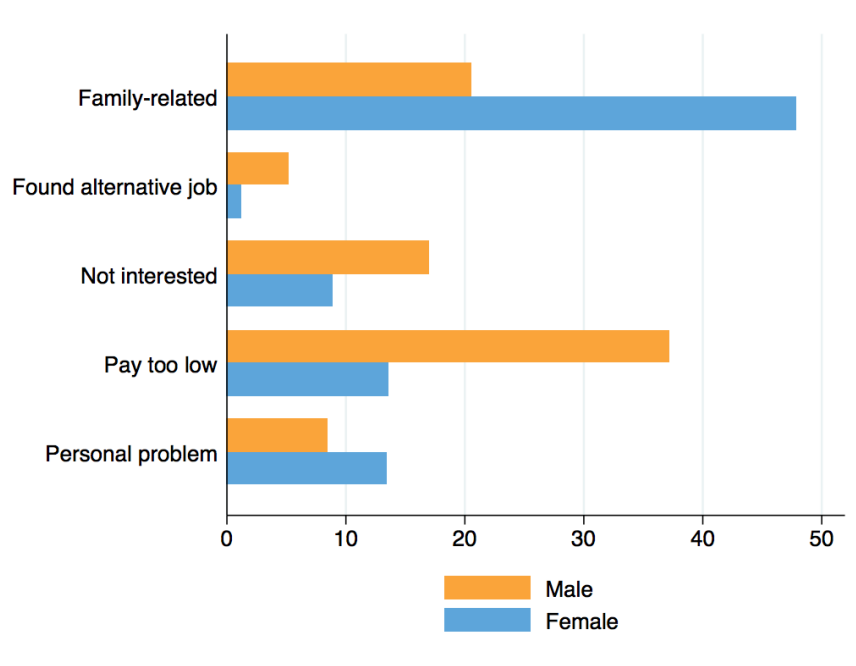


Identifying the Key Constraints to Young Indian Women’s Labor Force Participation

Despite increases in female secondary education and declining total fertility, India’s female labor force participation rate¹ remains extremely low (See our NYT [op-ed](#)). While 80% of men aged 15 and older participate in the labor force, only 27% of women do the same— a figure that places India at the second to last rank in G20 countries (above only Saudi Arabia). And yet, primary data collected around the country suggest that many women who are not in the labor force would like to work, at least in a specific capacity. Data from the 2011-2012 National Sample Survey, for instance, highlight that 31% of Indian women who spend the majority of their time performing domestic duties would like some kind of job². The proportion of educated rural women who want to work is even higher: upwards of 50% would like a job apart from their domestic work. While trends in female labor force participation in India are well documented, the relative importance of the economic and social explanations behind these trends is less well understood.

We explore the constraints on female labor force participation among young single women in India between 18 and 25 years old, focusing on participants in a government vocational training program that targets rural youth living below the poverty line. Training is available in a variety of fields, and it typically lasts for 3 months, the last of which employs on-the-job training with a potential employer. We conducted a phone survey of a total of 2,682 training participants (1,946 women and 769 men). Subjects were randomly selected from two datasets provided by our government partner, constrained to potential respondents who were likely to have completed skills training. (Females were purposely oversampled, and we limited our sample to Hindi and Oriya-speaking areas). The phone survey focused on youth employment outcomes and, in particular, the experiences of youth that migrated after receiving training under the government skilling program.

