

The Indian Odd: Women's Rising Education and Declining Workforce Participation

Gauri Khanna, OP Jindal Global University, India

The IAFOR International Conference on Education in Hawaii 2022
Official Conference Proceedings

Abstract

The disproportionate representation of women in labor as compared to their education is an Indian odd, which will be examined in this study. Women are attaining higher education degrees at similar rates as men but hold a much lower track of considerable labor participation. Women constitute only 21% of the workforce compared to 49% of total enrolment in higher education in India (AISHE, 2020). This apparent paradox is the result of a variety of factors where gender roles in society and discrimination at job work play its role interchangeably. This study aims to address the gap in the literature by collectively exploring the personal and economic determinants to explain the negative correlation between women's education and their labor participation in India. The theories of human capital suggest that with more education, women acquire greater skills, and their earnings increase, resulting in higher labor force participation (Chattarjee, 2018). In India, counter-theoretical results from data deserve greater research attention than it has been given. This study will provide an acute test of personal and economic determinants affecting women's labor force participation. It will establish new directions for future research to explain the negative correlation between women's labor participation and higher education in India.

Keywords: Female Labor Force Participation, Human Capital, India, Education, Graduate Women

iafor

The International Academic Forum

www.iafor.org

Introduction

India's sustained high economic growth has brought significant improvement to the lives of Indian women since the early 1990s. However, female labor force participation has remained stagnant at about less than 30%, with the latest labor surveys even suggesting greatest fall in female labor force participation (FLFP) rates since independence. In contemporary India, women have greater access to higher education and degree-granting institutions than they have ever had in history. Nevertheless, women constitute only 21% of the workforce in comparison to 49% of total enrolment in higher education (AISHE, 2020). In India, female education and its labor force participation outcomes are complex. This paper will explore an Indian odd, where the modern sector has encountered a fall in FLFP despite women's rising education. It will review the documentary resources to discuss the determinants underlying the exceptional Indian experience. In this section, I will discuss the background of the Indian Odd. The following sections deal with the determinants that have been identified from the existing literature in greater detail.

In 1994, India ranked 68th out of 83 countries in terms of the rate of female labor force participation. As of 2012, it ranked 84th out of 87 countries. India has recorded the lowest rate of female labor participation since independence at 20.2% in 2018 (Kapsos, et al., 2014). A paradoxical Indian experience of fall in FLFP rates despite the rising female education has raised brows across the globe. India's peculiar development trajectory requires to be highlighted, and its deviation from the standard experience demands to be expounded.

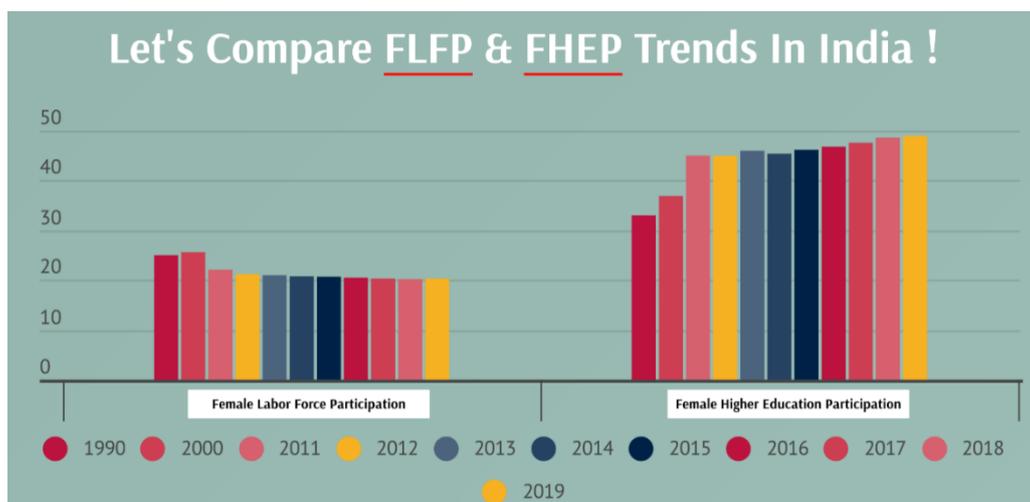


Fig1-Comparison between FLFP and women in higher education in India.

