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Deepening of Gendered Fault Lines in the Indian Labour Market by the Pandemic

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Abstract

Witnessing a paradoxical trend, the trajectory of Indian economic growth is a glaring manifestation of augmenting rates of growth of GDP amidst dwindling rates of labour force participation. In a social fabric that is riddled with inequalities along gendered lines, women are manifold more prone to reel under the brunt of the formidable sociological hardships such as juggling between economically unacknowledged household chores and a formal job. The onset of the pandemic has marred the Indian labour market with conundrums that are so much so more abysmally vexing in the case of females that they have pushed them on the verge of exclusion from the labour market. This paper endeavours to instrumentally unravel how the existing chasm in the participation of women in the workforce has been aggravated with the hitting of the pandemic by adding impetus to the downward momentum of labour force participation.

Keywords: *female labour force participation, unemployment, shrinking of labour force, gendered fault lines, Rural-urban divide, inequality*

1.0 Introduction

After transcending from the yoke of Colonialism and achieving its long-cherished goal of freedom at the eve of Independence, since then the trajectory of India's economic growth has made resoundingly unprecedented strides bestowing upon it the opulence of the fifth largest economy in the world (World Economic Outlook Report by International Monetary Fund, October 2019). Despite this, there is unleashed within the Indian growth trajectory a story of entrenched lopsided gains wherein the privileged ones are advancing into a growth disproportionately skewed in their favour. As a stark contrast, the low-income sections riddled with thwarted transformation are devastatingly getting more destitute owing to the magnification of vulnerabilities in the contemporary economic scenario. The progression of the pandemic has marred their growth prospects by accentuating the loss of livelihoods in the labour market that was already reeling under the predicament of jobless growth.

2.0 Objective

While pivotally acknowledging the pre-pandemic dwindling trend in the Female Labour Force Participation Rate, this paper endeavours to trace the myriad of dynamics of the novel coronavirus pandemic that have exacerbated the vulnerabilities of the female workforce by deepening the pre-existing fault lines acting as a demographic shock against the overarching backdrop of mounting gender inequality.

3.0 Research Methodology & Data Collection

The paper quintessentially relies on secondary data acquired from credible sources such as the Periodic Labour Force Survey published by the Ministry of Statistics and Programme Implementation (MoSPI), Centre for Monitoring Indian Economy and World Bank Data Repository.

A time-series analysis of the sourced data has been conducted for the parameters pivotal to our analysis such as rate of growth of the Real GDP, overall Labour Force Participation Rate and Female Labour Force Participation Rate of the economy. Simple statistical tools such as average, percentage and graphical representation have been employed for tracing the trends and for portraying the pattern while interpreting data.

3.1 Model Specification

According to the Periodic Labour Force Survey Report (PLFS, 2017) published annually by the Ministry of Statistics & Programme Implementation, Labour Force Participation Rate (LFPR) is defined as the sum of all workers who are employed or actively seeking employment divided by the total working-age population. Being instrumental for our analysis, it is a significant measure of the active workforce in an economy. This acronym of LFPR has been used throughout the paper and has been further divided into its gendered constituents termed as Female Labour Force Participation Rate (FLFPR) and Male Labour Force Participation Rate (MLFPR).

4.0 Review of Literature

A substantial amount of literature on labour force participation has highlighted that the Indian social fabric was already operating in an environment that was not propitious for the female workforce owing to widening gender gaps (for example, Fletcher et al. 2017). Adding to the misery, the progression of the pandemic has exacerbated the gendered impediments that have ramified into the exclusion of women from the workforce in the aftermath of the imposition of lockdown measures to contain the pandemic (International Labour Organization, 2020).

Recent literature (Himanshu, 2021) sheds light on the fact that the failure of the economy in creating gainful employment opportunities and jobless growth are bleak repercussions that can be predated back to the economic shocks of demonetization followed by a hasty rollout of GST as they severely dented the employment prospects in the informal and the unorganized sector that operates in the absence of any social safety nets. By quoting data from the Periodic Labour Force Survey (April- June 2020), he substantiates that the onset of the lockdown has only aggravated the pre-existing fault lines in an already fragile employment scenario by accentuating distress unemployment.

