reason is responsible for declining participation rate of women. The present paper tries to find out the various reasons behind the declining trend of women's participation in labour market.

Various factors social, economic, cultural and demographic mechanisms are responsible for participation in labour force (Olsen and Mehta). But how these factors are affecting the females labour force participation in India?

Sarvekshana, the bulletin of NSSO show a decline in female labour force participation rate. Women are generally replaced by men, although the income earned may actually increase. (Hensman) In the post liberalisation period, female employment remained a matter of puzzle with contradictory trend and patterns (Neeta N.,2013). Marriage at early age and child bearing and limited access to education limit women's ability to participate in labour market, particularly in organised sector. But men are compatible with labour market and expected to be employed and breadwinner to their families. (NFHC 2005-06)

India has lower female labour force participation rate as compared to developed countries and shows a downward trend both for rural and urban areas over the past few years.

Employment declines with wealth quintile and it is more sharply happen in case of females (NFHC 2005-06). Income level along with education level affects the FLFPR. If a household has a high income and high education level then females of that family will participate in labour force. But if the income level is high and the education level is low then the females of that family will not participate in labour force. (Klesan and Pieters). But in the survey it has been found that females belonging to low economic class participate in great economic manner to meet the household needs. Rural agriculture female workers give the clear snapshot regarding this.

Wage discrimination may also affect the participation of females in labour force. It has been observed that females are paid less amount for the same work and same working hours. Wage differences become all the more striking when reflected in the earnings ratios of men and women. It may disappoint their incentives to do work. Economic changes also affect the women employment. Most of the employment in recent period is generated in unorganised sector. It lacks social security. It eludes most workers in the informal sectors, especially women worker. In the informal sector lack of child care provision and maternity benefits keep women outside the LFPR.

Educational attainment determines the quality of a population and one's employment prospect. Less investment on girl's education make them less skilled and deprive them to enter in labour force. If girls education is financed enough then their participation may improve enhance. But longer years of schooling or in any educational institution may be one cause to not to offer their services to the economy. Along with longer years of education, the changing structure of the economy, low growth of employment opportunities etc. discourage women not to enter in labour force. The type of employment generated in modern industrial sector does not match with the skills possessed by the women and they withdraw from labour force.

The labour force participation gap for women was driven two contrasting developments. As women have become more and more educated, particularly in developing countries, their participation rates tended to be increase and thus allowing them to reap the full benefits of their higher productivity and capacity to generate income. At the same time, the higher education levels for adult women come at the expense of longer stay in the education institution for younger age cohort. This tends to decrease the labour force participation rates for young women and decreases the overall FLFPR.

The falling female labour force participation rate in India has been a puzzle for academics and policy makers. What explains the huge gender disparities in women's economic participation in India? Is it poor infrastructure, limited education, and the gender composition in labour force and in the industries? Deficiencies in social and business network also contribute to low participation in

economic activities of women. Some possible explanations have like social conservatism, increased educational enrolment, income effect (as household incomes rise, women are withdrawing from agricultural activities), lack of job opportunities, and drawbacks of measurement of females work have been given by various researchers for this decline. Because of the nature of the jobs they do (home-based work, agricultural labour, etc.), it is difficult to measure the participation of women in work (ILO).

Despite very rapid economic growth in India in recent years, declining female labour force participation rates across all age groups, across all education levels, and in both urban and rural areas is observed. The trend can be partly explained by the fact that increasing numbers of women of working age are enrolling in secondary schools and by rising household incomes, as women in wealthier households tend to have lower participation rates. (Steven Kapsos) Other potential causes include measurement issues, whereby women's employment may be undercounted, as well as a general decline in employment opportunities for women, as they face increased competition with men for scarce jobs. (Steven Kapsos)

The statistics shows that the LFPR for women is the lowest in recent period since 1993-94 both in rural and urban areas. It is possible that women have simply withdrawn from the labour market in India due to social conservatism. (Chaudhary) But the LFPR for women in both urban and rural areas was the highest (after 1993-94) in 2004-05. It is not plausible that the conservatism has increased dramatically in the course of only five years. How is this possible that female's participation in labour force decline due to social conservatism. Further social conservatism is what type is not explained. Some researchers argue that the decline in FLFPR is due to that women are pursuing higher education as more persons belonging to the age groups of 15-19 and 20-24 have reported attending educational institutions as their usual activity in 2009-10, compared to 2004-05. (Subhanil Chaudhary). This argument is, however, problematic because the fact that the decrease in the LFPR is the result of a higher proportion of people (particularly women) attending educational institutions, cannot explain why the overall employment situation in the country did not improve. If more people are moving out from the labour force, in the 15-24 age groups, then, given a particular rate of employment creation in the country, people from other age-groups should fill the vacancies created. If it is not the case then there is full employment situation in the economy or a situation of labour shortage. But, this is not the case in India. The only explanation then for an almost stagnant employment situation is simply that not enough jobs are being created in the economy, even with an 8% plus growth rate. So, it is doubtful as to whether an increase in women attending educational institutes can be put forward as an explanation for a fall in the female LFPR. The decline in female LFPR across all age groups indicates that there must be some other factor inhibiting women from participating in the labour market. The decline in the LFPR for women, irrespective of age, might be because of a decline in overall employment opportunities. In 2004-05, there had been an increase in female LFPR, compared to earlier rounds of the NSSO survey. But subsequently, with a fall in employment opportunities overall, these women could not find employment and withdrew from the labour market. Social orthodoxy may have played a role in pushing out women rather than men from the labour force as man is considered the breadwinner of the family.

