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A Study of Women's Labor Force Participation in India with Respect to Education and Other Cultural Norms

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ABSTRACT

According to the data published by the 'official periodic labor force survey' in 2018-19, 73.7% of urban men participated in the labor market while only 20.4% of urban women participated in the labor market. For many years, the Indian government has been working on improving women's education, their working conditions, and the cultural aspects that come along with working women. Despite these initiatives, the labor force participation of women in our country is very low which astonishing and very necessary to examine is. According to the economic survey released in 2022, there are 1,020 females per 1000 males. This statistic supports the fact that the initiatives taken by the government for girl child welfare, such as 'Sukanya Samriddhi Yojana', 'Balika Samriddhi Yojana', 'Beti Badhao, Beti Padhao', and 'Ladli scheme' have worked towards girl child's welfare. And while improving their living standard, these initiatives have been successful in decreasing the mortality rates of infant girls as well. Moreover, they have been successful in increasing education rates among girls as well. But then, the question remains that, despite these initiatives, why do the women's labor force participation rates still remain so low? This article tries to examine the impact of education and other cultural norms on female labor force participation rates.

I. INTRODUCTION

From According to the data published by the 'official periodic labor force survey' in 2018-19, 73.7% of urban men participated in the labor market while only 20.4% of urban women participated in the labor market. For many years, the Indian government has been working on improving women's education, their working conditions, and the cultural aspects that come along with working women. Despite these initiatives, the labor force participation of women in our country is very low which astonishing and very necessary to examine is.

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such as 'Sukanya Samridhi Yojana', 'Balika Samridhi Yojana', 'Beti Badhao, Beti Padhao', and 'Ladli scheme' have worked towards girl child's welfare. And while improving their living standard, these initiatives have been successful in decreasing the mortality rates of infant girls as well. Moreover, they have been successful in increasing education rates among girls as well. But then, the question remains that, despite these initiatives, why do the women's labor force participation rates still remain so low?

II. ANALYSIS

There are multiple reasons that can be considered to explain such poor rates of female labor force participation, especially among higher-educated women. Many economists have proposed multiple reasons behind low labor force participation rates. Those reasons can be explained using two simple concepts used in labor economics. One is the income effect, and the other is the substitution effect. The income and substitution effect with reference to labor economics can be explained in simple terms as follows. When an individual has an income of say 100 rs per hour, that individual might work for 8 hours a day. But, if, his or her income increases to 200 rs per hour, they will work for only 4 hours a day and substitute the other four hours with leisure. This is because as income increases, it means that workers can reduce the number of hours they work because they can maintain a threshold level of income in a few hours. While the substitution effect states that when the income increases, workers tend to substitute leisure for work because now the same hours have a higher reward. So the income and substitution effects work in opposite directions, maintaining the trade-off between wages, work hours, and leisure. Many economic theories suggest that the relationship between education and employment is affected by both income and substitution effects. The substitution effect indicates that educated women demand higher wages, which encourages them to work for leisure or homework rather than work.

The income effect, on the other hand, holds that educated women earn more for the same amount of work, encouraging them to devote more time to leisure or household chores.

However, economic theories are most often based on assumptions, and there are many aspects that get ignored when we look at these theories. Sure, they are the foundation of any of our analyses but they cannot be the truth or the only solution that is available. Let us take a real-life example and try to relate it to this theory. In India, it is usual for women to marry in households where the man is more educated or has a higher income than the woman. This higher or unearned income discourages female labor-force participation even further. When combined with cultural norms that confer higher status on women at home, other family income

can be a powerful deterrent to educated women's labor force participation. The substitution effect outweighs the income effect where patriarchal norms are less dominant. However, we anticipate that the income effect will be especially strong in India.

Why a female works or why she doesn't work is a very complex phenomenon to understand when we look at it on a country level. There are many cultural aspects that affect a female's decision to work or not. First and foremost is the fertility rate. When a woman decides to bear a child, there are many aspects of it that affect her work life. One, it becomes mandatory for a woman to take leaves or even breaks to care for that child. And as soon as she takes the break, she is automatically thrown out of the work cycle which makes it difficult for her to join the workforce again. This is one of the many problems faced by women all over the country in urban as well as rural areas.