Development economists (such as Mitali Nikore, 2021) have pointed out that the women workers were the first ones to be severely hit after the imposition of the national lockdown that has magnified the pre-existing gender gap in terms of their employment. Through their dipstick survey, Nikore Associates (2020) have discovered that lockdown not only riddled women with the greater domestic workload but also led to a reduction in the agency to take household decisions with the imposition of greater mobility restrictions. All in all, according to her analysis the pandemic has aggravated the plight of female workers by excluding them from the labour force. She also highlights that financial Independence is the key instrument to break them free from the shackles of conservative social norms that cages their mobility in a generally distinct social fabric.

Centre for Sustainable Employment's Report (2021) published by Azim Premji University emphasizes with the help of panel data from CMIE's Consumer Pyramid Household Survey that there was a greater incidence of jobs being lost in case of female workers coupled with a recovery that was highly tepid and disproportionately skewed against women when compared

with their male counterparts. Lack of recovery in the employment arrangements leaves them in the grip of vulnerability and greater incidence of being pushed into the vortex of abject impoverishment.

5.0 Background

Being beset with a dichotomous crisis ailing the Indian labour market amidst rising growth rates of GDP and mounting unemployment rate, the inefficiencies of these dynamics have ramified into the conundrum of jobless growth. Even after witnessing an unprecedented rate of growth projections of GDP, pegged at 12.5 per cent for the fiscal year 2021-22 by the World Economic Outlook Report of International Monetary Fund (IMF, April 2020) that was dubbed as the highest in the world prior to India's second wave of the pandemic, the robustness of these growth projections could not be seen getting mirrored in the Indian labour market that was already looming under the overshadow of jobless growth.

Analysis of time-series data sourced from World Bank Data Repository portrays that the rate of growth of GDP witnessed an upward trend after the economy gained momentum owing to liberalization reforms in the face of macroeconomic instability that emanated from a Balance of Payment crisis. This uptick was manifested in the GDP growing from 1.057% in 1991 to 8.497% in 2010 with fluctuations in between such as a decline during the global financial crisis of 2008. The great economic slowdown of 2012 to 2014 that the Indian economy got beset with lowered the growth prospects of GDP to 7.996% in 2014 which further gained momentum in the succeeding year. The year 2019 marked the shifting of the economy in reverse gear with the hitting of the cold wave that is attributed by many as the lasting repercussions of the economic shocks of demonetization and hasty rollout of GST on the growth prospects of the economy. Subsequently, the rate of growth of GDP of the economy witnessed a deceleration of 7.964% in 2020 with economic activities being stalled in the aftermath of the pandemic. However, again gaining currency, speculators have pegged the rate of growth of GDP of 2021 at 12.5% owing to the resilience that the economy has portrayed even after successive shocks as depicted in the trend analysis in Table 1 below and Graph 1 below:

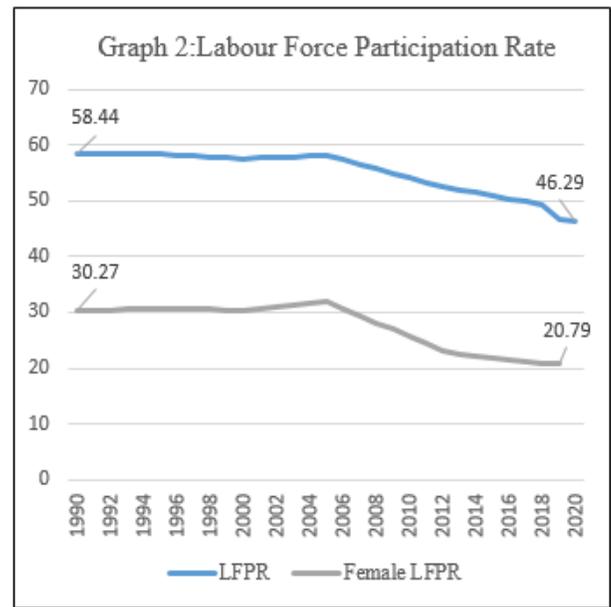
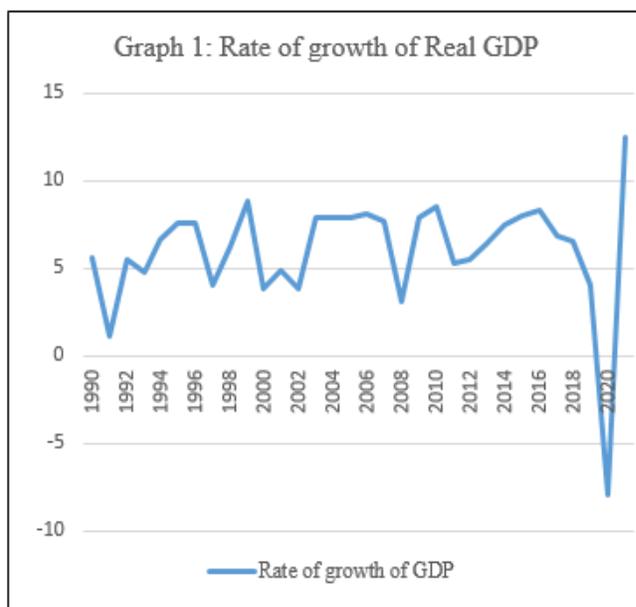
Table 1: Trend Analysis from 1991 to 2021