Financial crisis 2008 affected the exports of India adversely. Women have been working in the export industries in large numbers. With the export industry hit hard due to the recession, these women lost their jobs and perhaps could not be re-absorbed in the labour market. In other words, the withdrawal of such a large number of women from the labour force was also a result of falling employment opportunities.

In terms of declining employment opportunities, occupational segregation appears to play an important role in holding women back. Women in India tend to be grouped in certain industries and occupations, such as basic agriculture, sales and elementary services and handicraft manufacturing.

The problem is that these have not seen employment growth in recent years, which has put a brake on female employment growth.

Female employment in India grew by 9 million between 1994 and 2010. However, the ILO estimates female employment in India could have almost doubled if women had equal access to employment in the same industries and occupations as their male counterparts.

Most studies discussed regarding the declining FLFPR are based on individual data from various NSS survey rounds and focus mainly on the role of education, income, employment opportunities or cultural factors as drivers of women's labour market participation. The factors impacting women's employment also interact among themselves making it tricky to disentangle their effect. The impact of education, for example, will depend on both economic opportunities available and cultural perceptions that govern women's work norms. This to a certain extent will also be mediated by the economic status of households. But some possible explanations for declining rate of female participation in labour market can be as follows:

The Explanations for Declining FLFPR

Wage Discrimination

One of the dimensions of access to decent and productive employment is the measure of the gender pay gap (or gender pay differential), i.e., the difference between wage earned by women and those by men. Discrimination in remuneration occurs when the main basis for the determination of wage is not the content of work, but rather the sex and other personal attributes of the person performing the work. Gender wage differences may be best explained by a variety of factors such as occupation, age, education, work experience and seniority in job, job tenure, training, occupational segregation, etc.. Other factors such as the regulations and the practices concerning work and family life, child care facilities and other social rights play a significant role in participation of women in the labour force, in the occupational choices, and in the employment patterns that affect the gender wage gap. Wage differentials are found across regions, occupations, sectors and so on, the inequalities across men and women workers differ since there is an element of discrimination involved in such variations. In India, one half of the workforce is involved in self-employed activities and a majority are involved in informal, unorganised sector work and hence wage inequality is inevitable in Indian labour market. Women everywhere typically receive less pay than men for same the work performed. Women continued to be "treated as a source of cheap and secondary labour that can be hired and fired to suit the requirements of the employer".

There is the existence of a persistence gap between men and women around the world. According to the Women and Work Commission (WWC), the gender pay gap opens early. Boys and girls study different subjects in school, and boys' subjects lead to more lucrative careers. They then take different degrees and work in different sorts of jobs. As a result, average hourly pay for a woman remains quite low as compare to males. Wage difference on gender has been a great global concern over the time. The existence of discrepancy in wage payments between men and women in the labour market is a universal phenomenon regardless of the economic structure economic structure of the country (Newell and Reilly, 2001). Like other developing countries, the problem of wage disparities on the basis of gender is far more striking in India. The gender inequalities prevalent in Indian labour markets are stemming from the socially derived structures, division of labour, sex segregation and labour market segmentation that provide the basis for propagation and perpetuation of wage and income inequalities. Discrimination against women in the payment of wages is wide spread in India. In terms of wages, obviously, the urbanites are paid more than their rural counterparts. Men are paid more than women. At the national level, average wages earned by regular wage/salaried employees is Rs 396 per day (Rs 299 in rural areas and Rs 450 in urban areas).

In the rural areas, wages earned per day by a regular wage/salaried employee is Rs 322 (men) and Rs 202 (women). In the urban areas, this is Rs 470 for men and Rs 366 for women. Women workers are in general classified as those belonging to the organized and unorganized sectors. The economic conditions of women are very poor from the fact that 94% of them are found in unorganized sector leaving only 6% in the organized sector. Out of the 94% of the female laborers found in the unorganized sector, nearly 80% belongs to agriculture since India is still, by and large an agricultural country. The low rates of wage for women laborers are due to the unorganized nature of employment, the ease with which hired labor can be substituted by family labor, the seasonal nature of the demand for labor and the traditional classification of agricultural jobs into male and female.

