

# Women of the World

## Women and the Economy in India

By John E. Dunlop and Victoria A. Velkoff  
International Programs Center

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India's economy has undergone a substantial transformation since the country's independence in 1947. Agriculture now accounts for only one-third of the gross domestic product (GDP), down from 59 percent in 1950, and a wide range of modern industries and support services now exist. In spite of these changes, agriculture continues to dominate employment, employing two-thirds of all workers. Furthermore, despite advances in the economy, large segments of the population are destitute. Some estimate that over one-third of the population is living below the poverty line (The World Bank, 1997).

India faced economic problems in the late 1980s and early 1990s that were exacerbated by the Persian Gulf Crisis.<sup>1</sup> Starting in 1992, India

<sup>1</sup> To fuel economic growth during the 1980s, India relied on borrowing from foreign sources to a greater extent than before. When the price of oil doubled after Iraq invaded Kuwait, India faced a balance of payments crisis. In addition, many Indian workers who lived in the Middle East either lost their jobs or returned home for safety.

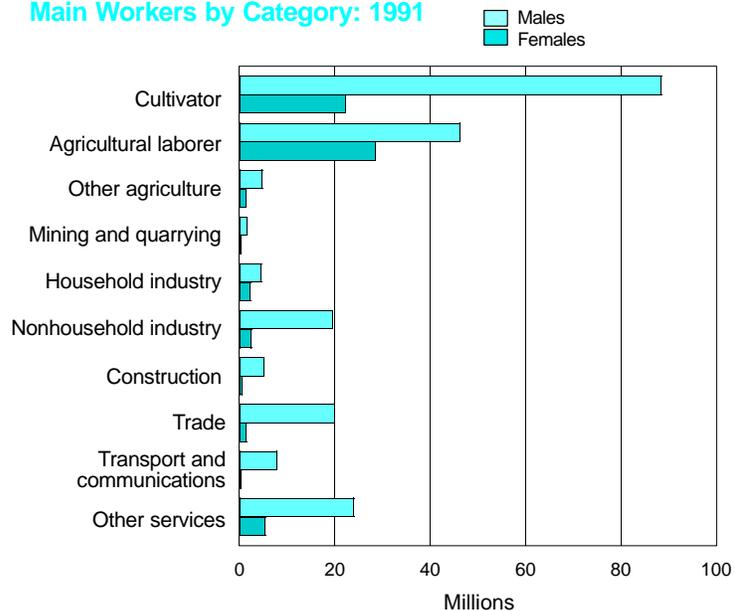
began to implement trade liberalization measures. The economy has grown—the GDP growth rate ranged between 5 and 7 percent annually over the period 1993-97 (The World Bank, 1998)—and considerable progress has been made in loosening government regulations, particularly restrictions on private businesses. Nevertheless, India remains one of the world's most tightly regulated major economies (Heitzman and Worden, 1996).

### Indian Culture Restricts Women's Access to Work

India is a multifaceted society where no generalization could apply to all of the nation's various regional, religious, social, and economic groups. Nevertheless, certain broad circumstances in which Indian women live affect the ways they participate in the economy.

Indian society is extremely hierarchical with virtually everyone

Figure 1.  
Main Workers by Category: 1991



Source: Registrar General and Census Commissioner, 1993



ranked relative to others according to their caste (or caste-like group), class, wealth, and power. This ranking even exists in areas where it is not openly acknowledged, such as certain business settings. Though specific customs vary from region to region within the country, there are different standards of behavior for men and women that carry over into the work environment. Women are expected to be chaste and especially modest in all actions (Dube and Palriwala, 1990), which may constrain their ability to perform in the workplace on an equal basis with men.

Another related aspect of life in India is *purdah*—literally, the veiling and seclusion of women. Fewer women, especially younger women, observe *purdah* today, but those who still do face constraints beyond those already placed on them by other hierarchical practices (Heitzman and Worden, 1996).

These cultural rules place some Indian women, particularly those of lower caste, in a paradoxical situation: when a family suffers economically, people often think that a woman should go out and work, yet at the same time the woman's participation in employment outside the home is viewed as "slightly inappropriate, subtly wrong, and definitely dangerous to their chastity and womanly virtue" (Dube and Palriwala, 1990, p. 131). When a family recovers from an economic crisis or attempts to improve its status, women may be kept at home as a demonstration of the family's morality and as a symbol of its financial security.

As in many other countries, working women of all segments of Indian society face various forms of discrimination including sexual harassment. Even professional women find discrimination to be prevalent: two-thirds of the women

in one study felt that they had to work harder to receive the same benefits as comparably employed men. It is notable that most of the women in this study who did not perceive discrimination worked in fields (e.g., gynecology) where few, if any, men competed against them (Liddle and Joshi, 1986).

