CHAPTER - 5

GENDER GAP IN EMPLOYMENT

5.1 Introduction

Over the past quarter century, women have joined the labour market in increasing numbers, partially closing the gender participation gap. Between 1980 and 2009, the global rate of female labour force participation rose from 50.2 percent to 51.8 percent, while the male rate fell from 82.0 percent to 77.7 percent\(^\text{18}\). Consequently, gender differentials in labour force participation rates declined from 32 percentage points in 1980 to 26 percentage points in 2009. Economic development, rising education among women, and declining fertility are the main factors in explaining changes in female participation rates over the past 25 years.

Globally, economic development has been accompanied by growing economic opportunities for women (particularly in manufacturing and services). In spite of such positive developments, the participation of women in the labour force varies considerably across developing countries and emerging economies, far more than in the case of men. In the Middle East, North Africa and South Asia, less than one-third of women of working-age participate, while the proportion reaches around two-thirds in East Asia and sub-Saharan Africa. Labour market gender gaps are more pronounced in developing countries, and disparity is highest in South Asian countries. Women in South Asia are far less likely than men to have a job or to be looking for one (ILO, 2013). Thus, the gender gaps in labour force participation are highest in the Middle East, North African and South Asian regions, where men’s participation rates exceed women’s rates by over 50 percentage points\(^\text{19}\). The labour force participation rate (LFPR) in India is around 40 per cent, but gender-wise, for females it is only 22.5 per cent\(^\text{20}\). The gap in male–female labour force participation is such that the LFPR for rural females of the age group over 15 years is only 35.8 per cent, while for rural males it is more than double at 81.3 per cent.

In India, women’s decision to participate in the workforce is influenced by social norms regarding marriage, fertility and women’s role outside the household. Men are considered to


\(^{19}\)Women are less likely than men to participate in the labour market in most countries. Retrieved from http://data.worldbank.org/news/women-less-likely-than-men-to-participate-in-labor-market

be the primary breadwinners of the family and women are expected to take care of household activities. This leads to gender differences in employment. The gender gap in employment has macroeconomic implications.

Table 5.1 shows the usual status (usual principal and subsidiary status) workers as a proportion of the total population of India over the years, as observed from the reports of NSSO. It is notable that the workforce participation rates have hardly improved since the 1990s and that too despite economic reforms which were supposed to have far reaching effects. An important feature highlighted is the fact that workforce participation among females is extremely low—only 14.7% among urban females in 2011-12. Workforce participation declined in the case of rural females from 32.7% in 2004-05 to 24.8% in 2011-12. India’s low international ranking in terms of labourforce participation is mainly on account of the low level of female participation in the labour force (Thomas, 2015).

Table 5.1: Workforce Participation Rates-Usual Principal and Subsidiary Status(UPSS), in percentage

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural Male</td>
<td>54.7</td>
<td>55.3</td>
<td>53.1</td>
<td>54.6</td>
<td>54.7</td>
<td>54.3</td>
</tr>
<tr>
<td>Rural Female</td>
<td>34</td>
<td>32.8</td>
<td>29.9</td>
<td>32.7</td>
<td>26.1</td>
<td>24.8</td>
</tr>
<tr>
<td>Urban Male</td>
<td>51.2</td>
<td>52.1</td>
<td>51.8</td>
<td>54.9</td>
<td>54.3</td>
<td>54.6</td>
</tr>
<tr>
<td>Urban Female</td>
<td>15.1</td>
<td>15.5</td>
<td>13.9</td>
<td>16.6</td>
<td>13.8</td>
<td>14.7</td>
</tr>
</tbody>
</table>

Source: Various NSSO Rounds

The gender gap that exists in employment is brought out in Table 5.1.

5.2 Gender Gap

Table 5.2 shows the male–female gap in the LFPR across Indian states in rural areas during the period from 1993–1994 to 2011–2012 highlighting their minimum, maximum and median rates.

