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Raising the Economic Participation of Women in India: A New Growth Engine?

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By Piritta Sorsa

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ABSTRACT/RÉSUMÉ

Raising the economic participation of women in India – a new growth engine?

Economic participation of women in the labour force or as entrepreneurs is low compared to peers and has declined over the past decades despite strong growth. The gap with men is over 50%--the largest among key emerging markets. Participation declines with higher education achievements and family incomes. The reasons are complex: socioeconomic and cultural factors are important - family status increases if women stay home, house work has become more attractive than poorly paid market work as husband's incomes have risen; and safety concerns and poor infrastructure keep women from market work. Nevertheless, high unemployment among educated women and revealed preference for work in surveys indicate that many women would work if conditions improved. Availability of jobs is also an issue as the high growth has not created enough jobs for men and especially for women.

Specific gender policies will be needed to enlarge economic opportunities for women and to overcome socioeconomic and cultural barriers. This paper analyses the determinants of low female economic participation and recommends policies for raising it. The paper also estimates long-term growth effects of raising participation with selected policies. More and better jobs for women in India could raise growth by about 2 percentage points a year over time.

This Working Paper relates to the 2014 *OECD Economic Survey of India* (http://www.oecd.org/eco/surveys/economic-survey-india.htm).

JEL classification: J16, J18, J21, J22, J46, J71, J82, J83.

Keywords: *India, gender, female economic participation, gender equality*

Rehausser la participation des femmes à l'économie en Inde – Un nouveau moteur de croissance ?

L'activité économique des femmes, dans la main-d'œuvre ou comme entrepreneurs, est faible au regard de pays comparables et a diminué ces dix dernières années, malgré une solide croissance. L'écart par rapport au taux d'activité des hommes est supérieur à 50 %, soit le plus élevé parmi les principales économies émergentes. L'activité des femmes diminue à mesure que leur niveau d'instruction et les revenus du ménage augmentent. Les raisons sont complexes et les facteurs socioéconomiques et culturels y jouent un rôle important : en effet, la famille jouit d'un meilleur statut si la femme reste à la maison ; le revenu du mari ayant augmenté, le travail domestique est devenu plus intéressant qu'un travail marchand peu rémunéré ; enfin, des questions de sécurité et la médiocrité des infrastructures empêchent les femmes de travailler. Pour autant, le fort chômage des femmes très diplômées et les préférences professionnelles qu'elles révèlent dans certaines enquêtes indiquent que bon nombre travailleraient si les conditions le permettaient. L'offre d'emplois est également problématique puisque la forte croissance n'a pas créé suffisamment d'emplois pour les hommes et singulièrement, pour les femmes.

Des politiques spécifiques en faveur de l'égalité hommes-femmes seront nécessaires pour offrir plus d'opportunités économiques aux femmes et surmonter les obstacles socioéconomiques et culturels. Le présent chapitre analyse les déterminants du faible taux d'activité féminin et recommande des mesures pour l'améliorer. Par ailleurs, il examine les effets sur la croissance à long terme d'une augmentation de l'activité féminine à l'aide de certaines mesures. La création d'emplois plus nombreux et de meilleure qualité pour les femmes en Inde pourrait permettre de gagner deux points de croissance par an au fil du temps.

Ce Document de travail se rapporte à l'Étude économique de l'OCDE de l'Inde, 2014 (http://www.oecd.org/fr/economie/etude-economique-inde.htm).

Classification JEL: J16, J18, J21, J22, J46, J71, J82, J83.

Keywords: *l'Inde, la participation économique des femmes, l'égalité des sexes*

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RAISING THE ECONOMIC PARTICIPATION OF WOMEN IN INDIA: A NEW GROWTH ENGINE?

By Piritta Sorsa[1]

Economic participation of women in the labour force or as entrepreneurs in India is low compared to peers and has declined over the past decades despite strong growth. The labour force participation gap with men is over 50%--the largest among key emerging markets. Participation declines with higher education achievements and family incomes. The reasons are complex: socioeconomic and cultural factors are important - family status increases if women stay home, house work has become more attractive than poorly paid market work as husband's incomes have risen; and safety concerns and poor infrastructure keep women from market work. Nevertheless, high unemployment among educated women and revealed preference for work in surveys indicate that many women would work if conditions improved and jobs were available. Raising female labour force participation could substantially boost growth in India by dealing with both supply and demand constraints.

This paper analyses trends and the determinants of low female economic participation and recommends policies for raising it. Given the importance of cultural and socioeconomic barriers in reducing female participation, specific gender policies will be needed. These can include:

- Extending female quotas to state and national parliaments.
- Further modernising labour laws to ensure equal work opportunities for women.
- Enhancing the implementation of gender-related laws.
- Expanding secondary and higher education for women and skills training for female entrepreneurs.

The paper also refers to estimates of long-term growth effects of raising participation with selected policies. More and better jobs for women in India could raise growth by about 2 percentage points a year over time.

Who works and where?

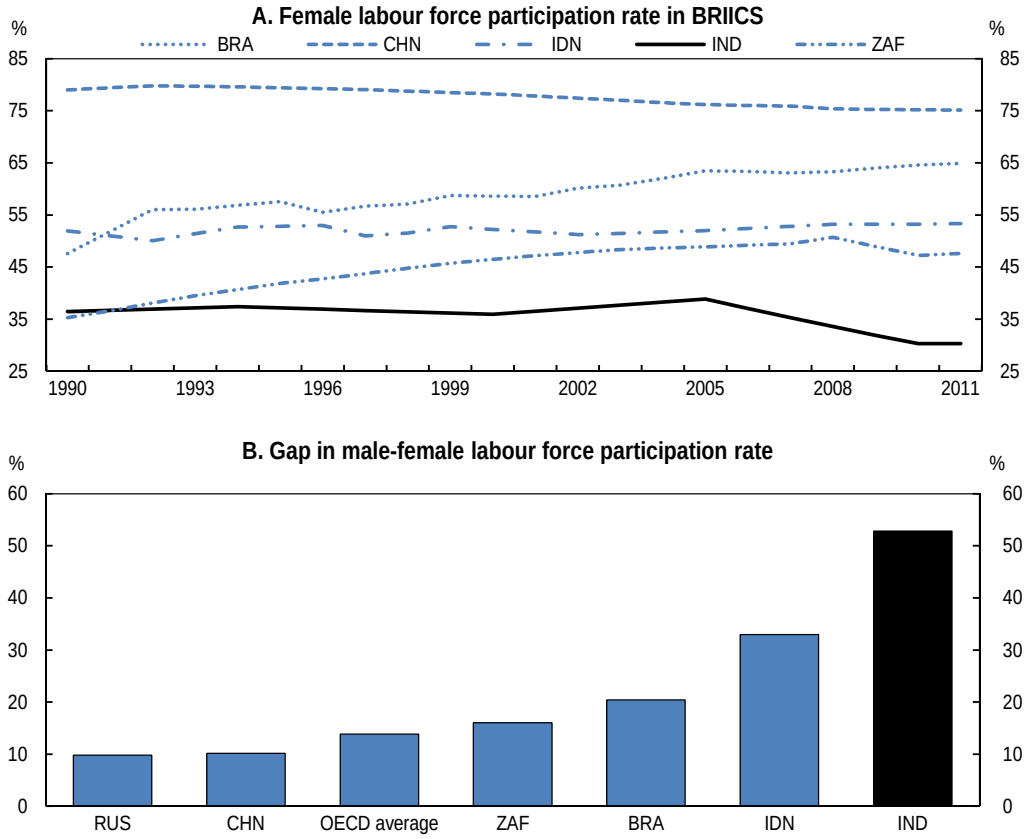
Female labour force participation in India is low and declining

Only a third of working age women in India have jobs, whereas in Brazil, for example, two-thirds do (Figure 1). The gap with men at over 50% is largest among the major emerging markets. Participation in the labour force is higher in rural than in urban areas, and in the Southern than the Northern states (Figure 2). The latter differences may reflect religious customs as Muslims, who are more numerous in the Northern states, tend to have lower female participation rates (Eswaran et al. 2013). In India social norms have a strong impact on participation, as staying home is often considered to increase a family's social status (Klasen and Peters 2013). Participation is also higher among the poor and declines with family income and education, although it is higher among the highest educated (Figure 3). A similar U-shaped

[1] Piritta Sorsa is head of the country studies division responsible for the India Desk in the Economics Department of the OECD. This paper is based on material prepared for the 2014 OECD Economic Survey of India published in November 2014 under the authority of the Economic and Development Review Committee (EDRC). The author would like to thank Robert Ford, Alvaro Pereira, David Turner, Isabelle Joumard and Urban Sila for valuable comments on earlier drafts. Thanks go to Annamaria Tuske and Hermes Mourgavi for the statistical work and Anthony Bolton for administrative support. Special thanks go to Professor Pierre-Richard Agenor, Arnaud Daymard, Jan Mares, Mathilde Didier, Ciao Guimaraes, Marie Rabate and Gen Tang for their contributions at various stages.

participation curve has been found in past studies at certain levels of development (Goldin 1994). In a study of over 100 countries, female labour force participation was found to first decline with per capita incomes, and rise only when women became more educated and had access to white-collar jobs.