### Much of Women's Economic Activity Not Reflected in Statistics

Although most women in India work and contribute to the economy in one form or another, much of their work is not documented or accounted for in official statistics. Women plow fields and harvest crops while working on farms; women weave and make handicrafts while working in household industries; women sell food and gather wood while working in the informal sector. Additionally, women are traditionally responsible for the daily household chores (e.g., cooking, fetching water, and looking after children).

Although the cultural restrictions women face are changing, women are still not as free as men to participate in the formal economy. In the past, cultural restrictions were the primary impediments to female employment; now, however, the shortage of jobs throughout the country contributes to low female employment as well.

The 1991 Indian census divides workers into two categories: "main" and "marginal" workers. Main workers include people who worked for 6 months or more during the year, while marginal workers include those who worked for a shorter period. Detailed data on marginal workers have not been tabulated from the 1991 census, but many of these workers are agricultural laborers. Unpaid farm and family enterprise workers are

supposed to be included in either the main worker or marginal worker category, as appropriate (Registrar General and Census Commissioner (RGCC), 1993).

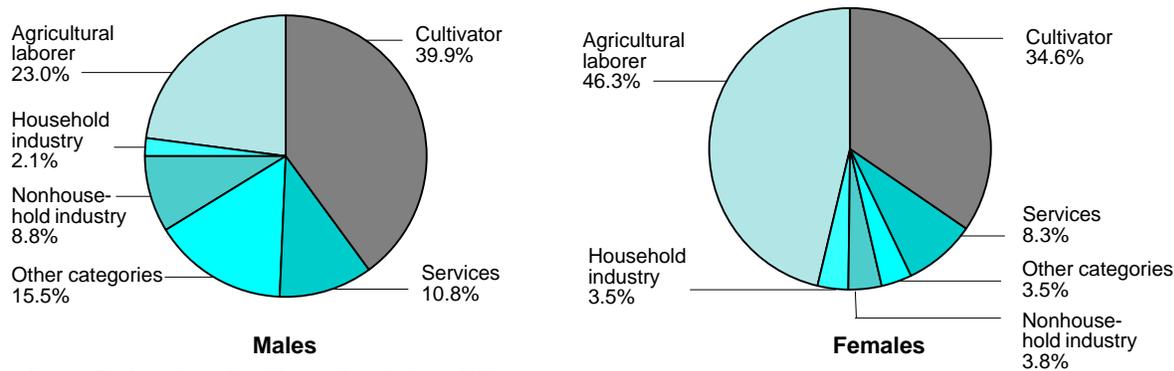
Women account for a small proportion of the formal Indian labor force, even though the number of female main workers has grown faster in recent years than that of their male counterparts. The 1991 census shows that the number of male main workers increased 23 percent since the 1981 census while the number of female main workers increased 40 percent. However, women still accounted for only 23 percent (64.3 million) of the total.

The reported labor force participation of women is very low. Fewer than one-quarter (22 percent) of women of all ages were engaged in work either as a main or a marginal worker in 1991, compared with just over half of men. Rural women were more likely than urban women to be counted in the census as working, 27 percent versus 9 percent, respectively (RGCC, 1993).

### Informal Sector Important Source of Work for Women

Since Indian culture hinders women's access to jobs in stores, factories, and the public sector, the informal sector is particularly important for women. More women may be involved in undocumented or "disguised" wage work than in the formal labor force. There are estimates that over 90 percent of working women are involved in the informal sector and not included in official statistics (The World Bank, 1991). The informal sector includes jobs such as domestic servant, small trader, artisan, or field laborer on a family farm. Most of these jobs are unskilled and low paying and do not provide benefits to the worker. Although such jobs are

Figure 2.  
Percent Distribution of Main Workers by Category: 1991



Source: Registrar General and Census Commissioner, 1993

supposed to be recorded in the census, undercounting is likely because the boundaries between these activities and other forms of household work done by women are often clouded (Dube and Palriwala, 1990). Thus, the actual labor force participation rate for women is likely to be higher than that which can be calculated from available data.

### Women's Unemployment Rates Similar to Men's

Unemployment is difficult to estimate in India and most unemployment statistics are likely to underestimate the true level of unemployment, particularly for women. This is due, in part, to the fact that many potential workers do not bother looking for work because they feel jobs are too scarce. Such people are rarely included in unemployment statistics. Also, there is not a strong motivation to register at employment offices because of the perceived minimal benefits of doing so.