Table 5.2: Labour Force Participation (in percentage) 1993-94 to 2011-12

<table>
<thead>
<tr>
<th>Category</th>
<th>Minimum</th>
<th>Median</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural Male</td>
<td>53</td>
<td>55</td>
<td>56</td>
</tr>
<tr>
<td>Rural Female</td>
<td>24</td>
<td>30</td>
<td>33</td>
</tr>
</tbody>
</table>

Source: Sanghi et al. 2015, Table 16, pp 264

It is evident that the gender gap between male and female labour force participation is 25 percentage points in rural India (median value of 55–30). Across rural India, it can be seen
that during the period from 2004–2005 to 2011–2012, except Himachal Pradesh, all other major states experienced an increase in the gender gap between male and female labour force participation (Table 5.3). It ranges from 2 percentage points in Himachal Pradesh to 43 percentage points in Bihar. The maximum increase in the gender gap between 2004–2005 and 2011–2012 was observed in the states of Karnataka, Gujarat, Haryana, Madhya Pradesh, Punjab, Jharkhand and Odisha. If the states are arranged in ascending order of the gender gap in the LFPR in rural India, all the states which show a sharp increase in the gender gap in 2011–2012 figured in the middle range in 2004–2005 with the gender gap widening between 11 (Odisha) and 16 (Karnataka) percentage points in 2011–2012 (Sanghi et al. 2015).

Table 5.3: Gender Gap in Rural Labour Force Participation Rate (in percentage), 2004-05 to 2011-12

<table>
<thead>
<tr>
<th>State</th>
<th>2004-05</th>
<th>2011-12</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Himachal Pradesh</td>
<td>5</td>
<td>2</td>
<td>-3</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>10</td>
<td>19</td>
<td>9</td>
</tr>
<tr>
<td>Uttarakhand</td>
<td>10</td>
<td>15</td>
<td>5</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>11</td>
<td>15</td>
<td>4</td>
</tr>
<tr>
<td>Chhatisgarh</td>
<td>11</td>
<td>15</td>
<td>4</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>13</td>
<td>16</td>
<td>3</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>14</td>
<td>22</td>
<td>8</td>
</tr>
<tr>
<td>Karnataka</td>
<td>17</td>
<td>33</td>
<td>16</td>
</tr>
<tr>
<td>Gujarat</td>
<td>17</td>
<td>32</td>
<td>15</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>18</td>
<td>33</td>
<td>15</td>
</tr>
<tr>
<td>Haryana</td>
<td>22</td>
<td>37</td>
<td>15</td>
</tr>
<tr>
<td>Punjab</td>
<td>23</td>
<td>34</td>
<td>11</td>
</tr>
<tr>
<td>Jharkhand</td>
<td>23</td>
<td>34</td>
<td>11</td>
</tr>
<tr>
<td>Odisha</td>
<td>25</td>
<td>36</td>
<td>11</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>26</td>
<td>32</td>
<td>6</td>
</tr>
<tr>
<td>Kerala</td>
<td>27</td>
<td>33</td>
<td>6</td>
</tr>
<tr>
<td>Jammu and Kashmir</td>
<td>29</td>
<td>30</td>
<td>1</td>
</tr>
<tr>
<td>Bihar</td>
<td>35</td>
<td>43</td>
<td>8</td>
</tr>
<tr>
<td>Assam</td>
<td>35</td>
<td>43</td>
<td>8</td>
</tr>
<tr>
<td>West Bengal</td>
<td>40</td>
<td>41</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Sanghi et al. 2015, Table 17, pp-264

There exists an all pervasive gender gap both in labour force participation and work force participation rates in rural India. A rural/urban disaggregated analysis at the regional level according to the three different statuses of employment as defined by National Sample Survey Organisation (NSSO), will present a clear picture of the gap. In the next section an effort has been made towards this end with the help of line diagrams.
5.3 Inter State Variation of Labour Force and Work Force

To study the regional disparities and verify the existence of a gender gap in the Labour Force Participation Rates (LFPR) and Work Force Participation Rates (WFPR) on the basis of the alternative approaches the study considers the state level estimates from the NSS reports\textsuperscript{21} for the different states and union territories for persons of all ages based on their residency (the rural urban divide). Line charts have been selected as the appropriate diagrammatic tool because they provide with an at a glance measure of:

i. the participatory gap between male female workers and
ii. the positional gap between two states for male as well as female workers