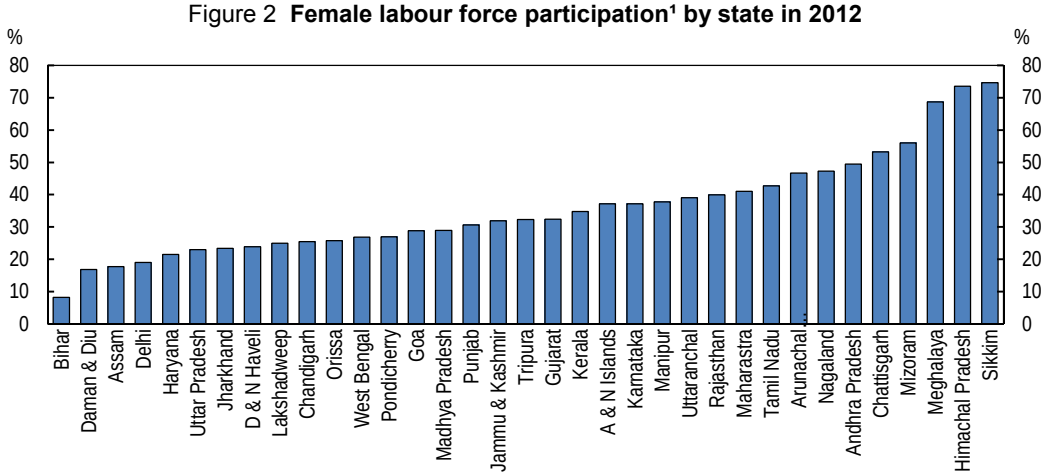
Figure 1 **Female labour force participation indicators**



1. Data refer to working age population (15 to 64 years). The gap is male minus female participation rate.

Source: ILO, Economically Active Population, Estimates and Projections (6th edition, October 2011).

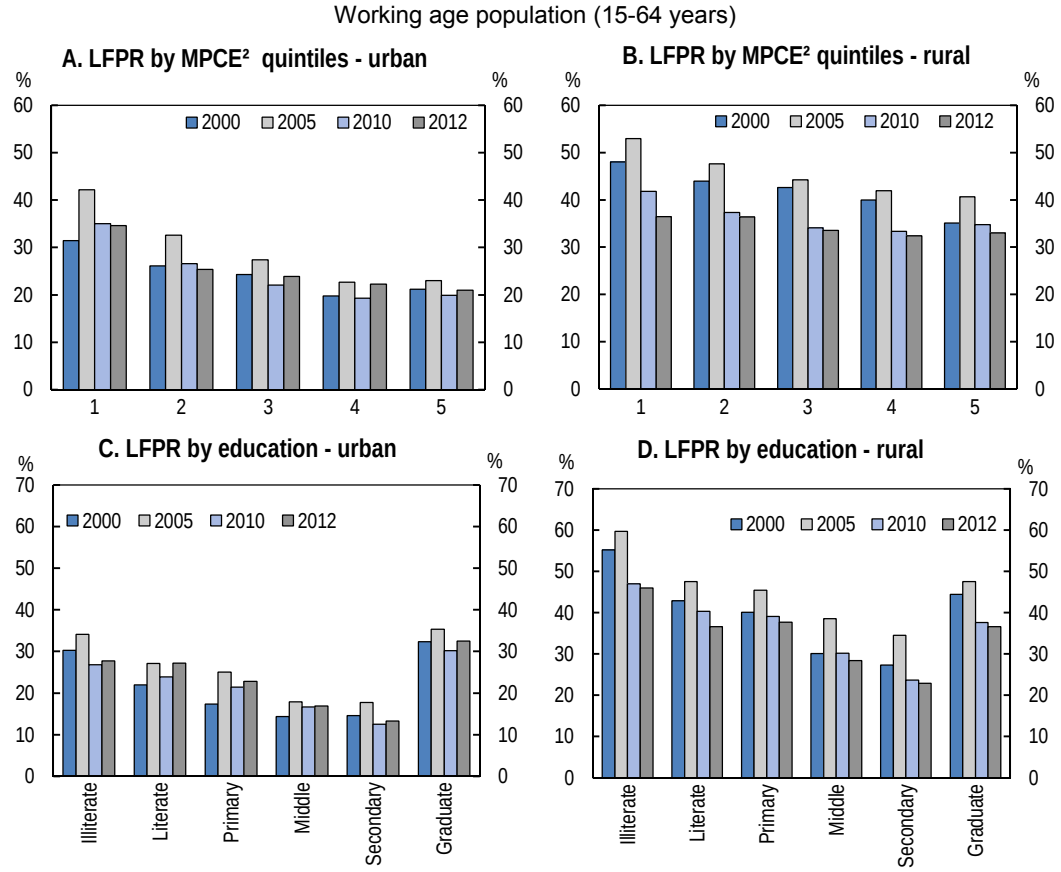
Figure 2 **Female labour force participation[1] by state in 2012**



1. Data refer to working age population (15 to 64 years).

Source: NSSO, Employment and unemployment survey, 68th round.

Figure 3 **Female labour force participation by income and education[1]**



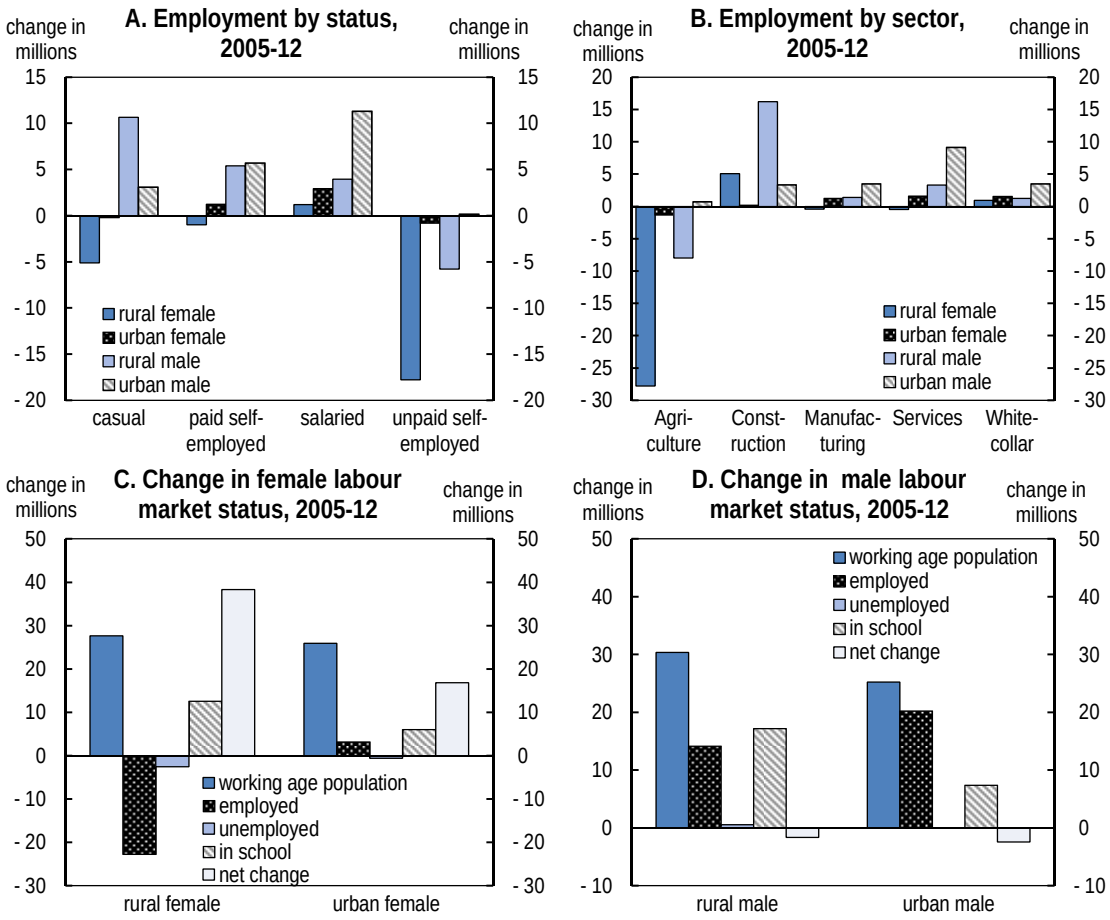
1. Working age population (15-64 years).

2. MPCE denotes the monthly per capita consumption expenditure of households.

Source: NSSO, Employment and Unemployment Survey, Rounds no. 55, 61, 66 and 68.

Female participation has dropped over the past decade, in contrast to other emerging market economies, while that of men has remained stable. Most of the decline in female labour force since 2005 is due to a drop in unpaid female self-employment in agriculture (Figure 4). Participation is also influenced by "jobless growth". While female working age population rose by about 99 million, female jobs grew only by 6 million between 2000 and 2012 as employment first rose between 200-2005 but then declined thereafter. As a result the amount of working age women outside the labour force grew by over 60 million over the past decade, after accounting for a rise in school attendance (Table 1). Over the same period, the number of jobs filled by men grew by 69 million, and the labour markets and school attendance absorbed the entire rise in male working age population.

Figure 4 **Changes in employment and participation**



Source: NSSO, Employment and unemployment survey, rounds no. 61 and 68.