Reason That Respondent Rejected Job Offered Following Training



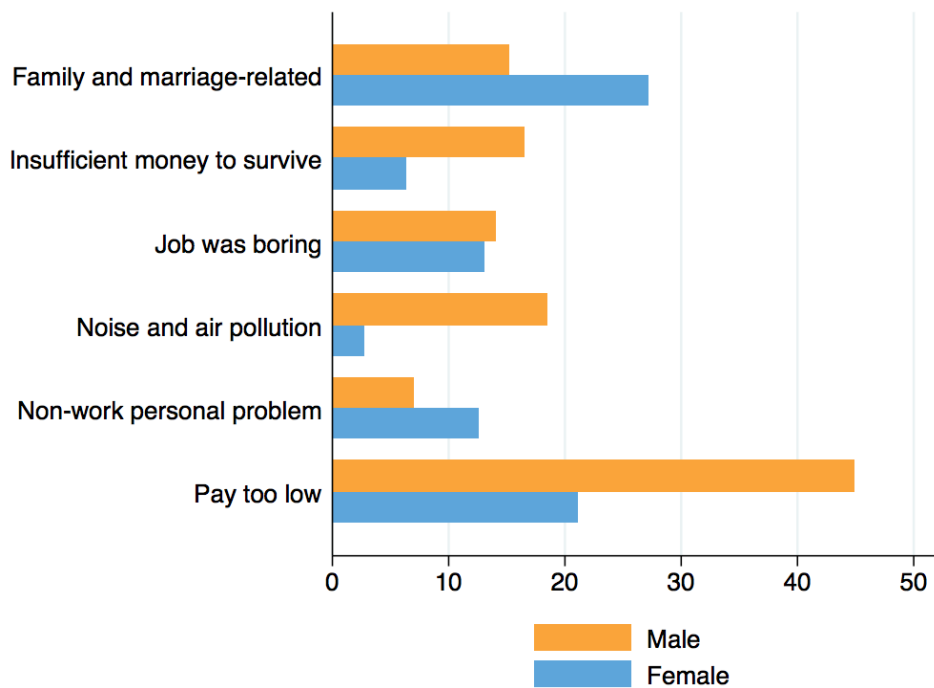
1 Defined as the proportion of the labor force age 15 and older who are economically active.

2 The NSS definition of a labor force participant includes individuals who participated in informal labor, and some types of unpaid labor. More specifically, anyone who has worked in their household as an own account worker, self-employed, helper in the household, unpaid family workers in enterprises, regular salaried/wage employees, casual wage laborers in public works or other types of work, and those who did not work but were seeking and/or available for work. Those considered not in the labor force are anyone whose usual principal activity status includes attending an educational institution, attending domestic duties only, attending domestic duties and was also engaged in free collection of goods, tailoring, weaving, etc. for household use, recipients of rent, pension, remittance, etc.; those not able to work due to disability; prostitutes; those who did not work due to sickness (for casual workers only), and a non-standard “others” category.

Our phone survey sample was drawn to reach as many young women who had migrated after training as possible, and thus was not intended to be representative of India or the vocational trainee population. It was drawn from individuals trained at over 120 different locations in five states across the country. This variation gives us relative confidence in the potential generalizability of the results of inferential statistics to the population of rural youth who have participated in government-sponsored vocational training.

Overall, the training program successfully placed trainees in jobs, with 84% of men and 72% of women receiving a job offer following training. However, only 68% of those men and 56% of those women accepted this initial job. Trainees' reasons for rejecting these job offers differ by gender. Other than doing so for continued education, women most frequently rejected the job offer due to family-related reasons (48%), while men primarily did so due to insufficient pay (37%). Men seem to face significantly less family pressure than do women: only 21% of men refused jobs for family-related reasons. In the figure above, we present the proportion of job rejections attributed to the five most common reasons for rejecting an initial job offer other than continued education.

Reason That Respondent Left Job After First Accepting It



Longer-term labor force retention is similarly perplexing, particularly among women. At the time of the survey, or about one year after completing training, only 35% of the male trainees were still working. Among women, only 20% were still working. Again, female subjects' decisions to exit the labor force were more strongly influenced by family than were those of their male counterparts. Among women who took a job after training but were no longer working, the primary non-educational reason for dropout was family pressure and marriage-related reasons (27%), followed by wages (21%). Men primarily left their jobs due to insufficient wages (45%). Family-related influences, at 15%, were only the fourth most prevalent non-educational reason for dropout among men. In the figure above, we present the proportion of job dropouts attributed to the five most common reasons for leaving a job other than continued education.

The varied drivers of low job take-up and retention after training suggest that steps to address these issues should also account for these gender-differentiated factors. We expect to investigate these challenges further, as well as to test potential strategies to draw in and retain more young women in the labor force.