5.3.1 61st Round (2004-05) - Labour Force Participation\textsuperscript{22}

Figure 5.1: Rural variation in LFPR on the basis of usual status (ps) for 2004-05 (61st round), Across states and u.ts

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{image}
\caption{Rural Regional Variation-LFPR}
\end{figure}

Source: Constructed from data available in Report 515 (2004-05, 61st NSSO employment-unemployment round)

\textsuperscript{21} Report No. 515 for the 61\textsuperscript{st} round, 2004-05 and Report No. 554 for the 68\textsuperscript{th} round, 2011-12.

\textsuperscript{22} Refer to footnote 16
Figure 5.2: Rural variation in LFPR on the basis of usual status (ps+ss) for 2004-05 (61st round), Across states and u.ts

Source: Constructed from data available in Report 515 (2004-05, 61st NSSO employment-unemployment round)

Figure 5.3: Urban variation in LFPR on the basis of usual status (ps) for 2004-05 (61st round), Across states and u.ts

Source: Constructed from data available in Report 515 (2004-05, 61st NSSO employment-unemployment round)
Figure 5.4: Urban variation in LFPR on the basis of usual status (ps) for 2004-05 (61st round), Across states and u.ts

*Source: Constructed from data available in Report 515 (2004-05, 61st NSSO employment-unemployment round)*

Figure 5.1, 5.2 show the rural regional variation and figure 5.3, 5.4 show the urban regional variation in labour force participation during the year 2004-05. According to the usual status, it is seen that regional variability in female participation is much higher than males in rural areas but not so in urban areas. Levels are much lower than male participation rates both in rural and urban areas. When subsidiary work is considered with principal work then there is a greater representation of females, but taken together that still falls short of male participation rate. Both rural and urban areas depict the same situation. This is pretty dismal, considering the fact that year 2004-05 was a turnaround for female employment after the gloomy picture during the years 1993-94 and 1999-2000. Positional difference between states is greater for rural participation rates than for urban participation rates.

The diagrammatic results shown by the current status (current weekly status and current daily status) for labour force participation rate during 2004-05 are presented next. Figure 5.5 and 5.6 show the rural regional variation, whereas figure 5.7 and 5.8 show the urban regional variation of LFPR for the 61st round (2004-05).
Figure 5.5: Rural variation in LFPR on the basis of current status (weekly) for 2004-05 (61st round), Across states and u.ts

![Rural Regional Variation-LFPR](image)

Source: Constructed from data available in Report 515 (2004-05, 61st NSSO employment-unemployment round)

Figure 5.6: Rural variation in LFPR on the basis of current status (daily) for 2004-05 (61st round), Across states and u.ts

![Rural Regional Variation-LFPR](image)

Source: Constructed from data available in Report 515 (2004-05, 61st NSSO employment-unemployment round)
Figure 5.7: Urban variation in LFPR on the basis of current status (weekly) for 2004-05 (61st round), Across states and u.ts

![Urban Regional Variation-LFPR](image1)

Source: Constructed from data available in Report 515 (2004-05, 61st NSSO employment-unemployment round)

Figure 5.8: Urban variation in LFPR on the basis of current status (daily) for 2004-05 (61st round), Across states and u.ts

![Urban Regional Variational-LFPR](image2)

Source: Constructed from data available in Report 515 (61st NSSO employment-unemployment round)

Figure 5.5 and 5.6 depict that the variation in participation is more pronounced for females than males in rural regions. Figure 5.7 and 5.8 show that in urban areas the variability is almost the same for females as for males. Female employment exhibits extreme volatility in the different states or regions of India. There must be various reasons for such a behaviour of
female participation in the labour force which will be analysed in the subsequent chapters. One aspect which is common for all states and regions is the lower level of employment for females. Although 61st Round of NSSO (2004-05) has been hailed as a very prospective round as it showed very high employment levels for female workers yet we see that their levels are always lower than that of males. The gender gap in employment is all pervasive.