Year	1991	1994	1999	2003	2006	2010	2014	2016	2019	2020	2021
Rog of GDP	1.057	6.65	8.846	7.860	8.06	8.497	7.996	8.25	4.04	-7.964	12.55
LFPR	58.39	58.38	57.67	57.89	57.33	54.21	51.9	50.91	46.8	46.29	-

(Source: World Bank Data Repository, 1991-2021)

*Rog= Rate of Growth that implies annual percentage change in Real GDP

*Rog for 2021 is the projected figure prior to the second wave of the pandemic



(Source: World Bank Data Repository, 1990- 2020)

It is pivotal to highlight here that in spite of the overall growth momentum witnessed in the rate of growth of the GDP with some fluctuations, the Labour Force Participation Rate (LFPR) in the economy witnessed a continuously stubborn- downward trend from 58.39 % ever since 1991 to 46.29% in 2020. And further breaking it down into its constituents reveals that the Female Labour Force Participation Rate (FLFPR) declined continuously from 30.27% in 1990 to 20.79% in 2020 as depicted in Graph 2 above. It is pivotal to take cognizance of the facet of the contracting share of the labour force despite the rising rate of growth as has conspicuously been

portrayed by the graphs above.

With joblessness reaching a 45- year high in FY 2017-18 as revealed by National Statistical Office's Periodic Labour Force Survey (PLFS, 2017), the inability of the job market in absorbing the burgeoning labour force into gainful employment opportunities apparently indicates that's so far India has not been able to reap the benefits of its demographic dividend adequately. The dwindling share of the labour force coupled with mounting unemployment is the concomitant repercussions of the structural rigidity of humongous mismatch between supply and demand of the labour force. Evidence suggests that this double whammy of a shrinking labour force and a rising unemployment rate is attributable to stagnation in manufacturing output, import-oriented economy, sluggish infrastructural development and other bottlenecks such as lack of acute market skills among job seekers.

6.0 Demographic Shock & Accentuation of Gendered Fault Lines

Even in the pre-pandemic era, India fared dismally in terms of female employment with an estimate of over 80% of women remaining outside the purview of the workforce as per the Report of Public Affairs Centre of the Sustainable Development Goal Initiative (PAC, n.d). The Female Labour Force Participation Rate (FLFPR) witnessed a dismal trend diminishing from 42.7% in 2004-05 to 31.2% in 2011-12 to 10.7% in 2019-2020 as per Periodic Labour Force Survey (PLFS, 2019-20), prior to the pandemic.

After the hitting of the novel coronavirus pandemic, the imposition of nationwide lockdown in March 2020 for its containment resulted in a drastic diminution in the overall labour demand out of involuntary unemployment coupled with a decline in the labour supply resulting from the withdrawal of labour force from the job market. Subsequently, the overall unemployment rate soared as high as 27% in April 2020 as per evidence from the Centre for Monitoring Indian Economy (CMIE, 2020). And according to their estimates, the immediate brunt of this demographic shock and the concomitant financial cutbacks by major sectors in the form of retrenchments was borne disproportionately by women as they experienced a skewed contraction of FLFPR by 27% as compared to MLFPR that shrank by 13%.

