Raising women’s participation in the economy: What will it take?

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IGC at 10 Conference
Delhi (10 September)
India: an outlier on women's work force participation

World Development Indicators (World Bank, 2011)
Source: Afridi, Bishnu and Mahajan (2019)
Women’s LFP falling in rural and stagnant in urban areas

Figure 2. Labor Force Participation Rates (LFPR) over time by gender
Sample of 25-65 year olds

Afridi, Dinkelman and Mahajan (2018)
Women’s LFP falling for married women

Figure 3. Female Labor Force Participation Rates (LFPR) over time by marital status
Rural sample

Note: The sample includes women aged 25-65 in rural India.

Afridi, Dinkelman and Mahajan (2018)
While domestic work is going up…

**Figure 4. Female Participation in Domestic Work over time by marital status**

Rural sample


**Note:** The sample includes women aged 25-65 in rural India. The above graph reports proportion of women whose primary activity is domestic work.

Afridi, Dinkelman and Mahajan (2018)
Big gender gaps in couples’ time allocation

Source: Afridi, Bishnu and Mahajan (2019); NSS - Time Use Survey
Supply side constraints

*Cultural norms* underlying the traditional role of men and women in the Indian households lead to:

- non-substitutability between male and female labor in domestic production activities.

- higher elasticity of women’s market work, relative to men’s
Easing supply side constraints: 
The role of technology

Preliminary results from ongoing RCT on raising awareness for using LPG for cooking in rural India:

• Having an LPG connection reduces time spent on household chores - cooking and fuel collection by women.

• Regular usage of LPG for cooking is associated with more leisure time of women in better off households.

• In households that are poorer, LPG usage releases more time for income generating work (paid or unpaid) by women.
Demand side constraints:

*Low labor market returns*

- As women’s education improves their reservation wage rises.
- Productivity also increases at home with education.
- Returns in the labor market have to be higher than returns from domestic work for women to engage in market work.

Source: Afridi, Bishnu and Mahajan (2019); NSS - Time Use Survey
Easing demand side constraints: 
Labor reforms and manufacturing sector growth

Preliminary, qualitative findings from ongoing study in Delhi’s industrial areas:

• Regulation of labor standards and legal redressal mechanisms for women factory workers.

• Principle of equal remuneration for equal work.

• Up-skilling and an expansion of work opportunities for women on the shop-floor and counter stigma associated with low-paid factory jobs.
Policy Implications

• The constraints women face exist both on the demand and supply side.

• Improving technology for domestic work can release women’s time for remunerative work on the supply side while we chip away at changing sticky social norms.

• ‘Decent’ jobs with fair pay and work conditions in manufacturing sector are required as work opportunities in agriculture shrink.