Table 1. **Employment trends**

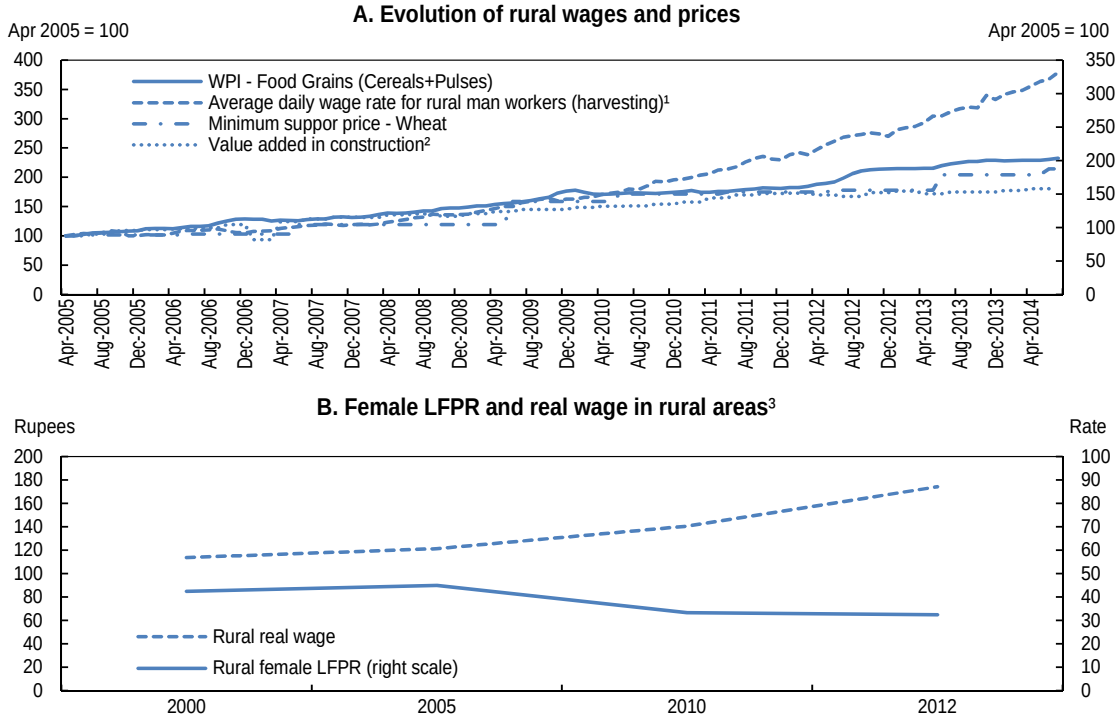
Millions, 15-64 years of age

Net increase in….	2000	2005	2012	Change 2000-05	Change 2005-12
Working age population	**304**	**340**	**403**	**36**	**63**
Labour force					
Employment	123	148	129	25	-19
Unemployment	2	4	3	2	-1
Remaining outside labour force					
In education	18	23	42	5	19
Not in education	161	165	229	4	64
Working age population	**326**	**365**	**427**	**39**	**62**
Labour force					
Employment	274	318	343	35	34
Unemployment	7	7	8	-	1
Remaining outside labour force					
In education	32	36	61	4	25
Not in education	13	13	15	-	2

Source: working age population 15-64 years, estimates based on NSSO rounds no. 61 and 68.

Some of the decline in female participation probably reflects the rapid rise in agricultural wages since 2005 (Figure 5). Rising incomes have reduced the need for marginal labour from poor women, allowing them either to stay at home or participate in paid NREG programmes. Real incomes have been increased by the roll-out of the rural employment programme (NREG) since 2006 that provides on average 46 days of work off-season at equal pay (the minimum wage) and allocation for men and women (Berg et al, 2014). Rural incomes were also boosted by substantial hikes in agricultural support prices since 2005 to align them with world prices. For example, wheat prices rose by over 200% between 2005 and 2013. Another source for income growth has been a rise in construction activity due to higher (public) infrastructure and housing spending. This is confirmed by large new job creation in casual labour for men, mainly in construction (Figure 4, Panel A and B). The closure of many traditional manufacturing industries after the 2008 financial crisis may also have contributed to the reduction of the number of unpaid female "helpers" or workers from the family (Neetha, 2013).

Figure 5 **Participation and agricultural wages**



1. Among rural activities, harvesting has been chosen as representative of the dynamics of wages in rural areas. There is a break in the series in October 2013. Starting from this date the series on wage for harvesting, winnowing and threshing was used.

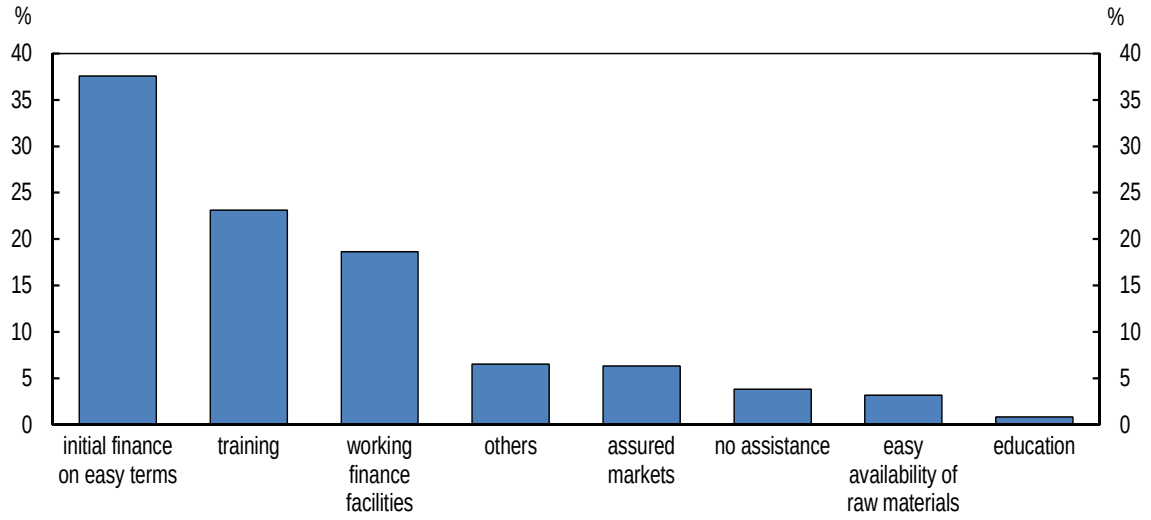
2. At constant prices.

3. Real wage is expressed in 2012 prices.

Source: Central statistics Organisation; RBI; and NSSO, Employment and unemployment survey, rounds no. 43, 50, 55, 61, 66 and 68.

Most women who were out of the labour force in 2010 performed domestic duties in all educational categories and in both urban and rural areas. The reason stated were that there were no other member to carry out domestic duties (over 60%), social reasons (15-17%), or they could not afford domestic help (10%) (NSSO Report No. 550). The 'stay-home' phenomenon does not mean, however, that women would not like to work more. In the NSSO surveys many women who stayed at home stated that they like to work on a regular basis either part time or full time, especially if they could work from home. Access to finance, training, and having an assured market were factors that would facilitate taking up a job (Figure 6).

Figure 6 **Type of assistance cited by women in order to start working**



Source: NSSO report no. 550 2010.

Female entrepreneurs remain rare

Women also participate economically as entrepreneurs and self-employed. The share of female entrepreneurs, defined as employing at least one worker, remains small and stagnant at about 3-6% of total depending on sectors (Table 2). Female entrepreneurs are most active in services in terms of overall numbers. Female self-employment, which often cover own-account workers without employees, has risen substantially over the past decade. Their numbers doubled to 10 million between 2000 and 2010, and they now account for nearly half of informal enterprises in manufacturing (Ghani et al 2012, NSSO). Many of these women work from home (Ghani et al 2012) in traditional areas such as textiles, apparel, and tobacco, and are motivated by the flexibility of entrepreneurial activity. Many also work in marginal activities as street vendors. Some of the rise in self-employment may reflect lack of wage employment obliging poor women to work in marginal activities. The stagnant share of entrepreneurs with often higher education and skills can reflect many remaining barriers for female economic activities such as social norms, or access to credit etc. (see Daymard and Sorsa 2015). As India's total and female rate of entrepreneurship is lower in relations to its stage of economic development (Ghani et al 2012), the low share of entrepreneurs may reflect issues with the overall business environment in India.

Table 2 **Characteristics of female entrepreneurship in India**

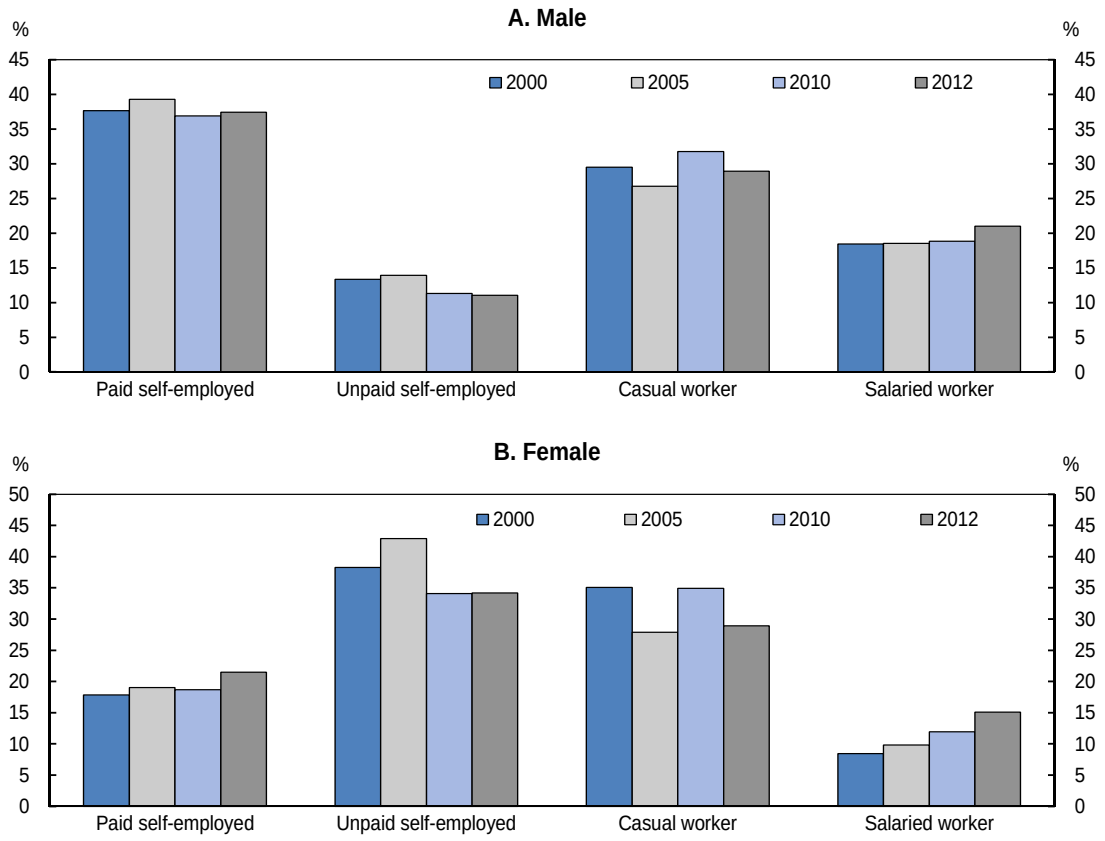
	2000	2010	2000	2010
	Percent		Thousands	
Entrepreneurs				
Manufacturing	6	5	113	142
Trade	4	3	76	81
Services	6	6	95	188
Self-employed				
Manufacturing	29	46	3,448	6,542
Trade	6	10	945	1,770
Services	6	8	598	1,282