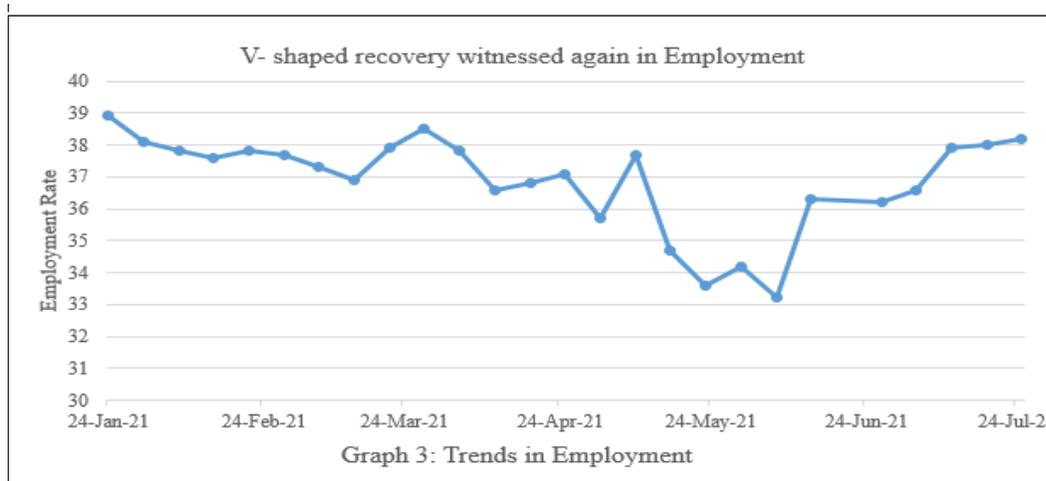
With the deceleration of the rate of growth of real GDP by 7.964% and the subsequent shrinking of the economy by 10.3% in FY 2020-21, this economic standstill has heralded humongous shedding of jobs and loss of livelihoods. And in an economy wherein 90% of workers are engaged in the informal sector as per the Periodic Labour Force Survey (PLFS, 2020), these ramifications have pushed millions of workers into the vortex of hunger and abject poverty owing to the abrupt plummeting of incomes amidst rising inflation. The situation is devastatingly dire in the case of female workers as they are subjugated to juggle between a formal job and the patriarchal social obligations of fulfilling household responsibilities with the conventional role of bearing and rearing children. In several cases, the exclusion of women from the job market can be attributed to this mounting unpaid care work. This aspect of bearing the brunt of economically unacknowledged care work has been captured by the estimates of the International Labour Organization (ILO, 2020) which shows that an average Indian woman spends around 5 hours per day on household chores. On the contrary, men spend only around half an hour. If instead these work hours by Indian women that aggregate to 3.2 billion hours of unpaid care work each day is siphoned off to the economy, they would amount to Rs. 19 lakh Crores a year of contribution according to the Oxfam India Inequality Report (Oxfam, 2020).

With the widening gender gap getting manifested in the plummeting of India's rank by 28 places to 140th rank among 156 countries in World Economic Forum's Global Gender Gap Report 2021, vulnerabilities for females have been intensified by not only this baggage of age-long gender inequality that women are subservient to reel under but also with the inequities in access to skills, technology and gaps in pay scale. As job arrangements are forced to adapt to the impediments raised by the pandemic, the new normal that makes it requires equal access to resources in an appallingly unequal social fabric of the country is unfair. Falling prey to this digital divide, the disadvantaged sections of female workers have got devoid of their share in the workforce. Not only this, with more than 60% of women engaged in the informal sector (PLFS, 2020), the opulence of working from home and virtual workspaces are the viable endowments of only the well-off sections. Apart from this, after their exclusion from the labour market, the deep-seated socio-economic constraints for women have got aggravated with increasing levels of