*Female Higher Education Participation in India Data Retrieved from AISHE Report (2020)
Female Labour force Participation in India data from ILOSTAT database. Data retrieved on June 15, 2021.*

Figure 1 illustrates a comparison between female labor force participation and female higher education since 1990- 2019 in India. The FLFP was at 25% in 1990, which sharply declined to 20.5% in 2019 despite economic growth and women's rising education. On the other hand, the participation of women in higher education increased from 33% in 1990 to 49% in 2019, illustrating an increase of 16%. What is more shocking is that while in 2017, India was one of the fastest-growing economies by consistently maintaining growth rates above 7% , the same year India's female labor force participation fell to the lowest levels at 20.3% since Independence. FLFP is depicted in this data as a complicated topic involving social norms,

educational attainment, caring obligations, economic prospects, and so forth. The next sections deals with economical and socio-cultural determinants associated with low levels of FLFP in greater detail.

Economic Empowerment: What is holding women back?

Women's economic empowerment is central to gender equality and women's rights. Considerable research has shown that investment in women's economic capabilities is important for rapid productivity and inclusive economic development (UN Women, 2018). In most countries, women's rising educational attainment contributes to women's economic empowerment and the inclusive economic growth of the country. However, a U-shaped relationship is observed between the FLFP and female education in India (Chatterjee, Desai, and Vanneman, 2018). Women who are illiterate are more likely to be employed than women who are educated (Sathar and Desai, 2000; Das and Desai, 2003). A negative correlation exists between women's education and their labor force participation in the country. These findings were supported in the analysis by Ravendran (2016) based on unit-level datasets of employment and unemployment surveys conducted in India. The illiterate women and those below the secondary level of education were found to be more likely to join the workforce. This implies that women with moderate and higher levels of education do not have equal access to formal jobs as male degree holders.

Simply, there is a lack of appropriate jobs matching the skills and ambitions of educated women. Amidst India's economic growth, "job deficit" is to be blamed for a decline in FLFP. Worryingly, the white-collar jobs have declined from 19 percent in 1987 to a mere 17 percent in 2009, whereas the graduates in the working-age population have increased from 11 percent to 21 percent (Desai, 2019). Furthermore, the author stated that there is an absence of suitable jobs rather than the withdrawal of educated women from the labor force. Women tend to compete in a small pool of formal sector jobs. Therefore, instead of accepting poorly paid jobs, they choose to remain out of the workforce. The oversupply of educated female workers relative to their employment growth has resulted in crowding out of female labor participation.

The improvement in women's education has occurred at a time when the economic sectors where women are hired predominantly have not shown much growth (Ghai, 2018). The occupational and sectoral segregation by gender has confined women to search for work in particular sectors, which prevails in line with the social norms. However, the reason why economic growth has not contributed towards generating jobs in these sectors remains to be an unanswered question.

One place to look for answers that have not been appreciated sufficiently is the gender wage gap. It is globally acknowledged women are paid less than men. The gender wage gap is estimated to be 23 percent (UN Women, 2021). This highlights ongoing problems of gender gaps in job work despite women's increasing labor presence around the globe. The experiences of Indian women are different from women elsewhere because, in addition to economic and socio-cultural factors, demographic factors also play a crucial role. In India, the wage gap is higher in rural areas than in urban areas. For graduates and above, it is as high as 31.3 percent in rural areas and 24.3 percent in urban areas (Ghai, 2018). The percentage of women out of the labor force in urban areas is far more than in rural areas. The U-shaped relationship is the clearest for urban women. Historically in India, the majority of female workers have been involved in agriculture (e.g., Nath 1968). Consequently, women's

labor force participation has always been higher for rural than urban areas. The vocational education training can be a powerful weapon for improving employability and income-earning opportunities for women.

One of the most important ways of enhancing female labor force participation is noted as vocational training. Studies have argued that it has a decisive effect on the participation of women in paid work (Pastore & Bhaduri, 2017). Chaudhary and Verick (2014) have found in their study that the likelihood of women being self-employed is more likely when they have occupation skill training. Bairagya et al. (2019) analyzed the same datasheet and concluded that vocational training helps improve female labor force participation. Educational opportunities can be expanded via technical and vocational skills to help enhance the employability of educated women in the job market. Apart from the demand side, economic factors discussed in this section, various sociocultural supply-side factors such as marriage, motherhood, husband education, caste, household income, etc., play a critical role in an educated women's labor force participation decisions. These determinants will be discussed in greater detail in the next section.

