

## Empowering women through job creation

According to the World Economic Forum's "Global Gender Gap Report 2017", India's ranking has fallen by 21 places from last year. Not only are we currently far below the global average but also behind our neighbours China and Bangladesh. One of the areas where we have fared poorly is in wages and participation of women in the economy where our rank is an abysmal 139. This is not the first report to highlight the plight of our women. In fact, as per the World Bank report, we have one of the lowest workforce female participation rates, ranking 120th among 131.

Even in terms of contribution to gross domestic product (GDP), women are currently under-represented. At 17%, India has a lower share of women's contribution to GDP than the global average of 37%. What is even more alarming is that the participation levels have been dropping in the last few years. The National Sample Survey found that while in 1999-2000, 25.9% of all women worked; by 2011-12 this proportion had dropped to 21.9%.

A possible and optimistic explanation could be that with rising household income, women now have the opportunity to choose leisure over work, especially in agricultural sectors and on construction sites, and focus on their families. However, research has shown that when women have access to more work opportunities, they gladly take them.

The India Human Development Survey highlighted that the provision of work under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) brought more rural women into wage labour. Among MGNREGA workers in 2011-12, a whopping 45% were not in wage labour before the scheme was initiated, which means that women do seek opportunities to earn a stable wage.

According to an International Labour Organization study, the participation of women in informal employment and non-standard forms of employment (for eg. part-time jobs or jobs in the informal sector) is higher than men. Jobs for Indian women, especially rural women, remain primarily in the agriculture sector. The share of women in services and industry is less than 20%.

Another point to note is that in India, nearly 100% of net job creation in the last two decades has happened in the informal sector in small and low-productivity enterprises. While pretty much every employee in the informal sector will have fewer skilling opportunities and lack of job security, the average Indian woman worker is at a dual disadvantage. Not only is she less likely to find stable job opportunities within the informal sectors but she will also have to deal with poor quality and even unsafe working conditions, low wages and denial of statutory benefits like social security. She will also have to cope with higher risks of discrimination as compared to her male colleagues. Her wages will not only be below the statutory minimum wage but will be much less than her male counterparts' and benefits like maternity leave or related facilities, which are meant to keep women in the workforce, will not be accessible to her in the informal sector.

The lack of safe working conditions, social security benefits, and a fair wage that can only be paid by formal sector employers with high productivity and output ratios, induces women to opt out of employment—unless critical for their basic sustenance—as the incremental economic and societal benefit for them to remain a part of the workforce is very suboptimal in most cases.

To take their rightful place within Indian workforce and society at large, our women need lot more formal sector employment opportunities with better wages. And this cannot happen till formal sector employment grows in its own right.

The existing complex and conflicting regulatory cholesterol and inconsistent legislation are

currently impeding formal job creation. The last three years may have set the regulatory reform agenda in motion, but to accelerate the formal job creation, we will need to see a far more concerted effort. Raising the labour force participation in formal sector requires a total revamp of the regulatory ecosystem.

Large-scale job creation in the formal sector will need sustained reforms in labour laws and skilling ecosystems. It is estimated that India can potentially boost its GDP by \$700 billion in 2025, translating to 1.4% per year of incremental GDP growth, by raising female labour-force participation rate by just 10 percentage points, from 31% to 41%. However, this requires us to bring in 68 million more women into the workforce.

Creating non-farm jobs to absorb this work force over the next decade will no doubt require a change in thought process about the role of women in society and the economy. Huge investments will be needed in upskilling and educating women and the girl child, financial inclusion of women, encouraging women entrepreneurs, strengthening legal provisions for safety and security of women. But more than anything else it will require creating an abundance of new jobs within the formal sector and lowering barriers to job creation.

Increased availability of stable-wage jobs for women is critical to preventing their socio-economic exploitation, improving their quality of life, enhancing a woman's control over household decision-making and enabling her to lead a life of dignity.

Formalization of India's job market is one the biggest gifts our policy makers can possibly give to the Indian woman.

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