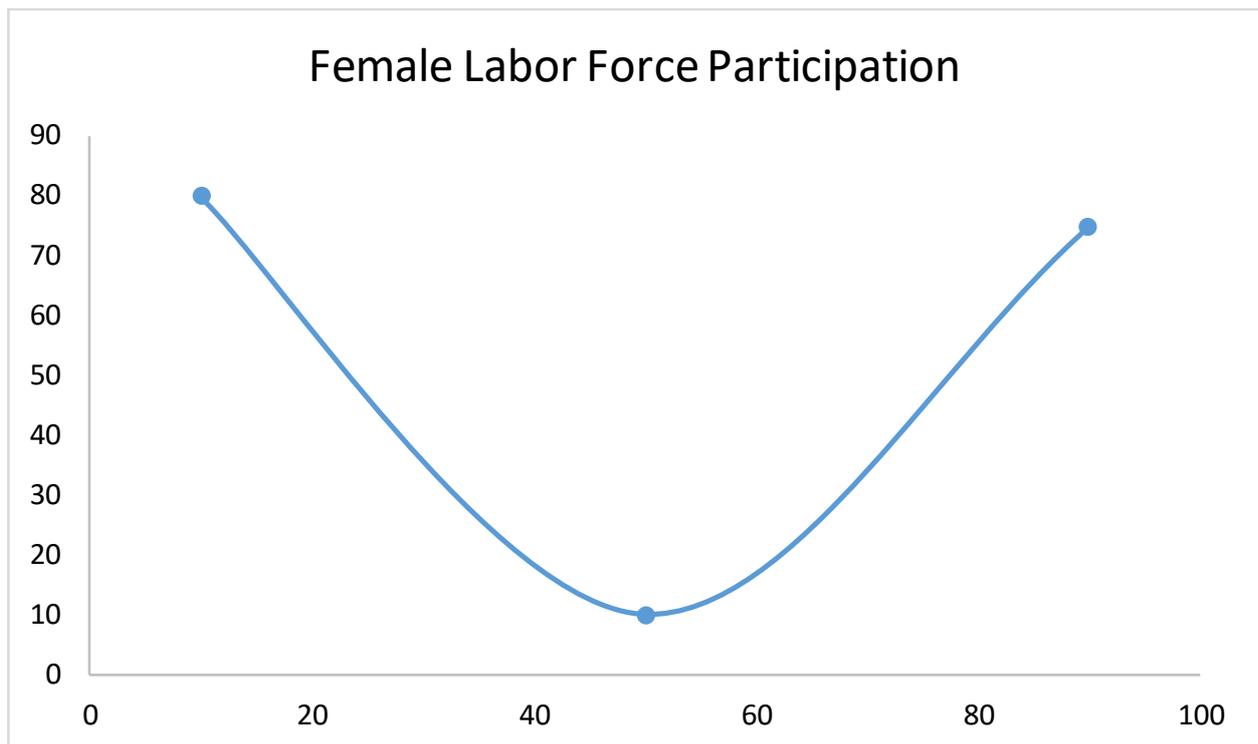
Secondly, if we look at the cultural or the patriarchal aspects, then there are far too many to mention. To examine the impact of cultural factors on female labor force participation rates, we used the Indian Human Development Survey to analyze certain statistics. Patriarchy is an important factor that discourages female labour force participation rates. This patriarchy was identified by the age gap between husband and wife, using the Human Development Survey data. The statistical model supported the fact that the larger age gap indicated the presence of patriarchy and consequently lower labor force participation rates.

Another interesting phenomenon that affects labour force participation is the migrated males and the left behind wives. The statistics suggest that there is a higher labor force participation rate where the males have migrated for work. This can be supported by the fact that in the absence of a male household head, women take the charge of that household. This changes the structure of that household and gives women autonomy over their life. This also provides them with the necessary freedom and confidence to work which increases labor force participation. Some other factors that can affect the female labour force participation rates are as follows.