Different sources provide disparate pictures of the nature of unemployment in the country. According to employment-office statistics for 1996, there were 37.4 million

unemployed people, of whom 22 percent were female (International Labour Office (ILO), 1997).<sup>2</sup> The most useful unemployment data, however, come from the Indian National Sample Survey Organization that conducts periodic surveys to estimate employment and unemployment rates. The most recent available survey (1990-91) showed that female unemployment rates were virtually the same as male rates; just over 2 percent for each gender in rural areas, and just over 5 percent in urban areas. Data show substantial drops in unemployment rates since 1977-78, particularly for women. At that time, the female unemployment rate was 4.1 percent in rural areas and 10.9 percent in urban areas, while the male rates were 3.6 percent and 7.1 percent, respectively (National Sample Survey Organization (NSSO), 1994).

The above trend in unemployment rates does mask other less-positive developments, however. Although female unemployment rates were falling, there was not a corresponding increase in employment rates. For example, in 1977-78, 23.2 percent of all rural females were employed, but by 1990-91, the

share of rural females employed remained essentially unchanged. For males, on the other hand, drops in their unemployment rate translated almost directly into comparable increases in their employment rate (NSSO, 1994).

### Female Workers Relatively Young

Female workers tend to be younger than males.<sup>3</sup> According to the 1991 census, the average age of all female workers was 33.6 compared with the male average of 36.5.

<sup>2</sup> These data are reported by local employment offices that register the number of people looking for work. The accuracy of these data is questionable because many unemployed people may not register at these offices if there are no perceived benefits to registering. In addition, the offices operate more extensively in urban areas, thus likely undercounting unemployment in rural areas.

<sup>3</sup> One would expect that as cultural impediments to work decrease, younger women would be the ones entering the workforce; older women who have never worked in the formal sector are not likely to start working later in life.

Among the youngest workers (ages 5 to 14), girls worked at nearly the same rate as boys — about 5 percent of children worked as main or marginal workers. As age increases, the ratio of female to male workers decreases. In the 25 to 29 age group, there were only 406 female workers for every 1,000 male workers, and for the age group 50 to 59, the ratio declined further to 340. Little has changed since 1981, though the number and the proportion of children under the age of 15 who were working has declined.

### Vast Majority of Indians Work in Agriculture

Most female and male main workers are employed in agriculture (Figure 1). Agricultural employment is divided into three categories in the census: cultivators, agricultural laborers, and other agricultural work.<sup>4</sup> Cultivators usually have some right to the land — they or their family own the land or lease it from the government, an institution, or another individual. In addition, cultivators may supervise or direct others. In contrast, agricultural laborers work on another person's land for monetary wages or in-kind compensation. These workers have no right to the land on which they work.

More than half (55 percent) of female agricultural workers are considered laborers, compared with just one-third of male agricultural workers. This suggests that most female workers are employed in

<sup>4</sup> Other agricultural work includes workers involved with livestock, forestry, fishing and hunting, plantations, orchards, and related activities.

<sup>5</sup> The 1991 census defines "household industry" as manufacturing, processing, servicing, or repairing of products by members of a household at home or within the confines of the village or rural area in which they live.

lower-skilled, lower-paid positions, and are not the supervisors or owners of capital. Most female cultivators are members of a family that owns the land, rather than being the owners themselves (Kishwar and Vanita, 1985). The share of total female agricultural workers who were cultivators increased slightly between 1981 and 1991, from 41 to 43 percent.

The only other sector of the economy that employs more than 5 percent of working women is the service sector (Figure 2). This sector, which includes occupations such as social work, government, teaching, religious activities, and entertainment, accounts for about 8 percent of all female main worker labor. Household and nonhousehold industries<sup>5</sup> each employ about 4 percent of female main workers.

### Women Face Wage Discrimination

Throughout the economy, women tend to hold lower-level positions than men even when they have sufficient skills to perform higher-level jobs. Researchers have estimated that female agricultural laborers were usually paid 40 to 60 percent of the male wage (Kishwar and Vanita, 1985). Even when women occupy similar positions and have similar educational levels, they earn just 80 percent of what men do, though this is better than in most developing countries. The public sector hires a greater share of women than does the private sector, but wages in the public sector are less egalitarian despite laws requiring equal pay for equal work (Madheswaran and Lakshmanasamy, 1996).

### Technology Does Not Always Improve Women's Employment

There is evidence that suggests that technological progress sometimes has a negative impact on women's employment opportunities. When a new technology is introduced to automate specific manual labor, women may lose their jobs because they are often responsible for the manual duties. For instance, one village irrigated its fields through a bucket system in which women were very active. When the village replaced the manual irrigation system with a tubewell irrigation system, women lost their jobs (Kishwar and Vanita, 1985). Many other examples exist where manual tasks such as wheat grinding and weeding are replaced by wheat grinding machines, herbicides, and other modern technologies.