Source; NSSO

Women work in low productivity jobs

Women tend to work in less productive jobs than men, as in other countries (World Bank, 2012). More than a third are unpaid helpers (as opposed to 11% of working men) (Figure 7). Women are overrepresented in low-productivity agriculture, traditional small-scale manufacturing and in services such as education and household employment. Only 6% of employed women are have social benefits such as pensions or maternity leave (see Table 3). This is not necessarily gender-specific, as most jobs in India are in the informal sector (Government of India 2013).

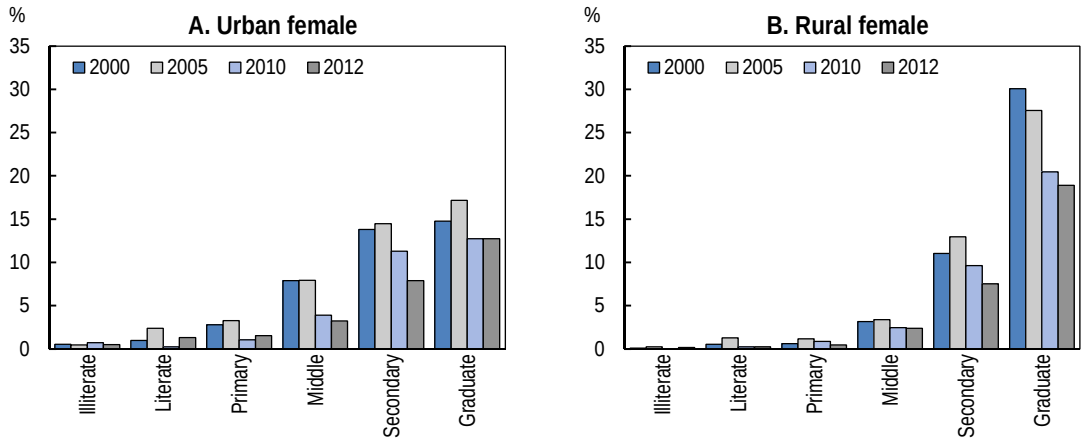
Figure 7 **Worker status by gender**



Source: NSSO, Employment and unemployment survey, rounds no. 55, 61, 66 and 68.

The quality of female jobs has improved somewhat over the past seven years as the share of female unpaid work declined in rural areas (Figure 7), and organised employment rose slightly in services and manufacturing in the urban areas. However, most of the rise in these jobs was still in the informal sector without social benefits (Mehrotra et al. 2014). The World Economic Forum (WEF) data also show that women have a relatively high share in professional and technical occupations – India ranked 68th among 135 countries in 2013 in the WEF Index. At the same time, high unemployment among highly educated women points to a potential glass ceiling. The high unemployment rate among educated women in both urban and rural areas, coupled with the overall low job creation, also points to a demand problem (Figure 8). Over 3 million women would be willing to work if suitable jobs were available.

Figure 8 **Unemployment rate by education[1]**



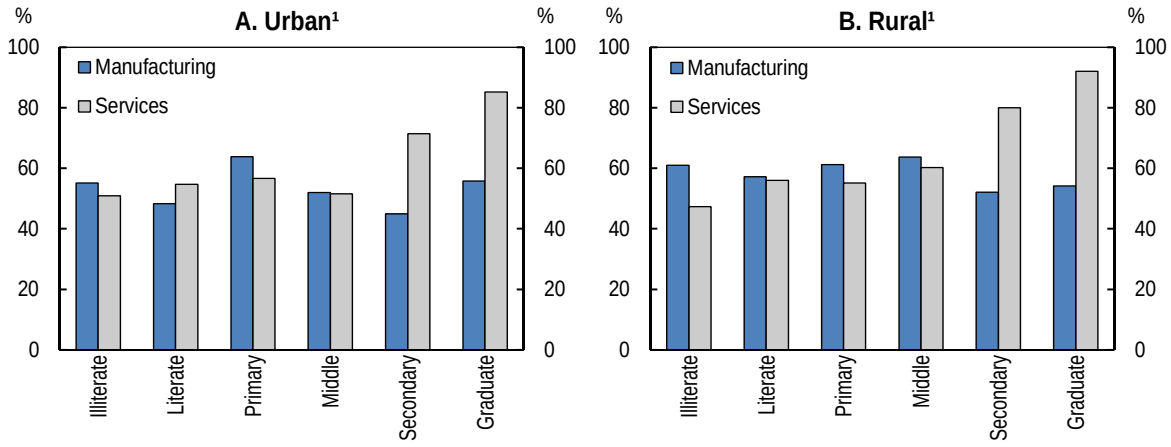
1. Data refer to working age population (15 to 64 years).

Source: NSSO, Employment and unemployment survey, rounds no. 55, 61, 66 and 68.

High wage differentials with men influence incentives to work

As in many other BRIICs, participation may also be influenced by the large wage differential that women face in India, especially among unskilled workers; among the barely literate, men earn nearly twice as much as women. The difference narrows somewhat with education, especially in services (Figure 9). Differences are lowest in the public sector, and the rural employment programme provides equal pay for both genders. The differences in wages can partly reflect overall education levels and the types of sectors where women work (World Bank, 2012) but discrimination by gender is also likely to contribute. The legal framework for equal pay is not always enforced (Equal Remuneration Act of 1976), partly reflecting the large share of the informal sector (about 95% of employment).

Figure 9 **Female wages as share of male wages by education and sector (2012)**



1. Unpaid family workers do not report wages therefore they are not included.

Source: NSSO, Employment and Unemployment Survey, Round no. 68.

The gender wage gap often leads women to stay at home (OECD 2012). Khera and Nayak (2009) in a survey in rural areas find that many women do not engage in paid work because of the low wage. With large wage differentials the value of non-market goods production at home can be higher than the market production wage. This may have been reflected in the drop of rural women from unpaid or low paid self-employment as discussed above as more men found wage jobs.

Raising participation can have substantial growth effects

Measuring growth effects of higher female economic participation is complex. Per capita GDP is determined by the interaction of labour productivity, which is in turn influenced by availability of capital, hours worked per employed, the employment rate, and working age population. A number of studies have simply assumed that the change in GDP is directly related to a change in the labour force participation rate for women, holding other factors like capital constant (Matsui, 2005). DeAnne et al (2012) refined this methodology by assuming that over the medium term one needs also to account for a temporary drop in productivity as new women with limited work experience would enter the labour force, and a potential drop in hours worked as some of the women may want to work part-time. OECD estimated that by closing the gender gap by 2030 would raise GDP by 12% from a steady rise in the female labour input (OECD 2012).

A more rigorous assessment of potential growth gains of higher participation and the interaction of various determinants can be made with overlapping generation models. The time use of women can be modelled over three periods (childhood, adulthood and retirement) in an economy that produces home and market goods. Critical choices are made in adulthood, where women must allocate their time between household chores, child rearing, human capital accumulation, and market work. Time use is influenced by variables relating to human capital formation, health status and productivity, government policies, and female bargaining power. The structure of the model enables a rich set of interactions and policy simulations on the growth impact of higher female economic participation and empowerment (Agenor, 2015). The model is calibrated for India based on existing studies on the various variables. It follows a similar model developed for Brazil (Agénor and Canuto 2013).

The model was used to simulate public policies that affect female time use, and thereby economic participation and potential growth. The policies include changes in public investment in infrastructure, such as safer and better transport, sanitation and water; the efficiency of government spending in health, education and infrastructure to the extent they impact women's time allocation. The model is also used to simulate the impact of child- and gender related policies such as increasing family benefits per child, reducing gender bias in the market place (as a result of affirmative action policies, of the type discussed earlier in this paper) and mother's time allotted to daughters on participation. These policies raise growth by improving human and other capital, productivity and labour input lifting the economy to a new steady state with a permanently higher growth rate (Agenor, 2015).