- Labour force participation of poorly educated women strong but it is determined by necessity rather than opportunities.
- Income and employment of household members negatively affect the decision of female workforce participation.
- Social stigma of women working outside of the home, especially in manufacturing. (Women with higher education tend to prefer white-collar jobs, however, women with lower economic class tend to do a lot of manual labor which is concentrated in but not limited to agricultural activities.)

- Large family size and high household workload have a negative effect.
- Absence of urgent need for female employment which can be explained by the income effect.
- With declining fertility, the value of a non-working women's time decreases which has a positive effect on workforce participation.

The relationship between a female's education and her employment is explained by a U-shaped trajectory curve which can be explained as follows:



The U shape trajectory of the women's workforce participation represents level of education on the x-axis, and workforce participation on the y-axis, and it can be explained in 3 sections.

- Women with lower education or economic status are driven to work due to necessity rather than choice. Which explains the first part of the U shape curve.
- Women in the middle class with education have low labor-force participation rates due to a lack of an urgent need for female employment (the income effect) and the presence of social stigmas associated with female employment.
- And females who are highly educated/from higher economic status, are pulled into the labor market because of high wages and also because the social stigma tends to be lesser due to the modernization of the higher educated class.

So far, we examined some of the reasons that affect a female's choice to work or not. We analyzed how education and employment are related. Now let us look at how a female's

decision of education affects her possibilities for the future, and hence why education is so important?

- Education is an important factor that can affect women's possibilities for future labor market outcomes. In a way, education can make women independent and direct them towards a thought process that will push them to work and be financially independent as well.
- However, our data suggest that, while analyzing the female labor workforce participation, we cannot consider education alone, but we need to consider economic class and other cultural factors as well.
- The increased labor force participation of women with less than secondary schooling is driven by necessity rather than improved opportunities. So, even with the decision of education, in this case, there are not enough opportunities created for women with secondary education. Their necessity to work is driven by economic class, other male participants' income in the household, number of children, etc. So, in this case, the necessity is what drives the workforce participation rather than the opportunities created due to the decision of education.
- In the urban population with low education, the opportunities for them are created because of erosion of men's positions in the labor market, rather than improvement in women's opportunities. Once again it is driven by other push factors. So we can conclude that for women with less than secondary education, their employment is not affected by their own earning potential or education, but it is predominantly driven by economic push factors including underemployment of the men in the household.
- However, this scenario is different for highly educated women. Among highly educated women, self-employment in manufacturing and services became more important, but regular employment in services increased as well. These women, or at least a part of them, have access to more attractive jobs in terms of visibility, security, and earnings. Given India's structure of growth, which is in large part driven by skill-intensive services, this should hardly be surprising.

III. CONCLUSION

To conclude, we can say that the decision of education improves her possibilities in the labor market only after a certain threshold. Opportunities based on her education or her potential are created only for highly educated women. While there are not enough opportunities for women having less than secondary education and their decisions of labour force participation are driven

by necessity. Moreover, women who fall in the middle gap, that is they are educated above secondary education but are not as highly educated as postgraduates, for them, there are fewer necessities and not enough opportunities, to incentivize them, or 'pull' them into the labor market. So, we can say that the decision of education positively affects the possibilities of a female in the future labor market outcomes only for highly educated women. While the decision of education does not have a significant effect on the possibilities of future labor market outcomes for poorly educated women.

We can evidently see that there are multiple factors involved in women's labour force participation decisions. The urban labour market for women (and men) with low education does not seem to be improving at all, and there is no evidence that their labour force participation in recent times is a positive reflection of India's fast economic growth. However, distress-driven participation in a highly flexible labor market is unlikely to contribute to women's empowerment. Since for Indian women with little education, household social status is a major determinant of participation, while their own earnings potential plays no role, their participation can hardly be considered a sign of emancipation.

The important factor behind a woman's education and her decision to work is affected by patriarchy. When patriarchy decreases in our society, women's working status and education will improve. And when her education and working status improve, patriarchy will automatically go down and improve the female labor force participation rate for further generations.

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