According to Global Gender Gap Report 2010, among the BRIC economies, India ranks lowest on gender parity, this includes pay parity. World Economic Forum 2010 ranks India among the bottom 10 countries in the world in terms of women's participation. In terms of gender equality, India achieves a score of 59.4%, but in terms of economic participation and opportunity, it scores 39.8%. As per the report of Annual Survey of Industries for the year 2004-05, the gender wage gap for the regular workers in the formal sector was 57%, where for casual workers in this sector it was 35-37%. In agriculture sector, where the women participation rate is more than estimated 60%, the hourly wage rate of women is 50 to 75% of male rates. The discrimination and the biases against women witnessed in social sphere gets mirrored on to economic spaces not only through direct routes but also via the resilience in perceptions and mindsets among the agents of the labour markets that reconfigure to retain elements of gender imbalances. It affects the participation of females in labour force. It has been observed that females are paid less amount for the same work and same working hours. Wage differences become all the more striking when reflected in the earnings ratios of men and women. It may disappoint their incentives to do work. For many decades, one of the most salient features of women's status in labour market was their tendency to work in a fairly small number of relatively low-paying, predominantly female jobs like nurse, pre-kindergarten and kindergarten teachers, elementary and primary teachers, dietician, or librarian which tend to be relatively low-paying compared to predominantly male professional occupations. Women are also underrepresented in blue-collar jobs including higher paying precision. Women tend to accumulate less labour market experience than men. Further, women anticipate shorter and more discontinuous work lives, so they have lower incentives to invest in market-oriented formal education and on the job training. Their resulting smaller human capital investments lower their earnings relative to those of men. The longer hours that women spend on housework may also decrease the effort they put into their market jobs compared to men, controlling for hours worked, and hence reduce their productivity and wages (Becker, 1985). But, at the same time the female are getting far lesser amount for the same work done by them and by those of men. This wage discrimination reduces their incentives to work and to enter in labour market. Economic changes also affect the women employment. Most of the employment in recent period is generated in unorganised sector. It lacks social security. It eludes most workers in the informal sectors, especially women worker. In the informal sector lack of child care provision and maternity benefits keep women outside the LFPR.

Women population constitutes nearly half of the country's population and is characterised by low literacy rate, low participation rate and low level of development participation. A major proportion of their population has no technical skills. Women continued to be "treated as a source of cheap and secondary labour that can be hired and fired to suit the requirements of the employer". In the labour market, women are not only put in low wage jobs but also paid less remuneration as compared to their male counterparts. Discrimination among women labourers in terms of wage payments is a very common phenomenon in India. According to Self Employed Women Association (SEWA) 2000, the wages of women workers were below the minimum wages in some cases and at the same time, the average monthly income of women workers was very low nearly one third as compared to their male counterparts. It is said that there are various reasons due to which the wages of women

labour is less than male labours. Women mostly work in light industries as they are unsuitable to work in heavy industries. Also most of the women are engaged in unorganised sector where the wages tend to be very low. About 94% of the total working women are in unorganised sector (**ICSSR, Status of Women in India**). Secondly, women are physically weaker than men and thus are unable to work for longer hours, which results in decreased wage rates. Thirdly, male workers improve their productivity by undergoing long on the job trainings but women have many other priorities like looking after family and child care and thus are not able to undergo such trainings. The longer hours that women spent on housework may also decrease the efforts they put into their market jobs compared to men, controlling for hours worked, and hence also reduce their productivity and wages (Becker,1985). Women labours are paid fewer wages than their male counterparts even for the same type of work. During the past few years, an increasing trend has been observed both in wages and income of the people but when it comes to wage differentials, there is no significant change (Dev 2002). Various studies on the labour market in India have linked wage rate with the average productivity of labour and have tried to determine the wage rate differentials through these facts but all these studies have proved to be inadequate to explain the variations in the wage rates across the India. The Gender Pay gap has seen an increasing trend after liberalisation as the GPG has increased from 24% in 1991 to about 32% in 2004 (Menon and Rodger 2009). In all states of India, the female workers employed are very less as compared to their male counterparts. Women are facing wage discrimination across all the states of India. Only Bihar is an exceptional case where women are getting more wage as compared to their male counterparts in both the rural and the urban areas. But, the general analysis reveals that women are receiving fairly less wages than their male counterparts.