The results show substantial growth effects from a combination of pro-growth and pro-gender policies (Table 3). Depending on the policies, the rate of growth could rise by about 1.5 to 2.4 percentage points per annum in the longer term (Agenor 2015). The impact of comprehensive policies is larger than in a similar experiment done for Brazil (1.5-1.7%), which starts from a much higher female economic participation rate than India (Agenor and Canuto, 2013). The analysis also finds a positive but weak impact of raising female education on women's bargaining power, and confirms that other measure influencing social and cultural values may be needed to speed up the process. Higher education for women generates health externalities, not only for themselves but also for their families, and additional cash benefits can have important impacts on health and growth. Improved access to infrastructure has only modest benefits through women's time allocated to market work, as in the participation regressions discussed below.

The impact on wellbeing is difficult to assess. Wellbeing of many poor women may be higher by staying home compared to performing marginal poorly paid or unpaid jobs. At the same time, the unemployment of the educated and willingness to work from home point to gains to wellbeing from working. Other factors also bear on wellbeing. Participation can raise financial independence which has been shown to improve women's decision making in the household. Participation can also reduce domestic violence, which is part of wellbeing and relatively frequent in India (Mathur and Slavov, 2013). The 2006 National Family Health Survey (NFHS) reported that one third of women aged 15 and 49 had experienced physical violence and one in ten had been victims of sexual violence in their lifetime (van Klaveren et al. 2010).

Table 3 **Impact of policy simulations on growth (% of GDP)**

Policy simulations impact on GDP growth of changes in time use of women from:	% added to GDP growth
Increase in infrastructure spending financed by cuts in:	
Unproductive spending	1.7
Education spending	-0.8
Increase in efficiency of public spending:	
Infrastructure	0.8
Education	0.5
Health	0.1
All three	1.4
Increase in targeted cash benefit rate:	0.1- 0.3
Rate	0.2- 0.5
Reduction in gender bias in the marketplace	0.14
Increase in mother's time allocated to their daughters	0.13 (0.3 - 0.5)

Source: for more details see Agenor, P (2015) forthcoming. In baseline scale changed compared to Table 7 in Agenor 2015. Policy changes are e.g.an increase in targeted cash benefit from 0.01% to 0.04% of family income etc. see footnotes to tables in the paper.

What is behind low participation and how to raise it?

India is not alone with gender inequalities in economic participation. Despite higher incomes and stronger growth, gender inequalities in economic opportunities remain in much of the OECD and the rest of the world influenced by various market and institutional failures. However, in India these failures are likely to be even stronger given low incomes and diverse cultural settings. Inequalities in opportunities can arise from differences in time use at home between men and women that keep women out of the labour market. Domestic duties such as child and parental care often fall on women. Unequal access to productive inputs such as credit and labour, and market and institutional failures in terms of laws and delivery of economic services that discriminate against women also affect participation (OECD SIGI Index, World Bank, 2012). In addition, social norms in India tend to favour men over women. For example, as heads of households, men affect women's ability to make independent decisions about their economic participation in terms of careers, family or finances (Eswaran et al. 2013). Gender-differentiated market failures, institutional constraints, and persistent social norms often combine to reinforce gender inequalities and make improving gender equality much more complex. When there are multiple constraints they all need to be addressed (World Bank, 2012).

As the past decade has shown, economic growth alone is not enough to reduce gender inequalities; policy commitment is also needed (Duflo, 2012, World Bank, 2012). Policies to raise female economic participation should focus on the factors that segregate economic opportunities and lead to low productivity traps for women. Improvement in infrastructure services and policies reducing transaction costs to markets can influence time-use at home. Measures may also be needed to expand women's legal rights, improve social norms and collective action (OECD SIGI Index, World Bank, 2012). Progress in fertility, gains in education and women's ability to take decisions in using economic opportunities, and shifts of women to market work are related but also mutually reinforcing. Raising incomes of women in turn tends to increase their bargaining power in the family with positive feedback loops on equality in decision making. When market signals, formal institutions, income growth, all come together to support investments in women gender equality improves quickly (World Bank, 2012).

The remainder of the paper will test more formally the causes of low economic participation of women in India and policies to improve it (Sorsa et al. 2015). Using household survey data from NSSO, separate cross sections regressions were used for the available surveys of 2000, 2005, 2010 and 2012 as they are not continuous samples. The estimations use a probit model to test for probability of participation of women with various characteristics. Given the large diversity of India's regions separate regressions were run for urban, rural, regions and types of workers. The analysis also tests for changes in coefficients over time.

Socioeconomic factors

Wage differentials, education and income

In all OECD countries (except Japan, Korea and Turkey) employment rates increase and gender employment gaps decrease as educational attainment rises (OECD, 2012). In India the U-shaped relationship of female participation with both household income and education suggests that non-wage factors are important in reducing female participation. Some of the decline in participation with education may reflect increasing supply of education and rising marriage market returns to education, especially in the urban areas (Klasen and Peters 2013). Education and family income tend to be highly correlated. Own-wage income for the more educated groups is thus less important than household income for participation decisions. The low substitution effect in terms of home goods production and market work, and a high income elasticity for "non-market goods, status or leisure" is attributed by some authors to the importance of status production or religion (Eswaran et al. 2013, Klasen and Peters 2013).

The regression results point to a strong negative effect on participation from education and family (husband's) income. These factors are strongest in the South and West parts of India, which have more educated populations and higher female participation in general (45%). In the largely rural East and North of the country, where female participation is low overall (20%), other factor matter more such as cultural traditions and religion (Eswaran et al, 2013).

Despite a potential negative short-term reduction of female participation, education will over time counter socio-economic factors that work against women's ability to take advantage of economic opportunities. The regressions show a large impact of household income or socioeconomic status on participation in the low educated sub-group but a negligible impact in the highly educated sub-group. Thus education matters in mitigating socio economic attitudes. Also the religious influence on participation is smaller for the highly educated group (in line with Klasen and Peters findings for urban areas). Education was also one of the strongest determinants of real female entrepreneurship in India (Daymard and Sorsa, 2015). Building human capital with education or participation in the labour force gave women the skills and experience to run small companies.

At lower income levels participation is often dictated by necessity, and thus own income, in addition to household income, can be more important. In the mid-2000s female unpaid self-employment, or the so-called "distress work" first rose and then declined in line with the evolution of agricultural incomes (Mehrotra et al. 2014). Women's work may also be an insurance for households and thus move counter-cyclically, especially in poorer households (Bhalotra and Umana-Aponte 2010). This potential effect was proxied by the share of unearned income from regular employment and underemployment of male household members. The coefficient was large for the underemployment variable among the non-self-employed. Thus improving overall job creation is likely to reduce marginal employment among poor women.

Large wage differentials with men can reduce participation by increasing the relative value of women's home good production increases. The fact that female participation rose substantially in the NREG programme, which provides equal pay with men, suggest that this is the case. However, wage information is not available for the self-employed, which are about half of the female labour force, making testing this hypothesis more difficult.

Wealth

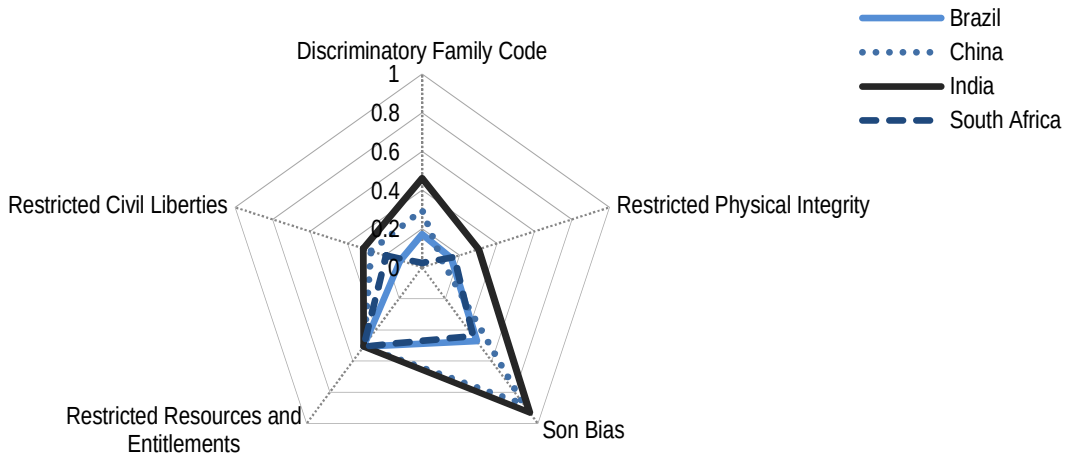
Wealth can affect participation through permanent income, beyond total earnings and socio-economic status. Wealth can reduce the need to work, apart from perhaps at the highest levels of education. In the absence of data on wealth, the education level of the head of household was used as proxy. The results confirm that an increase in unearned income of the household reduces the marginal utility of the woman's earnings and thereby participation. The regressions show a strong and negative effect, except for urban seasonal work.

Another proxy for wealth, land owned and cultivated was also tested, and can have unclear impact a priori. It can be negative via income or status effect, but positive when household work is often used before hiring workers. Female participation increases when families have land cultivated, but owning land was not significant for participation. Potentially this reflects lower incomes/asset value from landownership in rural areas.

Social institutions and inequality

Social institutions in India tend to reinforce some of the education and income effects on low female labour force participation. India ranks low on the OECD SIGI index measuring social obstacles to gender equality (Figure 10), and a World Bank index on governance. Cultural obstacles for participation can be created by the patriarchy in being against women's economic emancipation. A number of studies have shown religious attitudes to influence women's economic participation (Seguino, 2011; Das and Desai, 2003). Participation is also influenced by social class, which is often correlated with income (Klasen and Peters, 2013). In traditional societies risks of exposure to other males outside the home has reduced female participation. Thus self-employment within the home may be a way to reduce these social risks while raising participation in the labour force. The regression results show that social class or religion has a large impact on participation and explain regional differences.