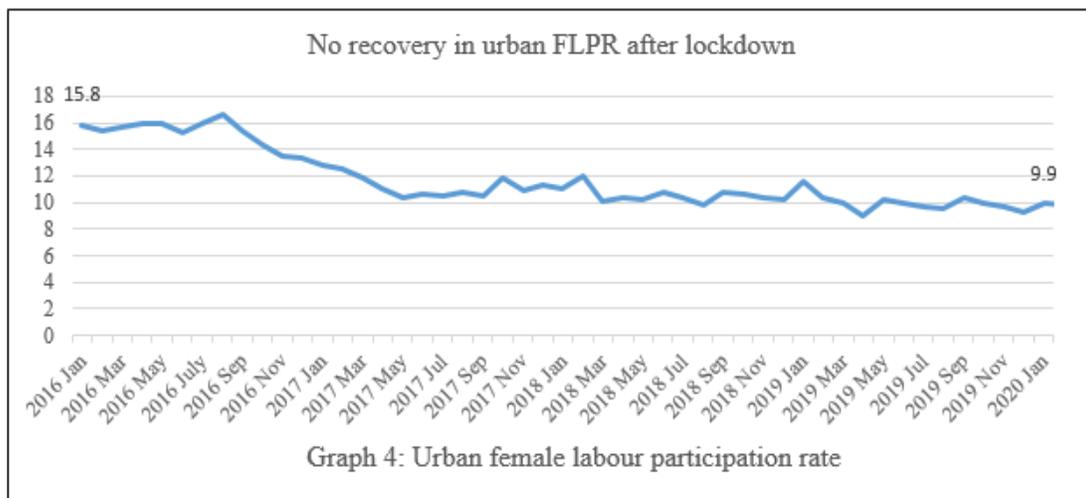
domestic violence and sexual harassment despite an increase in the education levels and a fall in the fertility rates. By auguring skewed havoc for the female workforce, the pandemic has deepened these pre-existing crevices in the Indian crisis of unemployment out of systemically entrenched gender inequities as is conspicuously substantiated in the diminishing rates of FLFPR in the economy.

7.0 The Road to the Post- Pandemic Wave Recovery: A Path Ridden with Gendered Pitfalls

With the ebbing of the second wave of the pandemic as economic sectors are opening, a V-shaped recovery is being seen in the employment rates with a fall from 37.7% on 9th May 2021 to 33.6% on 23rd May 2021 to again an upward recovery to 36.7% on 20th June 2021 to 38.2% on 25th July 2021 as portrayed in Graph 3 below based on the trends in employment from the estimates of Centre for Monitoring Indian Economy (CMIE, 2021). As containment measures of Covid-19 were being relaxed, following this momentum male labour force participation has witnessed an uptrend. However, this trend of revival is tepid in the case of females with their return back to the job market being bleak. This loss of recovery is even more severe in the case of urban female labour force participation rate as it has been witnessing a continuously declining trend from 15.8% in January 2016 to 9.9% in January 2020 as has been depicted in Graph 4 below.

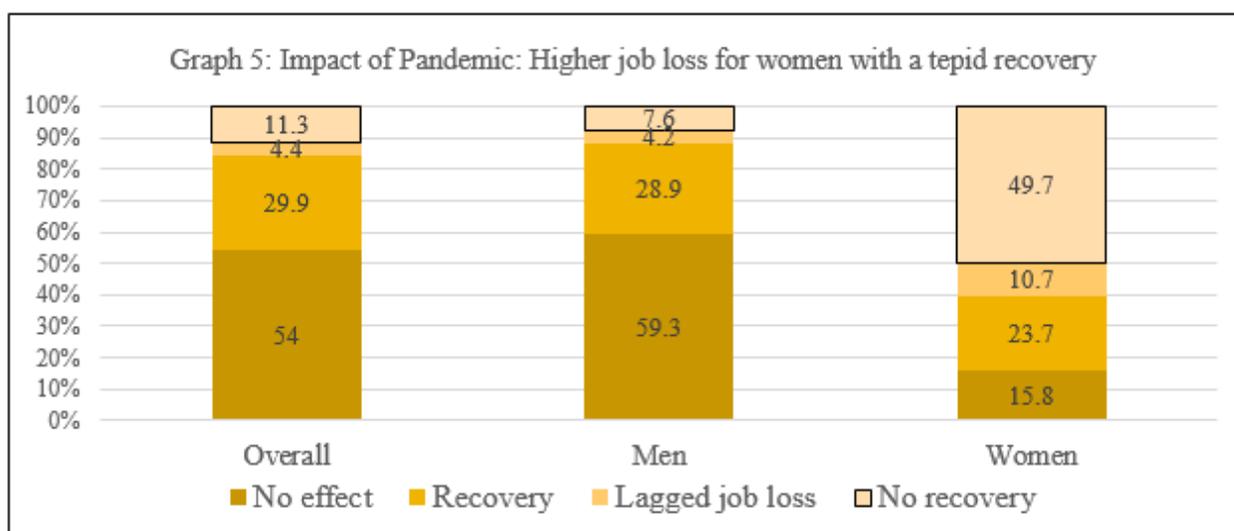


(Source: Centre for Monitoring Indian Economy, January- July 2021)