### 5.3.2 61st Round (2004-05)—Work Force Participation

This section presents the work force participation levels for the 61st round and analyses the behavioural peculiarities. Rural and urban variation among all the states has been studied for all the activity statuses as defined by NSSO.

**Figure 5.9:** Rural variation in WFPR on the basis of usual status (ps) for 2004-05 (61st round), Across states and u.ts

![Rural Regional Variation-WFPR](image)

*Source: Constructed from data available in Report 515 (61st NSSO employment-unemployment round)*

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23 Refer to footnote 17
Figure 5.10: Rural variation in WFPR on the basis of usual status (ps+ss) for 2004-05 (61st round), Across states and u.ts

![Rural Regional Variation-WFPR(ps+ss)](image)

Source: Constructed from data available in Report 515 (61st NSSO employment-unemployment round)

Figure 5.11: Urban variation in WFPR on the basis of usual status (ps) for 2004-05 (61st round), Across states and u.ts

![Urban Regional Variation-WFPR](image)

Source: Constructed from data available in Report 515 (61st NSSO employment-unemployment round)
Figure 5.12: Urban variation in WFPR on the basis of usual status (ps+ss) for 2004-05 (61st round), Across states and u.ts

Source: Constructed from data available in Report 515 (61st NSSO employment-unemployment round)

Figure 5.9 and 5.10 show that the work force participation for women according to usual and usual principal status exhibits a variable nature in the different states of India. WFPR behaves much the same as LFPR in rural areas. Figure 5.11 and 5.12 show that in urban areas too there is considerable variation in WFPR of women. Level of participation for women is low as compared to men in most of the states.

Figure 5.13 shows the rural variation in work force participation according to the current weekly status. Figure 5.14 shows the rural variation in work force participation for current daily status. The existence of both the gaps is very clearly highlighted in figure 5.13 and figure 5.14. The workforce participation levels of women is lower than that for men under both the activity statuses and across all the states.
Figure 5.13: Rural variation in WFPR on the basis of current weekly status for 2004-05 (61st round), Across states and u.t.s

![Rural Regional Variation-WFPR](image)

Source: Constructed from data available in Report 515 (61st NSSO employment-unemployment round)

Figure 5.14: Rural variation in WFPR on the basis of current daily status for 2004-05 (61st round), Across states and u.t.s

![Rural Regional Variation-WFPR](image)

Source: Constructed from data available in Report 515 (61st NSSO employment-unemployment round)
The urban variation and gap is shown in figure 5.15 and figure 5.16.

**Figure 5.15:** Urban variation in WFPR on the basis of current weekly status for 2004-05 (61st round), Across states and u.ts

![Urban Regional Variation-WFPR](image)

*Source: Constructed from data available in Report 515 (61st NSSO employment-unemployment round)*

**Figure 5.16:** Urban variation in WFPR on the basis of current daily status for 2004-05 (61st round), Across states and u.ts

![Urban Regional Variation-WFPR](image)

*Source: Constructed from data available in Report 515 (61st NSSO employment-unemployment round)*

Figure 5.13, 5.14, 5.15 and 5.16 show that the work force participation of women is much less than men in both rural and urban areas according to the current activity status. Variability is higher in rural areas than urban areas. Nevertheless, the gender gap is persistent in all the
activity statuses along the rural urban divide. The existence of this gap across all the activity statuses proves that in the short run as well as long run there is an inequality in male female participation.

5.3.3 68th Round (2011-12)- Labour Force Participation

A similar study of the NSSO 68th Round (2011-12) has been undertaken in this section. As per NSSO report no. 554, the 68th Round (2011-12) has not shown as encouraging results as the 61st round (2004-05), especially with respect to female employment. So, an effort is made to understand if the gender gap in employment is widened or is the same in both the rounds.

The line charts have been arranged in a slightly modified manner in this section. For the rural areas the usual principal statuses and current statuses have been studied in figures 5.17 to 5.20. So the rural picture is available at a glance. Figure 5.17 shows the variation in LFPR according to the usual principal status. This status is most useful for analysing the long term trends of female employment. Figure 5.18 depicts the same variation according to usual status (principal +subsidiary). This status has the maximum coverage of workers and gives an idea of the principal work and the subsidiary work done. Figure 5.19 shows the current weekly status and figure 5.20 shows the current daily status. Both these statuses help in understating the seasonal fluctuations in participation rates.