Average wage/salary earnings per day received by regular wage/salaried employees (2009-10)

States	Rural male	Rural female	Urban male	Urban female
Andhra Pradesh	198.31	93.84	341.63	248.05
Assam	248.31	95.00	491.19	380.92
Bihar	252.59	271.76	338.31	500.75
Gujarat	187.02	178.08	306.58	221.35
Haryana	299.11	202.04	316.91	330.10
Himachal Pradesh	360.08	224.78	487.56	435.70
Jammu & Kashmir	328.11	335.82	379.61	321.86
Karnataka	195.08	112.60	414.95	293.37
Kerala	290.79	213.29	450.76	320.61
Madhya Pradesh	154.03	138.15	325.15	230.33

Maharashtra	293.76	164.51	439.30	391.71
Orissa	293.87	151.72	358.89	238.48
Punjab	263.01	136.72	342.35	374.49
Rajasthan	261.55	112.99	374.42	317.85
Tamil Nadu	256.49	161.47	319.60	227.23
Uttar Pradesh	235.60	148.11	360.29	285.54
West Bengal	180.21	97.29	391.77	277.08
All India	249.15	155.87	377.16	308.79

Source: NSSO 66th round report, ministry of statistics and programme implementation, GOI and Labour Bureau, RLE Reports on Wage and Earnings of the rural Labour Households

Wage Rate in Rs. per Day for Persons of Age 15-59 years (2009-10)

Category of Workers	Rural		Urban	
	Male	Female	Male	Female
Casual Worker in MNREGA Public Works	90.93	87.20	-	-
Casual Worker in other public works	98.33	86.11	-	-
Casual Worker in Other Type of Works	101.53	68.94	131.92	76.73
Regular Wage/Salaried Persons	249.15	155.87	377.16	308.79

Source: NSSO 66th round report, ministry of statistics and programme implementation, GOI

Average salary per day received according to educational level 2009-10 (66th round)

General education level	Rural		Urban	
	Male	female	Male	Female
Not literate	135.72	65.47	156.60	92.56
Literate upto Middle	160.04	80.32	183.80	114.38
Secondary and Higher Secondary	267.14	151.54	293.26	237.61
Diploma/Certificate	355.48	291.01	481.26	369.73
Graduate and Above	403.05	285.98	634.92	499.98

All 249.15 155.87 377.16 308.79

Source: NSSO 66th round report, ministry of statistics and programme implementation, GOI

Wages/Salaries per Manday Worked by Directly Employed Workers

Year	All India		Public Sector		Joint Sector		Private Sector	
	Male	Female	Male	Female	Male	Female	Male	Female
1999-00	166.64	73.00	264.64	159.81	259.38	131.60	145.66	68.33
2000-01	180.02	78.45	326.19	170.94	287.34	155.57	154.68	73.43
2001-02	187.84	79.13	340.86	210.97	318.21	202.49	162.00	74.70
2002-03	197.85	82.17	369.33	225.18	332.80	247.96	162.00	74.70
2003-04	207.72	87.33	418.27	252.05	365.31	259.16	181.01	82.74
2004-05	212.30	91.00	408.37	291.28	455.91	291.78	195.74	88.60
2005-06	219.68	99.59	427.74	334.01	304.91	148.08	205.76	95.95
2006-07	233.14	108.73	431.51	331.68	515.42	282.71	227.42	106.78

2007-08	255.19	122.06	553.22	397.35	571.95	310.34	247.52	119.56
2008-09	258.04	131.23	430.87	260.81	329.34	244.13	242.46	126.50

Source: NSSO 66th round report, ministry of statistics and programme implementation, GOI

The difference in wage of illiterate's worker is much wide in urban area have more wage than rural area. But, as the level of education increases, the gender wage difference increases in rural areas, whereas in urban areas this gap decreases. It may be said that the gender disparity and wage discrimination is found across whole India both in rural and as well as urban areas. But rural areas tend to have more disparity than urban areas. The reason may be lack of knowledge, awareness and illiteracy among the rural women. In urban areas women are getting education and are aware of their rights.

In the rural areas, wages earned per day by a regular wage/salaried employee is Rs 322 (men) and Rs 202 (women). In the urban areas, this is Rs 470 for men and Rs 366 for women. Women are required equally remunerative and secure jobs. But due to poverty induced compulsion women are forced to join the low paid jobs and to get the low remuneration as compare to men. But, the women belonging to the family having high income do not enter into the job market just because their low incentive to low paid jobs and unequal remuneration. But due to stereotypical traditional notion women's role are limited to private, domestic sphere and these roles precedes no contribution to the economy and the space for the non-discriminated consideration became non-existent. And females are discouraged to enter into labour force.