Education, Career, Marriage, and Motherhood- Can she have it all?

The global trends on links between marriage and education for women are out-flowed in the Indian context. The entrenched gender roles and caste constraints restrict women's choices in the marriage market. Educated women are benefited from the marriage market because it allows them to be married into higher-income families. It was revealed in a study conducted by Shavarini (2006) that a strong educational background assisted women in finding a husband in a high-income family.

The high-income household and husbands' education reduces female labor participation (Lei Lei . et al., 2019). In India, a classic income effect is observed where education and male income contribute to the withdrawal of women from the labor force. Women living in households with high incomes are less likely to participate in the labor market. Das and Desai (2003) add to the discussion stating that well-educated women are prevented from labor force participation because higher economic status discourages women from joining the workforce. Contrary, Bhalla, and Kaur (2011) found higher FLFP for women from tribes and scheduled classes because of an absence of education as a symbol of status production.

Similarly, Sorsa et al. (2015) revealed in their study that women who reside in urban areas are highly impacted by cultural factors of caste and religion. Women from lower socio-economic backgrounds lack choices and have to work to survive. In contrast, in high caste families, the highly educated women do not require to work, demonstrating education as a symbol of social status rather than a tool for participating in the labor market and being economically independent (Das & Desai, 2003). It is the social prestige factor that exists among the high-income families that do not permit women to go outside for work. The patriarchal norms discourage women from taking up gainful employment. However, women's socioeconomic independence does not seem to be achieved solely through education.

An educated woman seeks to obtain all objectives in education, career, marriage, and motherhood. As a woman becomes a mother, she is expected to place the demands of her family ahead of her career (Hoffnung, 2004). However, the most challenging part for them is to live with the choices made amidst the everyday guilt, judgment, and chaos of routine life. The contemporary woman desires to have a career and family but considers family more

critical. In a study conducted by Schroeder, Blood, and Maluso (1992), it was found that women chose not to pursue a full-time career but instead take a lengthy break to raise children and not return to work until their youngest child was in school (Hoofnung, 2004). Parenthood appears to be a bonus for fathers and a penalty for women in the labor market.

A working mother faces various difficulties in returning to work with reasons that vary from family support, social support, policies of the organization, etc. In a study conducted by Hewlett (2002), it was observed that many women quit their careers for family responsibilities. The childcare duties and household responsibilities are still handled by women despite working outside the house (Bernie, 2012). Organizations must make workplaces more supportive for women who are at an early stage of motherhood by taking a proactive approach and contributing towards women's professional advancement (Hazarika, 2018). A sound support mechanism is required to maintain a balance between motherhood and professional advancement. Much of the published work on working mothers have been descriptive and does not take into account the potential influence of various societal factors which lead a woman to make difficult professional choices as she becomes a mother. The paradox of women's move to domestic tasks despite their workforce participation cannot be viewed solely as a result of patriarchy, which limits women to domestic activities. For women, the choice is between home and market production rather than labor and leisure.

Conclusion

Conclusively this paper acknowledges that women's decision-making about whether or not to participate is highly complex and shaped by a variety of personal, social, and economic factors that are discussed briefly in this paper. The factors discussed include their education, life events, caste, socio-economic position, male family members' employment, societal restraints, mobility, occupational segregation, appropriate job opportunities, wage rates, and so on. All these have acted as deterrents for women to participate in the labor force irrespective of the economic development of the country.

Every determinant identified in the literature requires to be researched with empirical evidence for solving the Indian puzzle of educated women's absence in the labor force. Women's enabling labor participation should be constructed in a policy framework with an awareness of "gender-specific" constraints faced by educated women. Contextually developed gender-responsive policies are required. If the government schemes continue to focus on female education without targeting the cultural and social forces that shape labor force participation, decisions will only increase the burden for women. Therefore, any policy that attempts to close this gap must be comprehensive. Legislation alone will not close the gap, and all the stakeholders must work together to complete it. Krishnakumara and Viswanathan (2021) confirm that women's empowerment in the household decision-making process is positively associated with labor force participation and economic independence. The failure for educated women's access to participation in the economy is an under-utilization of the country's human capital. Large potential benefits can be aimed from policies at reducing occupational segregation, promoting skill development for women in industries with the greatest potential of economic growth, providing childcare subsidies, and discouraging the disadvantages stemming from social norms. Over the last few years, a growing number of scholars have focused on India's low and diminishing FLFP rates. This trend is encouraging, but much more must be done to encourage rigorous innovation to improve women's economic participation.