These examples are not meant to suggest that women would be better off with the menial jobs; rather, they illustrate how women have been pushed out of traditional occupations. Women may not benefit from jobs created by the introduction of new technology. New jobs (e.g., wheat grinding machine operator) usually go to men, and it is even rarer for women to be employed in the factories producing such equipment. Recent National Sample Survey data exemplify this trend. Since the 1970s, total female self-employment and regular employment have been decreasing as a proportion of total employment in rural areas, while casual labor has been increasing (NSSO, 1994). Other data reinforce the conclusion that employment options for female agricultural workers have declined, and that many women seek casual work in other sectors characterized by low wages and low productivity (National Commission for Women in India, 1993).

## Female Employment Does Not Insure Economic Independence

Even if a woman is employed, she may not have control over the money she earns, though this money often plays an important role in the maintenance of the household. In Indian culture, as in many other countries, women are expected to devote virtually all of their time, energy, and earnings to their family. Men, on the other hand, are expected to spend time and at least some of their earnings on activities outside the household. Research has shown that women contribute a higher share of their earnings to the family and are less likely to spend it on themselves (Dwyer and Bruce, 1988).

Research has suggested that as the share of the family income contributed by a woman increases, so does the likelihood that she will manage this income (The World Bank, 1991). However, the extent to which women retain control over their own income varies from household to household and region to region. One study found that fewer than half of women gave their earnings to their husbands (Dwyer and Bruce, 1988).<sup>6</sup> The study also showed, however, that many women still sought their husbands' permission when they wanted to purchase something for themselves. In northern India, where more stringent cultural restrictions are in place, it is likely that few women control family finances.

<sup>6</sup> The percent of women who said they handed over their earnings to their husbands ranged from 3 to 84 percent among the villages in the study.

## Relationship Between Women's Education and Work Is Not Straightforward

The level of education is low in India; in 1991, only 39 percent of women and 64 percent of men were literate. The majority of those who are literate have only a primary education or less (RGCC, 1993). For men, as the level of education rises, the share that are main workers generally increases. Just over one-third of literate men who have no formal education work as main workers, while three-quarters of those with post-high school educations are similarly employed.

The effect of education on the employment status of women is not so straightforward. Higher levels of education for women do not directly translate into higher proportions of main workers. For example, 18 percent of illiterate women are employed as main workers, while just 11 percent of those with high school educations are employed as such. Not until women achieve a post-high school level of education are there dramatic improvements in their employment status—about half of all women who receive a post-secondary non-college diploma are employed as main workers. These women likely have received training for specific jobs. Surprisingly, women with university degrees do not have relatively high employment rates; only 28 percent of these women are employed as main workers.

The confounding of the usual relationship between education and employment may be related to the likelihood that poorer and lower educated families require female members to work. Often, girls and young women work instead of receiving an education. Well-off and better-educated families may send their daughters to school, but

are able to afford to follow the cultural practice of keeping women at home after schooling is complete. Not until women receive specialized post-secondary education do they see significant improvements in their employment rates.

## Women Have Distinct Work Experiences in Different Areas of the Country

Employment rates for women vary substantially across India's diverse states and territories. States with proportionately larger rural populations typically have higher employment rates because most people throughout India are engaged in agriculture. For instance, the territory of Dadra and Nagar Haveli, a small area in western India, had the highest female employment rate (49 percent) in the country according to the 1991 census. In this area, 90 percent of all female employment was in agriculture. Delhi, on the other hand, with an urban population of nearly 90 percent, had a female employment rate of just 7.4 percent.

Exceptions to the relationship between proportionately large rural populations and above-average female employment exist. Regions in northern India have lower employment rates than southern regions (Figure 3). Though the share of the population involved in agriculture in these states was near the national average, the female employment rate was very low—10.8 percent in Haryana and just 4.4 percent in Punjab. According to survey data, rural female unemployment is also very low in these areas—1.4 percent in Punjab and virtually nil in Haryana. Around half of all rural women in these areas are engaged in domestic duties compared to the national average of 37.8 percent (NSSO, 1994). Identifying the exact reasons for

Figure 3. Female Employment Rate: 1991



Note: The map shows total female workers (main and marginal) as a share of the total female population.

Source: Registrar General and Census Commissioner, 1993

the disparity between the northern and southern regions is difficult. The northern states, particularly Punjab, are agriculturally fertile and the population is comparatively well off. Thus, it is not as important for the women of families in these regions to work. More importantly, however, cultural practices vary from region to region. Though it is a broad generalization, northern India tends to be more patriarchal and feudal than southern India. Women in northern India have more restrictions placed on their behavior, thereby restricting their access to work. Southern India tends to be more egalitarian, women have relatively more freedom, and women have a more prominent presence in society.

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