The Changing Economic Structure

In the early stage of development, when society is primarily agrarian, increased demand for female labour leads to higher workforce participation among women. Industrialisation gives rise to greater demand for skilled labour, and as a consequence involves displacement of women labour and its substitution by male labour. This trend is often reversed in later stages of development, when the increased demand for labour in modern industry counterbalances the contraction in traditional sectors. With increase in service sector, demand for white collar jobs increases. As the female literacy rate was not adequate, then female remain out of labour force. Now the enrolment of females in educational institution has been increasing and hence they are attending the institution and remained out of labour force. This is found that women are gaining higher education and

Increased educational enrolment: Education Effect

A positive factor that could account for the decline is greater access to education as reflected by the increase in enrolment numbers. However, for this explanation to be valid, one should expect only younger age groups (15 to 25 years) to show lower participation rates. But the decline between 2004-05 and 2009-10 is consistent across all age groups among women, suggesting that education can explain only part of the decline (Chowdhury 2011). Thus, only education effect can not explain the declining FLFPR during the recent time period. But to the some extent, it explains the declining rate of female participation as the female's enrolment in educational institution has increased during the recent time period. It's a good signal of development and one can hope that in future, the participation of women in economic activities will increase and the rate of growth of the economy will also be high.

It is seen that more women are pursuing higher education resulting in a decline in women LFPR in 2009-10. It is, indeed, the case that more persons belonging to the age groups of 15-19 and 20-24 have reported attending educational institutions as their usual activity in 2009-10, compared to 2004-

05. Even though rural female LFPR is declining across all age groups, the relative size of the 15–19 and 20–24 age groups (29 percent of the total rural female labour force) declined in labour force very sharply and the increase in the number of rural women in the 15–24 age group attending education since 2004/2005 indicate the existence of an education effect.

This argument is, however, problematic because if more people are moving out from the labour force, in the 15-24 age groups, then, given a particular rate of employment creation in the country, people from other age-groups should fill the posts. To argue that employment declined because of a decline in supply of labour, since more people attended education in the age group 15-24 years, is to argue that there is full employment in the economy or a situation of labour shortage. Clearly, this is not the case in India. The only explanation then for an almost stagnant employment situation is simply that not enough jobs are being created in the economy, even with an 8% plus growth rate. So, it is doubtful as to whether an increase in women attending educational institutions can be put forward as an explanation for a fall in the female LFPR. This is because unlike for men, it is seen that the LFPR for women has decreased for all ages above the age of 15. Another fact that is emerged from the analysis is that although more women are pursuing education in recent period, it is noticeable that among the 15-29 female age-groups, unemployment rate has increased in this period as compared to the previous periods. It raises questions on the quality of education.

Moreover, even if the larger number of women pursuing higher education is responsible for the currently observed decline in the rural female LFPR, this does not mean that the LFPR of rural women will increase in the future because they are better educated. With rising education level, the labour force participation of rural women declines. Many researchers have found that a U-shaped relationship exists between educational status and women's labour force participation at any given point in time. Klasen and Pieters (2012) argue that women with low-levels of education are forced to work to contribute towards household income; while women with very high levels of education are attracted towards the labour market due to high wages. Women between the two groups face social stigmas associated with female employment without the economic need for their income. To conclude, therefore, the education effect alone does not seem to sufficiently explain the decline in the female

LFPR. Other factors must be at work. Another prominent explanation is the “income effect”.

Income effect

Another explanation why women are withdrawing from the world of work is increasing incomes. In traditional societies where the man is accorded the role of providing bread for the family, women's relative absence in the labour market could well reflect both their and the household's preferences, which often has class connotations. A working woman could signal economic hardship issues for the household and thus, with improving household income, there is a tendency for women to move out of the labour market. This would particularly play out when men's economic opportunities are expanding and there is a rise in their wage rates thus making it feasible for women to concentrate her energies in the reproductive sphere (Rangarajan & Kaul, 2011). As incomes rise above subsistence level, women stop working outside their homes, either reflecting a social structure that would prefer them to be engaged in household work or the lack of decent job opportunities for women other than unskilled manual labour. Indeed, the participation rate declines in every higher income bracket. This explanation also works for children, adolescents and the aged in the population. This is commonly observed in the case of a severe calamity such as a drought and in agrarian distress. A general feature of such distress employment is that along with the increase in WPR, it is also accompanied by an increase in unemployment rate and consequently the LFPR. This is primarily because all the women who enter the labour market may not get jobs and a small percentage of them will also add to the pool of unemployment leading to increase in LFPR. The abnormal increase in LFPR between

1999-2000 and 2004-05 does appear to be a classic case of distress-induced increase in LFPR. The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has also provided supplementary jobs; as a result wages have gone up. The income effect can thus also work the other way: with higher incomes, which help households escape poverty, there could be a tendency for women to withdraw from the labour force to attend to domestic duties. This could be a pure income effect, where women opt out of the labour force. In India widows, divorcees and women who have left their husbands are not often financially supported by either their own family or their husband's family and are thus forced to secure their livelihood through work. Widows or divorcees might, however, face fewer cultural or social barriers that prevent them from working outside the home and are sometimes more free to migrate seasonally since there is no husband or family to prevent them from doing so. An important factor that could impact women's labour force participation is the National Rural Employment Guarantee Act

(NREGA) enacted in 2005. It guarantees 100 days of employment per household annually and has provisions to ensure that men and women are paid equally along with child care facilities on work sites. Due to this it has been found to have a positive impact on women's economic activity (Azam 2012). Using difference-in-difference framework, the author finds that NREGA has a positive impact on female labour force participation rate wherein the NREGA districts experienced a smaller decline in female labour force participation between 2004-05 and 2007-08 than non NREGA districts in the country.