References

- Andres, L. A., Dasgupta, B., Joseph, G., Abraham, V., Correia, M. (2017). Precarious Drop : Reassessing Patterns of Female Labor Force Participation in India. *Policy Research Working Paper;No. 8024*. World Bank, Washington, DC. © World Bank. Retrieved from <https://openknowledge.worldbank.org/handle/10986/26368> License: CC BY 3.0 IGO.”
- Banerjee, M. (2019). Gender Equality and Labour Force Participation: Mind the Gap. *ANTYAJAA: Indian Journal of Women and Social Change*, 4(1), 113–123.
- Bairagya, I., Bhattacharya, T., & Tiwari, P. (2021). Does Vocational Training Promote Female Labour Force Participation? An Analysis for India. *Margin. The Journal of Applied Economic Research*, 15(1), 149-173.
- Chatterjee, E., Desai, S., & Vanneman, R. (2018). Indian Paradox: Rising Education, Declining Womens’ employment. *Demographic Research*, 38, 855.
- Desai, S., & Joshi, O. (2019). The paradox of declining female work participation in an era of economic growth. *The Indian Journal of Labour Economics*, 62(1), 55-71.
- Fletcher, E., Pande, R., & Moore, C. M. T. (2017). Women and work in India: Descriptive evidence and a review of potential policies.
- Genzok, M. (2003). A synthesis of ethnographic research. *Occasional Papers Series. Center for Multilingual, Multicultural Research (Eds.). Center for Multilingual, Multicultural Research, Rossier School of Education, University of Southern California. Los Angeles*, 1-10.
- Ghosh, S., & Kundu, A. (2021). Women’s Participation in Higher Education in India: An Analysis Across Major States. *Indian Journal of Human Development*, 15(2), 275-294.
- Ghai, S. (2018). *The anomaly of women's work and education in India*. (No. 368). Working Paper.
- Hirway, I. (2012). Missing labor force: An explanation. *Economic and Political Weekly*, 67-72.
- Klasen, S., & Pieters, J. (2015). What Explains the Stagnation of Female Labor Force Participation in Urban India? *The World Bank Economic Review*, 29(3), 449–478.
- Kapsos, S., S. Silberman, and E. Bourmpala. 2014. Why is female labor force participation declining so sharply in India, *ILO Research Paper No. 10.*, Geneva
- Krishnakumar, J., & Viswanathan, B. (2021). Role of social and institutional factors in Indian women’s labor force participation and hours worked. *Journal of the Asia Pacific Economy*, 26(2), 230-251.

- Lei, L., Desai, S., & Vanneman, R. (2019). The impact of transportation infrastructure on women's employment in India. *Feminist economics*, 25(4), 94-125.
- Lahoti, R., & Swaminathan, H. (2013). Economic development and female labor force participation in India. *IIM Bangalore Research Paper*, (414).
- Mehrotra, S., & Parida, J. K. (2017). Why is the labor force participation of women declining in India?. *World Development*, 98, 360-380.
- Marginson, S. (2019). Limitations of human capital theory. *Studies in Higher Education*, 44(2), 287-301.
- Malik, M. A. U. D., & Jabeen, H. (2020). Higher Education in India: Women Economic Employment. *International Journal of Economics and Financial Issues*, 1(3), 191200.
- Naidu, S. C. (2016). Domestic labor and female labor force participation. *Education*, 6(7.6), 7-2.
- Olson-Strom, S., & Rao, N. (2020). Higher education for women in Asia. *In Diversity and inclusion in global higher education* (pp. 263-282). Palgrave Macmillan, Singapore.
- Raveendran, G. (2016). *The Indian labor market: A gender perspective*. UN.
- Shavarini, M. (2006). Admitted to college, restricted from work: A conflict for young Iranian women. *Teachers College Record*, 108(10), 1937-2186.
- Soumya, S., & Hazarika, D. D. (2018). Work-Motherhood Transition: Implication on Workforce. *Work*, 6(1).
- Teichler, U., & Kehm, B. M. (1995). Towards a new understanding of the relationships between higher education and employment. *European journal of education*, 30(2), 115-132.
- Verick, S. (2011). Women's labor force participation in India: Why is it so low. *International Labor Organization*.
- Verick, S. (2018). Female labor force participation and development. *IZA World of Labor*.