Figure 10 **Social institutions and gender index (SIGI)[1]**



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Source: OECD, Gender, Institutions and Development Database 2012

Infrastructure as economic barrier to participation

Female time use between home and market work can be influenced by infrastructure and technology (Klasen and Pieters, 2013). Access to water or electricity in the household can raise women's time available for outside work. In South Africa electrification lead to a large jump in female participation (Dinkelman, 2010). Safety and availability of transport also impacts ability to go to work, or access markets. A World Bank-supported program in Cambodia reduced women's time devoted to collecting firewood and increased their jobs and incomes by selling low-cost, fuel-efficient cook stoves through local female vendors. In recent years India has made large investments in infrastructure on roads, as indicated by the large increase in construction activity. Also electricity is now reaching more households and businesses. However, the infrastructure gap remains large (OECD 2014a).

Infrastructure, measured by the share of paved roads or access to water, was significant in the regressions on participation in both urban and rural areas. This may be capturing the fact that improved access to both types of infrastructure generates time savings that may be reallocated to other productive tasks, including market work but also child rearing and learning. Entrepreneurship also was influenced positively by access to urban infrastructure. Safety concerns have risen for women and more safe public transport can improve opportunities to work. In India improving infrastructure has many win-win benefits not just for female participation but removing overall growth bottlenecks.

Education reduces socioeconomic barriers to participation

Education can have many indirect effects on women's ability to make independent decisions and raise their ability to take advantage of economic opportunities overtime. Education has also more complex socioeconomic links related to female wellbeing. Girls' access to education is influenced by marriage age, which in some parts of India is low. A late marriage age has been shown to have a strong correlation with education (World Bank, 2012), which apart from raising women's ability to take independent decisions affects investment in children's health and education with many benefits. Early marriage also has social costs in terms its link to high rates of fertility among young women, which is often linked to infant mortality or staying outside the labour force. Although fertility has declined substantially in India overall, it can be high among certain vulnerably social groups.

Much progress has been made in the last decade to increase school enrolment of girls in India especially at the primary level. However, more is needed to expand further secondary and higher education, and in improving quality of education, including the skill content. The high unemployment rate among the higher educated women points to skill-mismatch problems. Having a technical education, or having received vocational training, also strongly and positively affect the probability of participation in the regressions.

Many innovative policies and programme have been implemented by the central government and the states to reduce early marriage, but progress is slow as traditional customs often prevail. As an example, January 24th has been declared as National Girl Child Day and is often accompanied by awareness campaigns. The legal marriage age was raised to 18 in 1976 but in 2006 still 45% of women aged between 20-24 had been married when they were less than 18 years old(van Klaveren et al., 2010). Some states (e.g. Haryana) have introduced cash incentives for families (conditional cash transfers) to help girls remain unmarried until 18, and finish school. Initial evaluation suggests that these programmes have increased educational attainment (Sinha and Young, 2009). Extending the age of compulsory education laws can also reduce early marriage. A number of government initiatives have also been introduced in recent years to enhance skill training to women such as vocational training programmes to teach skills like sewing, computer literacy and spoken English. These efforts have been supplemented by the work of hundreds of NGOs, such as the Mann Deshi Foundation and the Sambhali Trust, working at the rural level, encouraging women's co-operatives in agriculture, livestock rearing and handicrafts. These policies should be expanded.

Dealing with gender biases across the lifecycle can also have broader, sustainable impacts for equity and remove social barriers. As biases can begin very early in life, sometimes in subtle ways, it is important to influence early trajectories of inequality that are more difficult and costly to resolve over time (World Bank, 2012). Strategies in other countries that have shown positive results by addressing gender-specific constraints include increasing the proximity of schools to homes and building “girl-friendly” schools. Education systems can also challenge stereotypes through curricula. Tanzania’s national curriculum includes substantial gender-related material in its secondary school civics syllabus and examinations (World Bank, 2012). For older women it is important to develop elderly care systems.

Many laws in India protect women’s rights and guarantee equal treatment by gender. However, they are not fully applied as traditional and religious customs often take precedence (van Klaveren et al. 2010, CEDAW, 2007). For example, the son bias, which seems important in India (see Figure 2.10), can be influenced by the tradition of Dowry payments for girls, which continues despite the *Dowry Prohibition* Act of 1961 abolishing it. Another area of weak implementation is inheritance laws (World Bank, 2012), while the equal pay laws were already mentioned above. The monitoring of the implementation of many existing laws on gender equality should be reinforced.

Institutions and access to resources

Labour regulations discriminate against women

There are at least 45 different state or national labour laws that apply to large manufacturing enterprises and the public sector (Panagariya, 2008, van Klaveren et al., 2010, OECD 2014a). For example, hiring and firing are subject to strict criteria and permissions, and changes in job descriptions require lengthy approvals. The larger the company the more it becomes regulated—companies with 10 or more employees are subject to different rules than those with over 100. India has one of the most regulated labour markets in emerging countries in the OECD Employment Protection index, e.g. women cannot work at night or in certain occupations.

The laws seem to have a number of unintended negative economic effects, which also affect women's economic opportunities. Some regulations, such as those forbidding women from working at night or in certain occupations, directly limit job opportunities. More generally, women are more likely to be marginal workers and thus bear disproportionately the costs of regulation in unemployment. Montag (2013) finds that India's stringent labour laws reduce female participation in urban areas, but have no impact on men, or on wages of either gender. Furthermore, regulations may also have led to more women working in agriculture, and in informal sector as self-employed (Montag, 2013). The regression analysis shows that labour regulations have reduced female labour force participation and that recent reforms to liberalise them have mostly benefitted male employment (Daymard and Sorsa,2015). This can reflect the fact that the regulations remain rigid and affect negatively formal job creation (Dougherty, 2008). With sufficient reforms more flexible labour markets are likely to benefit job creation for women as well. In this context the proposed amendment to the Factories Bill in 2014 to relax female night work are welcome.

Lack of social protection can influence participation

Formal sector workers in India benefit from three social protection schemes. The Payment of Gratuity Act of 1972 provides for severance pay after more than five years of service for departing employees. The Employee' pension scheme provides a pension including for widows after 58 years of age with over 20 years of service. The Employee Provident Funds are forms of compulsory saving for post-retirement years (van Klaveren et al., 2010), but cover only a small fraction of workers.

A number of measures have increased social protection for women in the informal sector that can facilitate labour force participation. SEWA was established in the 1970s to improve the work and income position and social security for its self-employed members. It also provides microfinance and insurance through SEWA bank, training and maternity benefits and pensions. Its greatest impact has been raising self-esteem and bargaining power inside and outside home (Khera and Nayak, 2009). It currently has 1.3 million women members, mostly from rural areas (out of a total female labour force of about 100 million). Other measures have been a national law to protect street vendors in 2004, a social security law for informal workers in 2008, rights of home-based workers, Beedi and Cigar workers act, to protect about 4 million home-based workers. Some maternity benefits are provided by a conditional cash transfer scheme - Indira Gandhi Matritva Sahyog Yojana (IGMSY) - for pregnant and lactating women as a pilot in 52 districts since 2010. Cash is conditional on health checks for mothers over 19 years of age and first two births via bank transfers.

While these initiatives to provide social protection for informal workers are welcome, reforming and modernising the overly stringent labour laws would help expand formal job opportunities in general, and thereby social protection for workers. Any national policy for social security, healthcare, childcare, and housing should be linked to efforts to modernise the stringent labour laws to avoid the duality problem in working conditions.

Availability of care

Many women in India stay home to take care of the extended family – children and elderly relations. Affordable child care is often not available and parental leave policies exist only in the small organised sector. Lack of affordable care facilities may also explain the large prevalence of unpaid work either at home or in the family enterprise, or as subsistence informal self-employed. The regressions show women with small children, especially in urban households, have lower participation. Having girls between 6 and 14 raises participation in rural areas, because older children are likely to take over mothers' home tasks. However, having more females in a household also raises participation, suggesting that female relatives may also care for children.

Companies with 30 or more female employees are by law required to provide a child care facility for female employees, but this is seldom the case in practice and in fact arrangements are quite ad hoc. The formal requirement may also work against hiring women. The government through Rajiv Gandhi National Creche programme provides care for young children of low income families. NGOs (World Bank, 2012) and trade associations like SEWA provide mobile crèches for working women. Some construction sites provide child care paid jointly together with employers. In Gujarat a self-employed women's association is running day care centres for 0-6 year olds (World Bank, 2012). The MREG rural sector public works programme is mandated to provide child care (nutrition and health checks) for women when there are more than 5 children under 6 years of age at the work site. As in other cases, however, in practice implementation has been patchy. A survey by Khera and Nayak (2009) found that none of the sites in their sample had child care as required. A more consistent child care policy could help more mothers to get to work (World Bank, 2012). Another option could be to extend the school day so women have more time for market work. Another is to begin education earlier. For example, the World Bank (2012) estimates that adding one year of preschool education in Turkey could increase female labour force participation by nine percentage points. There is also considerable evidence that early childhood education raises educational attainment (OECD, 2006).

Active labour market policies

Active labour market policies can also help create female job opportunities. To be effective they should aim at reducing market and institutional failures affecting female employment. The rural public employment programmes (NREG) recommends that 33% of jobs be reserved for women. To facilitate female participation the jobs should be no more than 8km from home, and women are also involved in monitoring progress with the projects (Holmes and Jones, 2011). A similar programme has been implemented in South Africa, where 63% of beneficiaries were women (the quota was 40%). In Turkey an "employment subsidy" programme (social security payments are eliminated for the first few years for newly hired women) has also helped create jobs for women and raise female labour force participation from 30% to over 40%.