Kannan & Raveendran (2012) does not support the income effect hypothesis. Their study finds that majority of the reduction in labour force are from rural areas and are largely from poorer households. It is also possible that the income effect might be operating through increased household income for poorer households even though their relative status has not changed. The declining labour force participation rates among women with rising household economic status is also consistent with women's labour supply acting as a insurance mechanism for households. Attanasio et al. (2005) present a conceptual framework where heightened uncertainty over future earnings increases women's labour force participation, particularly when the household does not have savings or access to credit. Himanshu and some other researchers also support the income effect on the declining FLFPR. Female labour force participation in rural areas also tends to increase during periods of distress (droughts or decline in growth rates of agricultural output, depressed wages and so on), and recede again when the economy improves (Himanshu 2011; Bhalotra and Umaña-Aponte 2012). Abraham states that the small acceleration in FLFPR during 1999-2000 to 2004-05 was due to agriculture crisis and hence due to income scarcity, the population which was out of the labour force engaged in some economic activities to support the family income. The spurt in employment growth during 1999-00 to 2004-05 can be partially attributed to the crisis in the agricultural sector which forced the normally non-working population (women, elderly and children) to enter the labour market to supplement household income (Abraham 2009). But, this explanation however, cannot account for the long term decline in women's labour force participation from 1983-84 to 2009-10.

Decline in job opportunities due to economic crisis 2008

Declining employment opportunities for women could perhaps explain why women are exiting the labour force. But this contention is not upheld by (Neff, Sen, and Kling 2012) who conduct a bivariate analysis for rural women over the same time period. They consider net state domestic product (NSDP) as a proxy for employment opportunities and find that while all states have witnessed rapid economic growth during 2004-05 to 2009-10, most of them have experienced decline in female labour force participation. They interpret this as a lack of evidence of decreasing employment opportunities leading to declining labour force participation for women. The use of NSDP as a proxy for employment is arguable, given India's poor employment generation in spite of

strong economic growth. The economic crisis 2008 has declined the economic opportunities for the males and the females.

Despite the stronger impact of the economic crisis on male vulnerable employment at the global level, the gender impact at the regional level is expected to show a varied picture. More important than gender differences in the impact of the crisis in developing regions may well be the existing disadvantages faced by women in labour markets as evident from large gender gaps in labour market indicators, and the fact that labour markets will deteriorate for both women and men due to the crisis. Women of India are affected badly due to the economic crisis 2008. The employment opportunities have declined for both the males and the females, but men are substituted for the women in terms of job opportunities. The decline in female LFPR across all age groups indicates that there must be some other factor inhibiting women from participating in the labour market. The decline in the LFPR for women, irrespective of age, might be because of a decline in overall employment opportunities. In 2004-05, there had been an increase in female LFPR, compared to earlier rounds of the NSSO survey. But subsequently, with a fall in employment opportunities overall, these women could not find employment and withdrew from the labour market. In this regard, social orthodoxy may have played a role in pushing out women rather than men from the labour force. Additionally, with the financial crisis of 2008, exports from India suffered adversely. Women have been working in the export industries in large numbers. With the export industry hit hard due to the recession, these women lost their jobs and perhaps could not be re-absorbed in the labour market. In other words, the withdrawal of such a large number of women from the labour force was also a result of falling employment opportunities.

In terms of declining employment opportunities, occupational segregation appears to play an important role in holding women back. Women in India tend to be grouped in certain industries and occupations, such as basic agriculture, sales and elementary services and handicraft manufacturing. The problem is that these have not seen employment growth in recent years, which has put a brake on female employment growth. The dropping out of women from the workforce has meant that at an all-India level almost no new jobs emerged.

High unemployment rate among the educated females in both rural and urban areas in the higher secondary or graduate level shows the deceleration in employment opportunities for women during 2004-05 to 2009-10. That shows the unavailability of employment opportunities for women that the proportion of urban females in education (secondary & above) has been higher than that of rural females. Sectoral growth of female's employment shows that the growth rate of female employment in tertiary sector both in rural and urban areas has been very low in 2004-05 to 2009-10 by -0.49 percent in rural areas and 1.02 percent in urban areas comparing to 7.33 percent and 5.45 percent respectively, in 1999-00 to 2004-05. This indicates that the low skill levels of women that restrained them to join the services sector as service sector requires high skills.