Figure 5.17: Rural variation in LFPR on the basis of usual status (ps) for 2011-12 (68th round), Across states and u.ts

![Rural Regional Variation-LFPR](image-url)
Figure 5.18: Rural variation in LFPR on the basis of usual status (ps+ss) for 2011-12 (68th round), Across states and u.ts

Source: Constructed from data available in Report 554 (68th NSSO employment-unemployment round)

Figure 5.19: Rural variation in LFPR on the basis of current weekly status for 2011-12 (68th round), Across states and u.ts

Source: Constructed from data available in Report 554 (68th NSSO employment-unemployment round)
Figure 5.20: Rural variation in LFPR on the basis of current daily status for 2011-12 (68th round), Across states and u.ts

![Rural Regional Variation-LFPR](image)

Source: Constructed from data available in Report 554 (68th NSSO employment-unemployment round)

Figures 5.17, 5.18, 5.19 show that the level of participation of women in labour force is much lower than men. Variation is also more for women. Different regions show varying participation levels of women. Usual principal status, usual principal and subsidiary status, current weekly status depict similar picture with female participation levels almost half that of men. Current Daily status (Fig. 5.20) shows that there are some states (Himachal Pradesh, Meghalaya, Sikkim) where participation of women is higher than men. This was not evident in the 61st round. The Urban scenario is studied next and figures 5.21 to 5.24 show the variation in LFPR according to all the statuses as defined in NSSO.

Figure 5.21: Urban variation in LFPR on the basis of usual status for 2011-12 (68th round), Across states and u.ts

![Urban Regional Variation-LFPR](image)

Source: Constructed from data available in Report 554 (68th NSSO employment-unemployment round)

24 The gender gap between 2004-05 and 2011-12 is negative in Himachal Pradesh as shown in Table 5.3.
Figure 5.22: Urban variation in LFPR on the basis of usual status (ps+ss) for 2011-12 (68th round), Across states and u.ts

Source: Constructed from data available in Report 554 (68th NSSO employment-unemployment round)

Figure 5.23: Urban variation in LFPR on the basis of current weekly status for 2011-12 (68th round), Across states and u.ts

Source: Constructed from data available in Report 554 (68th NSSO employment-unemployment round)
Figures 5.21, 5.22, 5.23 and 5.24 show that participation levels for women in the labour force are much lower than men and the difference in levels is greater in urban areas than in rural areas. The gap persists for all status of activities, i.e for usual principal, usual, current weekly and current daily status. Female participation in the labour force is lower in every state irrespective of the place of residence.

5.3.4 68th Round (2011-12)-- Work Force Participation

A study of the work force participation of women in rural and urban areas for the 68th round is done in this section, in order to check for the existence of gender gap in employment. Figures 5.25 to 5.28 show the rural picture according to the four activity statuses of employment.
Figure 5.25: Rural variation in WFPR on the basis of usual status (ps) for 2011-12 (68th round), Across states and u.ts

Source: Constructed from data available in Report 554 (68th NSSO employment-unemployment round)

Figure 5.26: Rural variation in WFPR on the basis of usual status (ps+ss) for 2011-12(68th round), across states

Source: Constructed from data available in Report 554 (68th NSSO employment-unemployment round)
Figure 5.27: Rural variation in WFPR on the basis of current weekly status for 2011-12(68th round), Across states and u.ts

Figure 5.28: Rural variation in WFPR on the basis of current daily status for 2011-12(68th round), Across states and u.ts

Figures 5.25, 5.26, 5.27 and 5.28 show exactly the same picture as all the figures before. Participation of females in workforce is much less than males. Variation in participation is very high for females among the different states. This is not true for males where participation is almost similar in the different states. Women participate mainly in subsidiary work which when included in workforce participation reduces the gender gap considerably.
The Urban scenario for the 68th round, 2011-12, is studied next. Figures 5.29 to 5.32 show the variation in WFPR according to the four activity statuses as defined in NSSO.

