



Persisting Gender Inequality in Indian Labour Market

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Every year, on International Women's Day, we celebrate the achievements of women in the social, economic, cultural and political spheres. This special day for women began as a labour movement way back in 1908, when 15,000 women marched through New York City demanding shorter working hours, better pay and the right to vote. 8th March was taken up as the official International Women's Day in 1975 by the United Nations. This year the theme is to celebrate the tremendous efforts of women and girls around the world not only in shaping a more equal future but also in the recovery from the COVID-19 pandemic. The need is also to highlight the gaps that remain and the way forward that is successful in addressing them. Gender inequality in the labour market, particularly in the context of developing countries, is one area of concern that still poses a great challenge. This article provides some facts about

how women are denied equal opportunities in the Indian labour market.

Historically, women have been denied many opportunities due to deep-rooted biases in the social system (Kabeer 2000; Rani 2008). These eventually lead to labour market inequality as such discrimination is not limited to the domestic arena only, but extends beyond the household. The underlying factors that cause such discrimination are sex ratio at birth, life expectancy at birth, infant mortality rate, under-five mortality rate, maternal mortality rate, nutritional deprivation, inequality in literacy rates and the gender gap at the highest level of political decision-making. These inequalities have direct implications for labour market outcomes in terms of women's participation in economic activities. Even with similar educational attainments and skill sets as men, women are denied opportunities, which leads to significant

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differences in status of work, income/earnings and occupations. Despite the introduction of many affirmative policy actions, the above mentioned exclusionary approach has continued.

Inequality in the Labour Market

While some recent studies commenting on the changes in the past decades, have noted an improvement in employment conditions for women, with rising salaries and more participation in quality or decent jobs, other studies have highlighted jobless growth and declining women's participation in the labour market during the same period (Papola 2012; IER 2014). The recent global pandemic has severely hit the economic activities of those who were at the lower rung of the occupation hierarchy, particularly the women working in the informal economy. They were out of jobs for a significant period of the pandemic and those who managed to hold on to one had to face significant cuts in their wages. This has further precipitated the vulnerability of women.

Employment and Education/Skill Level

Globalisation has led to an increase in women's participation in the labour market in India. But there is still a huge gender gap in the labour market, with only 18% of women employed as compared to 47% of men. It is often argued that women are engaged in mostly low-skilled, low-paid work under precarious work conditions (Kelkar 2014). Education and skill level play a key role in not only access to the labour market but also in the quality of work one gets. Almost half of the working women (42%) are illiterate compared to 19% men, and around 77% are educated up to upper primary level as compared to 62% men. There is a significant difference between the higher education level of working women and men, i.e. 23% of women as compared to 38% of men are educated above secondary level.

Job Quality and Occupations

More than half of the working women population (53%) is engaged in self-employment, whereas one-fourth take up some form of casual work (25%) and only 22% are in regular salaried jobs. The share of men engaged in regular work (24%) is relatively higher, while their share in casual employment (24%) is slightly lower as compared to their female counterparts. Further, differences are also observed in terms of occupational segregation in the labour market i.e. the difference in the share of men versus women within an occupation. Such segmentation is widespread within occupational groups. The occupational distribution by gender shows that women (28%) are relatively more involved than men (22%) in low-paid and unskilled jobs, such as elementary occupations (domestic helpers, cleaners, street vendors and garbage collectors), services (personal care, house-keeping and salespersons) and as office and customer service clerks. Women (10%) are also under-represented in high skilled and well paid jobs, such as those of professionals, technicians and associate professionals, when compared to men (13%). Additionally, the percentage of women (92%) engaged in informal employment in the country is higher than men (88%).

Unemployment, NEET and Inactive

Overall unemployment level among women (5%) is less than their male (6%) counterparts. The unemployment rate among young (15-29 years) women is not only significantly high (18%) but also greater than their men (17%) counterparts. The trend also shows a sizable increase in youth who are not in employment, education and training (NEET), amongst whom a large proportion is that of women. More than half of the female youth (55%) is in the NEET category with only 13% of young males featuring in it.



Additionally, 84% of the young females are inactive as compared to 41% of the males. The inactive youth include those who face employment difficulties and may drop out of the labour force when jobs are hard to find, whether for study, leisure, illicit activities or due to inertia. Women face many social and economic hurdles which limit their participation in the labour market and may lead to labour market inactivity.

Factors contributing to Inequality

There are many factors that contribute to labour market inequality. Mehta and Awasthi (2019) analysed various factors through an econometric decomposition exercise. Their study revealed four important factors: (i) educational qualification or skill level is one of the most important factors contributing to inequality in the labour market, as individuals with high education or skill level can access better jobs or have higher chances of getting a decent job; (ii) access to a decent quality job or a regular formal salaried job, which provides better and secure income, while casual work is irregular and low paid, (iii) gender, as various socio-economic conditions and other restrictions cause women to have a lower labour force participation rate and (iv) work experience, as people with experience are more likely to get better access to the labour market. There are other factors such as social groups, income level or poverty and rural and urban location which play a key role in gender inequality in the labour market.

Way Forward

Rising inequality in the labour market is a reality with the differences between the male and female population growing wider. Women are more involved in relatively low-paid and menial occupations. Over the years, female presence in regular or high-skilled and better-paid jobs has improved but still a large number of them are engaged in low paid and unskilled jobs. One of

the main factors contributing to labour market inequality is gender. Other important factors for the differences are: education or skill level, access to quality or formal jobs (regular or casual) and work experience. As a result of women's low education level they are largely engaged in less skilled and low paid occupations. In recent years, the growing enrolment of young women in secondary and tertiary level education has resulted in them being better-skilled employees and their proliferation in decent employment. This trend is seen particularly in the services sector, especially in modern sectors such as financial services and information technology. Hence, apart from a gender friendly environment in the labour market, it is necessary to make women more employable by making education up to the secondary level universal and free. However, the growing number of women in the NEET category and the higher unemployment level among educated or skilled women are negating the advances made through such measures. Therefore, it is not only participation in higher education that will provide a comprehensive solution but skills training relevant to the market demand is also necessary.

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