The NREG programme has helped raise female participation in India (Ghani et al., 2013), as has quotas for female political representation (Khera and Nayak, 2009), by providing work experience for women and potentially breaking the social norms that push women to stay at home. In 2012 more than half of the 50 million beneficiaries were female with broadly equal wages with men, but much higher than in private rural employment. To test the impact of the NREG "affirmative action" on women's labour force participation a probit regression and matching regressions were run (Sorsa et al, 2015). Both regressions show that participation in the NREG programme raised the likelihood of women's labour force participation outside the programme significantly.

However, recent evaluations of the efficiency of the programme have found high costs and low efficiency (Niehaus and Sukhtankat, 2009), elite capture due to high relative wages (Scandizzo et al, 2009), mismanagement and corruption (Camfield and Vennam, 2012). Therefore, it is important to continue to review and improve the programme.

Skills-development programs can also make a difference. A World Bank-funded youth employment program in Liberia that included vocational and life skills training, along with job placement help, increased young women's employment by 50% and weekly earnings by 115%. In India these types of policies could help find jobs for the often highly skilled unemployed women in urban areas, along with other enabling policies discussed above. The training programme (STEP) initiated by Ministry of Women and Child Development for marginalised and asset –less rural and urban women across the country is welcome. The private sector could also be given more incentives to hire women at senior as well as junior levels. The government has recently proposed that all large companies should have at least one woman on their boards.

Entrepreneurship policies

The increase in female entrepreneurship in manufacturing and services may have been influenced by active training policies—over 1 million women have benefitted from entrepreneurship training over the past 30 years in programmes run by the government and NGOs (Ministry of Women and Child Development (MWCD) *website*). The programmes deal with motivation and quality development, and have involved 5 000 NGOs, VOs and several government agencies. Bringing women closer to work or markets with transport, internet, phones can help participation. In India a Foundation for Occupational Development has been successful in providing access to jobs for women (MWCD website). Also the SEWA trade facilitation centre has online outlet for textiles for its female self-employed members. Other measure, such as subsidies, awards, facilities, may also have helped to motivate women as entrepreneurs, although there is no hard evidence of this.

The government also has various specific programmes for women operated by ministries and agencies. For example, the Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (SABLA), provides training and nutrition and job integration for girls of 11-18 years of age not in school in 200 districts. Other programmes covering training, coops, access to credit; health checks, legal and literacy development, and mobile crèches; hostels for working women, organising widows as successful entrepreneurs, and so forth (MWCD website).

An important impediment to higher and more formal female entrepreneurship has been unequal access to wealth. Removing the biases over time is important, in particular in laws affecting inheritance, and equality in marriage (OECD, 2012).The husband often controls women's wealth and finances, a situation which partly stems from inheritance laws that still favour sons (Akhouri, 2012). The Hindu Succession (Amendment) Act was modified in 2005 to give daughters the same rights as sons. However, women in Northern India are still often deprived of their inheritance (OECD SIGI data base). Furthermore, the Act does not apply to Muslims, Christians or Parsis, each of which are subject to different inheritance laws that can continue to discriminate against women. States can also enforce their own succession laws (CEDAW, 2007). Tribal lands are also governed by different laws. This has contributed to low landownership among women- only about 11% of land is owned by women-, which affects women's financial independence and for example access to collateral to get loans for starting a business.

Promoting role models and networks also facilitates female entrepreneurship in India (Ghani et al, 2012). Networks and agglomeration bring positive location externalities as a dense network of production and market opportunities can boost productivity and lower unit costs (Fujita et al., 1999; Ghani et al., 2012) unless overtaken by congestion costs.

Access to finance

Financial development is an important way to empower the poor and women, and to improve their ability to take advantage of economic opportunities. The development of pensions and savings in bank accounts enhance women's ability to make independent decisions on resource use. People with access to savings accounts or simple informal savings technologies are more likely to increase consumption, productivity and income, and investment in preventive health, and to have reduced vulnerability to illness and other unexpected events (Dupas and Robinson, 2013; Ashraf et al, 2010). Increasing women's control of resources, even small and temporary increases, in turn can increase bargaining power in households (Duflo, 2012). Access to financial services through bank accounts (OECD 2012, World Bank, 2012) also helps protect assets. There is also a strong link between women's financial inclusion and their performance as entrepreneurs in developing countries (OECD, 2012).

Financial inclusion is low in India. Only about 25% of females above the age of 15 have an account in a formal financial institution compared to 42% of Indian men and 60% in the BRIICs on average (World Bank, 2013, Demirguc-Kunt et al. 2013). Even those who have an account do not use it frequently; 70% use it perhaps once a month. People don't have accounts mostly for lack of money, but nearly half of women surveyed noted that someone already has an account in the family. The regressions show that access to finance is not an important deterrent of entrepreneurship, perhaps because many entrepreneurs may have own wealth to back up their finances. Having a bank account raised female labour for participation (Daymard and Sorsa, 2015, Sorsa et al, 2015).

India has promoted financial inclusion. Until recently the opening of a bank branch in urban areas had to be matched with several branches in rural, unbanked areas. Burgess and Pande (2005) find that the social banking policy on branching helped reduce poverty across states in the 1990s'. However, bank branches are costly, which may explain why fewer people are opening formal accounts. The regressions did not reveal a strong relationship between participation and bank branches. The more recent Aadhar ID card initiative is likely to expand financial inclusion, including for women, as it provides for a bank account to receive government pensions and scholarship payments.

Inclusion can also be expanded by "mobile branches" or mobile banking (Beck et al., 2007; van Klaveren et al., 2010). In Brazil for example, banks are expanding the use of agents in shops, gas stations and post offices; the agents can also be mobile. The existing infrastructure and client relationship provide for cost efficient banking. In India only 4% of adults (compared to 68% in Kenya) used this form of financial service in 2010, but is rapidly expanding with the support of RBI. Widespread telephone use in India is also opening opportunities for mobile banking. There is suggestive evidence that these types of reforms and new ways of reaching people may have the potential to dramatically improve financial inclusion. For example, recent randomized trials suggest that at best a quarter of households take up available loans from microfinance institutions in India, Mexico, and Morocco (Banerjee et al, 2013; Crépon et al, 2011; Angelucci et al., 2014).

Access to credit can raise entrepreneurship, and incomes more broadly by enabling investment in human capital as well (Beck et al., 2007). Access to credit also facilitates job creation in general and for women, and if it results in a more efficient resource allocation it contributes indirectly to inclusive growth (Ayyagari et al., 2013). In India one study found that financial deepening has been more important than financial inclusion in reducing poverty via promoting entrepreneurship overall, and job creation in services in urban areas. Access to credit was found to help specifically the rural self-employed (Beck, 2013). The regressions show that access to credit is not an important constraint for female (or male) participation in India.

Financial deepening is relatively advanced in India in terms of overall credit/GDP, which at 80% of GDP is high among the BRIICS. Borrowing at the household level is, however, still mostly from informal sources such as family members (20%), as in other developing economies, or from money lenders. Only 8% of adults have borrowed formally. A relatively large number of females (6%, compared to 9% of males) had received a loan from a financial institution, which is high compared to BRIICS. This may reflect the active microcredit penetration in India. For example, in Andar Pradesh, which has the most active microcredit industry, 20% of adults had borrowed formally, (World Bank, 2012). Access to finance was high among the constraints from working from home, but less important for female real entrepreneurs in the regressions.

Numerous schemes exist to enhance access to finance for women. The current policy of preferential interest rates and quotas to female clients in banks may not as such lead to efficient investments. The agricultural bank, NABARD, offers refinancing at 4% for poor women with credit guarantees up to INR 2.5 million and a capital subsidy scheme for technological upgrading in female-owned firms. MFIs, including the Rashtriya Mahila Kosh (National Credit Fund for Women), offer collateral free funding to

Self-help-groups (microcredit) with 31 million members, of which 80-90% are women. The Bharatiya Mahila Bank (BMB) for women was opened on November 2013 with a vision of economic empowerment especially for economically neglected, deprived, discriminated, underbanked, unbanked, rural and urban women. This is an innovative step forward. Guarantee schemes like TRADE in the Ministry for Small and Medium Enterprises give 30% financing of the cost of approved female projects to NGO lending agencies and grants for training. For example, grants for up to INR 500 000 are given to national level entities for research, evaluation, designing training modules for women. It would be important to evaluate more the efficiency of these programmes in promoting investment and female economic opportunities.

The impact of credit on growth and women's economic opportunities depends on how it is used. In India reasons for household borrowing have been home purchase, weddings, health, funerals and school fees (NSSO). This suggests that much of the microcredit is used for consumption and not for productive investment. Field experiments also show that increased access to microcredit has promoted more consumption than productive investment, and favoured entrepreneurship mostly for households with existing businesses (Banerjee et al, 2010, Karlan and Zinman, 2012). Another study showed that while microcredit had little impact on women's time use in rural India, it helped their husbands move away from wage work to better paid self-employment by using women's loans to enhance male ownership of the household's productive assets. Only women who used loans in self-managed enterprises were able to allocate more time to self-employment. If credit is intended to increase the value of women's work time, it seems it is not access to loans but use of loans matters.

Appropriate incentives for good projects in terms of a transparent business environment and good regulation can be more important than subsidised loans for promoting job creation and female entrepreneurship. Ensuring women's control over loan-created assets by law can also be a critical policy objective (Garikipati, 2011). Access to credit for women for productive projects can also be improved by measures enabling collateralisation of loans with cash flow or equipment. Discriminatory loan practices whereby men sign women's documents in banks should be eliminated in law. Other options are to strengthen credit bureaus and other institutions that collect info on borrowers (World Bank, 2012).