**Figure 5.29: Urban variation in WFPR on the basis of usual status (ps) for 2011-12 (68th round), Across states and u.ts**

![Urban Regional Variation-WFPR](image)

*Source: Constructed from data available in Report 554 (68th NSSO employment-unemployment round)*

**Figure 5.30: Urban variation in WFPR on the basis of usual status (ps+ss) for 2011-12 (68th round), Across states and u.ts**

![Urban Regional variation-WFPR(usual status)](image)

*Source: Constructed from data available in Report 554 (68th NSSO employment-unemployment round)*
Figures 5.29, 5.30, 5.31 and 5.32 depict the existence of a prominent gender gap in employment. The diagrammatic exploratory analysis exhibits the fact that, during the 68th round (2011-12), although the economy was doing extremely well with a high rate of growth yet the gender disparity in employment was prevalent. Both the 61st and 68th rounds depict
similar pictures and a gender gap is seen in participation levels giving rise to gender relation in employment which does not seem to favour women. There is a gender gap in all activity statuses for labour force as well as work force participation. Before proceeding to look into the determinants of female labour in the next chapter, the statistical significance of the gap is tested in the next section. For that paired t-test has been performed on the LFPR and WFPR data available for usual status (principal+subsidiary), as this status has the maximum coverage.

5.4 Significance of the Gender Gap in Employment

Table 5.4: Pair t-test of the significance of gender gap in employment for the 61st Round (2004-05)

|       | t-value | Pr.(|T|>|t|) | significance |
|-------|---------|----------|--------------|
| URBAN |         |          |              |
| Gap in LFPR | 27.75   | 0        | ***          |
| Gap in WFPR | 29.21   | 0        | ***          |
| RURAL  |         |          |              |
| Gap in LFPR | 10.11   | 0        | ***          |
| Gap in WFPR | 9.81    | 0        | ***          |

Source: Author’s calculation

Table 5.5: Pair t-test of the significance of gender gap in employment for the 68th Round (2011-12)

|       | t-value | Pr.|T|>|t| | significance |
|-------|---------|-----|----------|--------------|
| URBAN |         |     |          |              |
| Gap in LFPR | 37.75 | 0   |           | ***          |
| Gap in WFPR | 38.37 | 0   |           | ***          |
| RURAL  |         |     |          |              |
| Gap in LFPR | 13.71 | 0   |           | ***          |
| Gap in WFPR | 13.58 | 0   |           | ***          |

Source: Author’s calculation

5.5 Observations

Female labour force participation is an important driver and outcome of economic growth and development (Verick, 2014). It tends to increase with economic development (U-hypothesis) but the relationship is not straightforward or consistent at the macro level. This has been aptly depicted by the significant gender gap in employment (table 4.4 and table4.5). The analysis in this chapter shows that women’s participation in the labour market varies
greatly across states and union territories in India, reflecting differences in the factors determining the participation. The relation between female labour force participation and these factors is very complex, and hence it calls for highlighting their importance in affecting the decision and ability of women to engage in the labour market.

The gender gap which is evident among all the statuses of activity is a universal phenomenon in the Indian economy. It is not a regional or state specific issue. Some states show a comparatively better picture and others show a worse one. But the fact of the existence of a gender gap in employment levels cannot be denied. This gap is not in favour of women as their levels of participation are lower than that of male workers. This can have various connotations on their empowerment, both in the labour market and within and outside the household. Several conditions may limit the liberating impacts of paid work outside the household (e.g. who controls the income from such work) and even in the best of circumstances, workforce participation (outside the household premises) imposes a dual burden on women (in their role as wives, mothers and carers) which forces them to balance responsibilities within the household and the labour market. Thus an increased participation may not always indicate a desirable situation for women, it may sometimes restrain their progress towards more equality if it happens under economic stress (Chakraborty and Chakraborty, 2009). The social hierarchy which creates such a gap needs to be studied in detail so as to highlight the gender relations being created thereof. As a first step towards such an attempt the next chapter studies the factors (in exclusivity) which influence the labour supply decisions of women workers using unit level data of National Sample Survey for the year 2011-12 (68th Round).