Social Conservatism

As the statistics show the LFPR is the lowest for women in recent period since 1993-94 both in rural and urban areas. It is possible that women have simply withdrawn from the labour market in India due to social conservatism. But this does not seem to be a plausible explanation because the LFPR in 2009-10 is the lowest since 1993-94. If, indeed, social conservatism is responsible then there must be some explanation for such a change in the impact of social factors during this period, given that the LFPR for women in both urban and rural areas was the highest (after 1993-94) in 2004-05. It is not plausible that the conservatism has increased dramatically in the course of only five years.

Measurement Related Issues

One major factor that currently observed is related to the methodology adopted by NSSO for data collection. The labour force that is seen missing in the 66th round of NSSO, it may be possible that it is moving to those sectors which are “difficult to measure” by NSSO surveys.

NSSO generally underestimates those workers who are working in scattered, sporadic and irregular informal work as the proportion of casual labour increased in 2009-10 for rural females, those engaged in self-employment activities for survival, and those engaged in free collection of goods or in manufacturing goods for self-consumption. As a result, the workforce and labour force has been underestimated in the past rounds also. According to Ghosh, women are rarely unemployed even if their labour is not recognized as work. Even as India experiences high economic growth, indicators for real wages and employment register sharp declines. (Never done and poorly paid: women’s work in globalising India, by Jayati

Ghosh). Relying on National Sample Survey Organization (NSSO) data and micro-survey studies, Ghosh reveals disturbing trends in the feminisation of employment at a macro-level. To overcome the weakness, the use of time-use statistics is suggested. Time use surveys are capable of supplementing and complementing information collected by NSSO surveys. The recent first step taken by the MOSPI in promoting time use surveys are therefore most welcome. Employment plays a key role in the economic security of developing country. It is the main source of livelihood and self-fulfilment for most of the human beings. So, it has emerged as an important subject in the development agenda of most national governments and several international organizations over the past two decades. In the developed countries, persistently high and increasing unemployment rates have given rise to renewed concern for job creation, while in many developing countries productive employment is seen as a means for poverty alleviation. In recent years, the processes of globalization have also resulted in certain trends in labour markets in both the developed and developing countries which have heightened the interest in the implications on employment of international trade and investment flows. In developed countries, concern has been raised over the relocation of jobs due to outsourcing and shifts of capital to developing countries. On the other hand, in the developing countries, fears have been expressed of displacement of workers in the hitherto protected sectors as a result of international competition. Apprehensions have also been raised about the likelihood of an increasing number of workers getting employed in relatively poor conditions of work, on low wages and without social security, as a result of the employers ‘pursuit of cost reduction’ in order to remain competitive, thus leading to what is often termed as the ‘race to the bottom’ in respect of labour standards. The problem has thus assumed global dimensions and tackling it would require international action. Also, it must be recognized that since the nature of the problem is substantially different in the developed and developing countries and poverty reduction.

Employment plays a key role in the economic security of developing country. It is the main source of livelihood and self-fulfilment for most of the human beings. So, it has emerged as an important subject in the development agenda of most national governments and several international organizations over the past two decades. In the developed countries, persistently high and increasing unemployment rates have given rise to renewed concern for job creation, while in many developing countries productive employment is seen as a means for poverty alleviation. In recent years, the processes of globalization have also resulted in certain trends in labour markets in both the developed and developing countries which have heightened the interest in the implications on employment of international trade and investment flows. In developed countries, concern has been raised over the relocation of jobs due to outsourcing and shifts of capital to developing countries. On the other hand, in the developing countries, fears have been expressed of displacement of workers in the hitherto protected sectors as a result of international competition. Apprehensions have also been raised about the likelihood of an increasing number of workers getting employed in relatively poor

conditions of work, on low wages and without social security, as a result of the employers 'pursuit of cost reduction' in order to remain competitive, thus leading to what is often termed as the 'race to the bottom' in respect of labour standards. The problem has thus assumed global dimensions. Also, it must be recognized that since the nature of the problem is substantially different in the developed and developing countries and country specific dimensions as well, a large part of the effort to meet the challenge will have to be made at the national level.