Equality of laws and economic opportunities

The Constitution provides equality for women, and the government has enacted various laws to protect women's rights, women empowerment and penalize violence against women. However, compliance is limited, as indicated by the poor rank of India in discriminatory family code, restricted physical integrity and civil liberties and entitlements in the OECD SIGI index (Figure 10). While women have equal rights within marriage, men are considered heads of household (World Bank, 2012). Divorce by mutual consent is the legal practice, but women who initiate divorce are condemned by public opinion; as a result, divorce remains very rare. Fathers alone have parental authority in both Hindu and Muslim families. If divorce does occur, the law assures some equality with regard to child custody, but any advantages granted to the mother are often disregarded (van Klaveren et al 2010, OECD-SIGI data). Also 80% Hindus in the 2001 census said to follow religious customs in family matters and not statutory law.

Major efforts should be made to improve the implementation of the laws affecting gender equality potentially by highlighting the discrepancies. Currently, more gender-related laws are under consultation. These include strengthening of the Dowry Prohibition Act of 1961, and protection of women from domestic violence act 2005. A Bill on protection of women against sexual harassment in the work place was passed in 2013. But progress on implementation and compliance with the laws has been slow.

If laws are not applied the credibility of women's rights is compromised (OECD, 2012). In many countries there is limited government accountability on gender, and public services often lack awareness and capacity to assess impact of policy on men and women. Public agencies supporting gender tend to have a low profile, and gender disaggregated data availability can be an issue. There is no one model

across OECD countries. Some have ministries, agencies or shared ministries, and special parliamentary committees. However, often incentives for managerial performance are weak, or there are no sanctions for not meeting targets (OECD, 2012). In some countries GIAs – gender impact assessments of policies can help. Another tool can be Gender responsive budgeting – about half of OECD governments require always or in some cases it at all levels of government – central, local or regional.

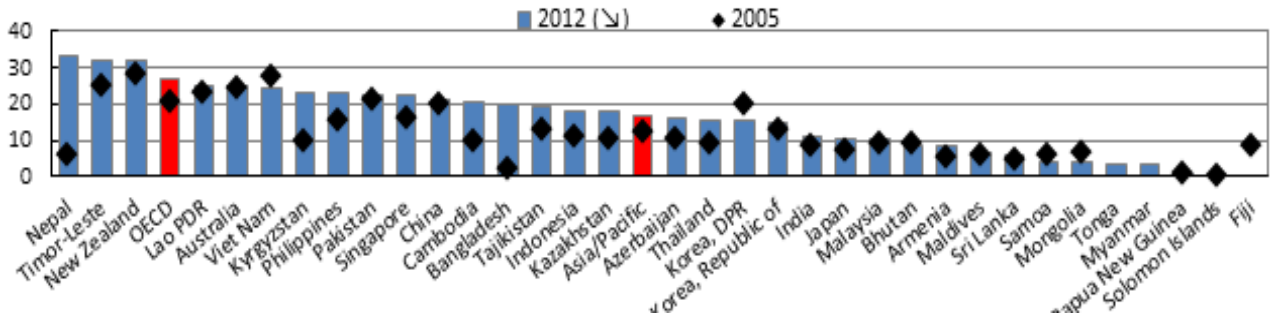
In India a national policy for the empowerment of women has existed since 2001 and the Ministry of Women and Child Development was created in 2006. The national policy aims to advance, develop and empower women in all spheres of life through creation of a more responsive judicial and legal system sensitive to women, and mainstreaming a gender perspective in the development process. A high level committee on the status of women has undertaken comprehensive studies and made policy recommendations since 1989 to understand and improve the status of women. National Mission for Empowerment of Women (NMEW) provides technical support on the issues of inter-sectorial convergence relating to women. India has also pioneered in introducing a Gender Budget statement as part of the Union Budget, which can be an important tool for reporting allocations for women. It is to be supported by Gender Budgeting Cells (GBCs) in all Ministries/Departments, which serve as focal points for coordinating Gender Budgeting initiatives, both intra and inter –ministerial.

Experience shows that affirmative action and quotas can increase women's voice (World Bank 2012). India has pioneered affirmative action and quotas in political representation. Amendments (1992) to the Constitution provided for reservation of one-third seats in the local bodies of Panchayats and Municipalities for women laying a strong foundation for their participation in decision making at the local levels. As women and men care about different issues it can make a difference to give women more political power in areas that affect public spending (Chattopadhyay and Duflo 2004). Duflo (2012) found that in Rajastan women in village councils made better spending decisions because they pay more attention to projects with high social return. Women leaders also affect ability to take advantage of opportunities by changing perceptions of gender roles and attitudes towards participation in activities outside home (Beaman et al, 2012). These policies led to rising girl school attendance and changed underlying beliefs among voters of women's ability.

Ghani et al. (2013) also found that women's political representation promotes economic participation. This took place directly via rural works programmes discussed above, and indirectly by the level of access to public goods over time. Exposure to women political leaders overtime increased the likelihood of women being engaged in the labour force. The regression results and the literature on networking and role models point to a potential importance for economic participation from measures to enhance women's political representation. Other examples of female quotas in politics are Mexico, Morocco and South Africa.

At national level women's share in the national parliament is low (Figure 11) India has had plans to expand quotas in women's political participation. A constitutional amendment was proposed in 1996 to give women 33% of parliament seats, but it still has not passed. The OECD countries refrained from endorsing female quotas in in labour markets or political representations in their Gender Policy Recommendations of 2013 (OECD 2013, www.oecd.org/gender). However, given the substantially lower economic participation of women in India, and the strong biases and market and institutional failures and the success of the quotas at local levels in India, extending the quota policy to state and national assemblies could have a substantial impact in raising the economic opportunities for women. Thus they are worth considering.

Figure 11. **Share of women in parliament, 2012 and 2005**



Conclusions

The reasons for low female participation in India are complex with large differences across regions and include both supply and demand factors. Supply of female labour is affected by cultural and socioeconomic factors, access to resources, safety concerns with infrastructure, biases in regulations, or income levels. The high share of educated unemployed women also points to demand issues and lack of jobs for those who want to work--despite high growth over the past decade job creation in India has been low overall and especially for women. Raising female participation in India requires policies that deal with supply constraints as summarised in Box 1. But it also requires creating more job opportunities for women. This can be achieved by macroeconomic and structural policies that create new investment as discussed in the OECD Economic Survey of India (OECD 2014 a). For example, liberalising multibrand retail trade can create large numbers of jobs for women, or training more much needed nurses for India's health sector are examples of potential opportunities. Women can be a new growth engine for India.

Box 1: Summary of recommendations to enhance women's economic participation

Key recommendations

- Extend female quotas to state and national parliaments.
- Further modernise labour laws to ensure equal work opportunities for women.
- Enhance the implementation of gender-related laws.
- Expand secondary and higher education for women and skills training for female entrepreneurs.

Further recommendations

Dealing with social and economic barriers to participation

- Extend maternity leave and child care for all workers. Raise gradually the compulsory school age to 18. Remove gender biases from school materials to reduce early cultural gender biases.
- Invest in public transport in urban areas, electricity and water.
- Reinforce the application of the early marriage prevention law, and expand conditional cash incentive programmes to keep girls in school until 18.
- Expand vocational and skill training for entrepreneurs.
- Focus more of these efforts in Northern states with lowest participation.

Enhancing access to resources

- Remove gender biases from inheritance laws.
- Improve efficiency of NREGA implementation and enhance active job search for women.
- Enhance mobile banking and mobile bank branches for female financial inclusion.
- Ensure that (micro) credit benefits more productive, efficient activities by women by diversifying collateral policies.

Enhancing equality of laws and social status

- Expand the role of the Ministry of Women and Child Development in promoting cross-cutting aspects of gender equality, including in employment and entrepreneurship.
- Expand public awareness campaigns on gender equality especially in states with low participation.

Note on the data

Employment and entrepreneurship data in India is difficult to interpret calling for some caution with the results. This is partly due to the very large share of the informal sector in the economy at over 90% of employment, a lack of timely data on employment trends, and several sources with at times varying estimates. For example, formal sector employment is estimated annually for only manufacturing by ASI (11 million in 2010). Another source for all formal sector employment data is annual estimates by the Central Statistical Organisation (28 million in 2010, of which 6.5 million in manufacturing). Informal and formal sector employment data with gender breakdown is collected in NSSO household surveys every 5 years with some intermittent annual surveys (430 million employed in 2010, of which 50,000 in manufacturing and of which 18,000 were salaried employees). Informal entrepreneurship data is also collected in five year intervals for manufacturing and services (108 million employed in 2010, of which 35 million in manufacturing). Another source for employment data is the IHDS five yearly household survey, but the latest publicly available data is from 2005. The *unorganised sector* consists of all incorporated private enterprises owned by individuals or households engaged in the sale and production of goods and services operated on a proprietary or partnership basis and with less than ten workers (or twenty if not using electricity).

The *organised sector* consists of all public sector enterprises and all private sector enterprises with more than 10 workers (more than 20 if not using electricity).

Informal workers consist of those working in the unorganised sector or households, excluding regular workers with social security benefits, and the workers in the organised sector without social security benefits. *Contract workers* in the organised sectors are not covered by social insurance systems and thus count as informal workers.

Formal workers are workers working in the organised or unorganised sector entitled to social security benefits.

Data on female participation can be found from the ILO, and the two household surveys (NSSO and IHDS). Although exact numbers may differ slightly, they all confirm the broad trends of low and declining female labour force participation.

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