(Source: Centre for Monitoring Indian Economy, January 2016- January 2020)

The rebounding labour market is experiencing a recovery but beset with distinctly gendered outcomes with a significant share of women being left bereft of recovery in employment opportunities. This claim has been substantiated by the Centre for Sustainable Employment's Report (Azim Premji University, 2021) that employed data from the Centre for Monitoring Indian Economy's Consumer Pyramid Household Survey (CMIE CPHS, 2019-2020) to track a panel of households in order to gauge the impact of lockdown on their employment arrangements (between December 2019 and August 2020). Results reflect that around 11.3% of total workers got impeded by a failure in the recovery of their job, while the same figure for loss in the recovery of jobs in the case of female workers was staggeringly as high as 49.7%. Along with this, while only 4.2% of male workers experienced lagged job losses, the same job losses were lagged for 10.7% of women workers. Moreover, around 60% of male workers witnessed no impact on their job engagements even in the aftermath of the pandemic, while this opulence of experiencing no effect of the stalling of economic activities on their jobs was endowed only to 15.8% of the women as depicted in Graph 5 below.



(Source: Centre for Sustainable Employment Working Paper 2021 by Abraham, R., Basole, A., & Kesar, S., Azim Premji University)

Not only does it shed light on the gloomy prospects of yawning gender gaps such as witnessed in the recovery of jobs for women workers but it endows our analysis with a deeper picture of how the progression of the pandemic has amplified the chances of a more intense debacle being wrecked into the livelihoods of female workers who are beset with innumerable constraints in the contemporary economic framework that makes their recovery back into the labour force disproportionately tepid.

8.0 Way Forward: Mitigating the Woes

In order to leverage the demographic dividend, policies need to be tinkered with gender responsiveness while narrowing the widening gendered fault lines. To reap the gains on economic empowerment, reinforcement of a slew of initiatives is required to incentivize opportunities for women such as enhancement in capacity building, investing in infrastructure, child care services to reduce unpaid work, augmenting financial inclusion, education and gainful employment opportunities along with embracing the newfound acceptance of flexibility in remote work. Recently, the Parliamentary Standing Committee Report on Labour (PSCRL, 2021) has recommended that to supplement the incomes of families amidst job losses, cash transfers

can prove to be a very effective tool in alleviating the woes. In addition to this, the Report opined the implementation of an urban employment guarantee scheme premised on the lines of MGNREGA.

Bringing the lost female labour force back into the economy will pay massive dividends in augmenting the economic participation of women. Empowering women to smoothly enter the labour force will not only add to the productive economic base of the country but will also make women financially independent which is instrumental for breaking the vicious cycle of domestic violence, conservative social norms and their refrained representation in the economic sphere. Moreover, this will provide impetus to India's transition from a developing economy to a developed one by facilitating the integration of its working-age population into the labour force.

9.0 Conclusion

By serving as a harbinger of uncertainty, the hitting of the economy with the pandemic has taken a huge toll on the female workforce amidst the chronic economic malaise of jobless growth that was already looming large over the Indian labour market. The paper has substantiated how fault lines existing prior to the pandemic have been intensified with post-pandemic involuntary unemployment and the subsequent withdrawal from the labour force in a manner that is more pronounced in the case of the female workforce by quintessentially quoting time series data portraying the underlying facets. The policy frameworks are now required to take a plethora of requisite measures to resolve the conundrum that the Indian labour market is marred with to spur not just economic growth but a distributive justice-oriented economic transformation that is driven by equalization of opportunities. For, the removal of these structural rigidities will encapsulate the revival of egalitarian development against the background of a labour market that was already crippling.

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