In India, employment has always featured as an important subject of discussion both in academic and policy making circles. It has become a matter of intense debate particularly during the past two decades when a relatively high rate of economic growth has not been accompanied by correspondingly high rate of employment expansion. The phenomenon has often been described as "jobless growth", in which output expanded but formal employment has almost stagnated. Increasing informalisation, casualisation and contractualisation, have also raised the questions about the quality of most of whatever new jobs are being created. And a disconnection between unemployment and poverty and between employment generation and poverty reduction has added another rather intriguing dimension to the employment debate. There is both social and statistical evidence for the fact that the employment scene in India is dismal. For the very poor, it is not the luxury of employment with a well-defined wage contract that hangs in the balance, but simply the question of having access to a minimum livelihood. The malaise of a pattern of hopeless growth for a significant section of the poor population is becoming increasingly apparent. Visible symptoms are appearing in both rural and urban areas of India. Disgruntled youth in urban and semi-urban areas, who have just a few years of schooling, find little possibility of regular employment. In rural areas, shrinking opportunities for livelihood are spreading despair among the people living there. The result is a desperate rage among the poor that manifests itself in various forms of political extremism. The varying symptoms of dissatisfaction can no longer be wished away in the name of high growth. For both political and economic reasons, it has become imperative now to examine closely the reasons why India's high economic growth has failed to create adequate jobs for its people. It has often been pointed out that demographically, India is moving towards an age composition that will be among the youngest in the world. According to the 2001 Census of India, in 2000, there were 190 million youth in the age group of 15-24 years; this increased to around 210 million in 2005. By 2020, it is said that the average Indian will be 29 years old, as compared with 37 years in China and the US, 45 in West Europe and 48 in Japan. From the demographic point of view, the employment challenge is especially acute in India because the young and the inexperienced usually find it even more difficult to find regular employment, while they also form a more politically volatile group. The 61st round of the National Sample Survey (NSS), which is on the Employment and Unemployment Situation in India delineates how the problem is becoming increasingly pressing. Between 1993-94 and 2004-05, the unemployment rate has increased significantly in the 15-24 years' age group. It was much higher among youth as compared to the rest of the population. Urban youth who have received secondary education faced a higher unemployment rate than less literate youth in rural areas. At the beginning of 2005, around 56 million youth were unemployed on a particular day, while 36 million remained usually unemployed. It is also worth stressing that this massive worsening of the unemployment situation among the youth is not explicable in terms of longer years of schooling because, despite a lower participation rate of the youth in the labour force due to unavailability of jobs, there has virtually been no increase in the percentage of young educated people. India might be growing at a high rate, but it is leaving out a significant section of its youth from any benefits of that growth process, a particularly lamentable situation for the country because it shows that it is unable to take advantage of its 'demographic dividend'. Notwithstanding the dismal picture of unemployed youth, the computations from the various rounds of NSS data suggest that compared to the 1993-94 to 1999-2000 period, when the employment growth was about 1.1 per cent, in the 1999-2000 to 2004-05 period, it has more than doubled to 2.6 per cent. However, the downside to the situation is that this growth in employment has been almost entirely achieved through a massive increase in self-

employment in both urban and rural areas, and even in agriculture, which is likely to have been forced upon the poor by lack of regular wage employment and various forms of casualization of labour. A sign of this is a distinct fall in wage employment in agriculture. Without social security of any sort in most cases and the widespread distress in agriculture faced by the majority of the population, what India is probably facing is very unsatisfactory growth, or even shrinking of decent employment opportunities, despite a high growth in output. Indian economy has registered a long-term employment growth of around two per cent per annum. This rate has been maintained, with some short-term fluctuations, irrespective of the rate of GDP growth. Employment growth, in fact, has declined with the acceleration of the growth rate of GDP. Economic reforms started in 1990s have not delivered on employment front as they have on the GDP front. The main reason lies in the changes in technology which has become less employment intensive across economic activities and product groups. Most services, especially those which have dominated India's economic growth in recent years, are highly capital intensive and India's exports have become increasing less labour intensive because of the compulsions of international competitiveness to use more efficient capital intensive technology. Most growth has been derived from sectors and activities that have low employment potential India might be growing at a high rate, but it is leaving out a significant section of its youth from any benefits of that growth process, a particularly lamentable situation for the country because it shows that it is unable to take advantage of its 'demographic dividend'. Notwithstanding the dismal picture of unemployed youth, the computations from the various rounds of NSS data suggest that compared to the 1993-94 to 1999-2000 period, when the employment growth was about 1.1 per cent, in the 1999-2000 to 2004-05 period, it has more than doubled to 2.6 per cent. However, the downside to the situation is that this growth in employment has been almost entirely achieved through a massive increase in self-employment in both urban and rural areas, and even in agriculture, which is likely to have been forced upon the poor by lack of regular wage employment and various forms of casualization of labour. A sign of this is a distinct fall in wage employment in agriculture. Without social security of any sort in most cases and the widespread distress in agriculture faced by the majority of the population, what India is probably facing is very unsatisfactory growth, or even shrinking of decent employment opportunities, despite a high growth in output. Indian economy has registered a long-term employment growth of around two per cent per annum. This rate has been maintained, with some short-term fluctuations, irrespective of the rate of GDP growth. Employment growth, in fact, has declined with the acceleration of the growth rate of GDP. Economic reforms started in 1990s have not delivered on employment front as they have on the GDP front. The main reason lies in the changes in technology which has become less employment intensive across economic activities and product groups. Most services, especially those which have dominated India's economic growth in recent years, are highly capital intensive and India's exports have become increasing less labour intensive because of the compulsions of international competitiveness to use more efficient capital intensive technology. Most growth has been derived from sectors and activities that have low employment potential.

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