

Tapping the Latent Resource (Women) as a Potential Contributor towards Increasing GDP

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Women as contributors to the GDP have been undermined since ages. Despite constituting half of the talent pool, due to lack of employment in the formal sector, their economic contribution has been almost negligible. Roping in women in the mainstream can lead to increase in GDP has been highlighted by a study by Mckinsey Global Institute. It is predicted that maximum opportunity of increasing GDP lies with India through potential participation of women with a scope of adding 60% to GDP. The work of Indian women who are not in the mainstream labour force are not taken into account directly for calculating their contribution to the economic growth of Indian economy. They have acquired certain skills during their formative years which goes untapped as they don't realize that they have potential to contribute towards the economic growth and the GDP. Hence their resources remain latent which if properly utilized can be a formidable force in the trajectory of economic growth.

Key words: Latent resource, Skills, Economic Contributor, Women, GDP

Introduction

Women as a potential contributor towards GDP has not been given much importance. A research of Mckinsey Global Institute (2015) has highlighted the potential of women and tried to calculate the worth of women contribution towards economic growth. In this report, MGI explores the economic potential available if the global gender gap were to be closed. The research reports that, in a full-potential scenario if women play an identical role in labour markets as men, then almost \$28 trillion, or 26 percent, could be added to global annual GDP in 2025. The MGI study conducted in 95 countries found that maximum opportunity of increasing GDP through potential participation of women lies with India. It has a scope of adding 60% to GDP by bridging gender gap at work. In order to achieve this target India needs to bring 68 million more women into the workforce by 2025. Hence, the key for economic growth is the promotion of women's economic rights which entails

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protecting a range of women's rights including sexual and reproductive rights, right to education, mobility, having a voice, to ownership and to live free from violence (Bradshaw, et.al. 2013). The issue here is that if women can be a formidable resource pool for enhancing GDP then why has this source being untapped so far. This paper tries to highlight the issues that despite having a talent pool women's skills are latent which utilized effectively can be converted into successful business models.

The dictionary meaning of latent is something which is hidden and not obvious at the moment, but which may develop further in the future. Women are also a latent resource who have innate qualities and skills, which for certain obvious reason have not been recognized as potential contributor to economic growth. This paper tries to present women's latent resources which might be utilized by them for their own economic empowerment which further may contribute to the GDP (Gross Domestic Product) of the country. GDP is an important indicator of economic growth and refers to the value of goods and services produced in a country during a particular year. According to a report of Confederation of Indian Industries (2022) the contribution of women towards GDP is only 18%.

Looking at the education sphere the percentage of women receiving higher education has increased. They are doing very well in professional courses but their representation in the job sector has not increased exponentially. As a result, the skills and capabilities of these highly talented women are lying latent. Most of these skilled women work in the unorganized sector or work in their homes. Gender imbalance at workplace may lower economic growth as more qualified and efficient women are tied up in unpaid domestic work. It has been viewed that by not engaging women fully, the economy is misallocating resources, having women do low-productivity tasks at home instead of taking advantage of their full potential in the marketplace resulting in lower productivity and economic growth (Georgieva k. et. al, 2019). Although the percentage of women working in formal organizations have been less, there has been success stories of women entrepreneurs who have started their own ventures from the vicinity of their homes

The 5th Goal of Sustainable Development Goal as decided by the U.N. in September 2015 talks about Gender equality and empowerment of all women and girls. It gives importance to the unvalued contribution of women who are emerging as the backbone to the economy. Recognizing and valuing unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate is one of the targets for achieving the goal of women empowerment. The various generations of reforms in India have led to considerable changes on the economic front but it has still not been able to bring about the desired socio-structural reforms required for full participation.

According to **ILO's Global Employment Trends 2013 report**, India's labour force participation rate for women fell from just over 37 per cent in 2004-05 to 29 per cent in 2009-10. Out of 131 countries with available data, India ranks 11th from the bottom in female labour force participation. According to Steven Kapsos (2013), an economist with the ILO, "Despite very rapid economic growth in India in recent years, we're observing declining female labour force participation rates across all age groups, across all education levels, and in both urban and rural areas." He further remarks that "Failure to allow women full access to the labour market is an under-utilization of human resources that holds back productivity and economic growth,".

We cannot build a world which is livable if it walks only on one foot—continuing to neglect, by obscure prejudices, 50 percent of the talent, skill, and energy available (Thuin in conversation with Frederick 2010). Echoing this thought the present study highlights the latent resources which has been present in women of India but has not been tapped as a potential for value addition to the economic growth. These latent resources are in form of their capabilities and skills. Certain skills have been instilled in women as part of their growing up which can be utilized for making them engines of economic growth

Issues hindering women from working in formal organization

A leading economist Jayati Gosh (2016) has voiced her concern in the statement, "Women are the engines of the Indian economy but our contribution is ignored". The contribution of women who have been working in home providing all the support to the family are not accounted for as part of their contributions towards the economic growth of nation as they are not formally paid. Besides formal employment, women have always worked in the home, looking after children, cleaning or cooking, but because this is unpaid, it is not counted in the official statistics. Raveendran (2010) in 'Contribution of Women to the National Economy', in ILO working Paper series has observed that several activities of women though resulting in indirect gains to the economy are not being taken into account in GDP estimates. These economic activities need to be recognized and support mechanism evolved to improve women's working condition and consequently their productivity. Societies that have a preference for not investing in girls pay a price for it in terms of slower growth and reduced income (Dollar & Gatti, 1999)

1. One of the biggest barriers that prevents women from engaging in India's labor market is societal. While parents in both rural and urban India are increasingly willing to invest in educating their daughters, the idea of women working outside the home is still culturally hard to digest. The Indian Labour and Employment Report, 2014 recognises unequal access of employment to women and appropriate employment opportunities as one of the biggest challenges in India.

2. Structural constraints make it difficult for them to get into better paying and more stable jobs. The policies of the organizations and their rules are still archaic and in today's dynamic environment where change is an impending reality it proves counter-productive. Some of

the organizations have realized the importance of gender specific policies which they are successfully implementing but majority of the organizations have old rules that discourage women from joining the job even if they have worked hard to earn one.

3. Security of women in India has been one of the major deterrents of women participation in the work force. There have been lots of cases where working women have been the victims of assault on their way while travelling for their jobs.

4. Family Priority Responsibility nevertheless have been the duty of a female. Females have been adorned with the title of Homemaker. Seventy-five percent of the world's total unpaid work like cooking, housekeeping, caring for family members etc. are undertaken by women. However, this contribution is not counted in traditional measures of GDP. Using conservative assumptions, it has been estimated that unpaid work being undertaken by women today amounts to as much as \$10 trillion of output per year, roughly equivalent to 13 percent of global GDP. In India women make up 49% of the 1.3 billion strong nation and spent about 352 minutes a day on unpaid work against 51.8 minutes by men.

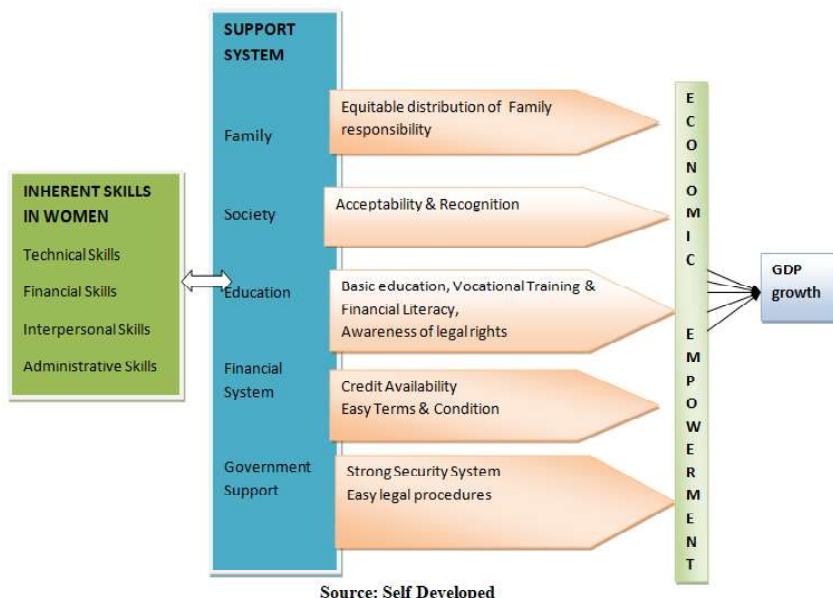
5. Lack of child care facilities in India and that too at affordable rates act as a significant barrier to women's participation in workforce depriving them from their economic independence. A report by Price Water house coopers on 'Women Economic

Participation' mentions that most of the women are not certain about their child receiving adequate child care, thus leading to stress and loss of productivity. Most of the times females have to leave their job because they have to look after their children as this is considered primarily a female responsibility.

Structure Supporting Economic Empowerment of Women

Well defined gender roles in Indian structure have been widely debated and proposals have been put forth for redefining it in the changing society where women have realized their potential for their growth. It has been argued that the patriarchal structure of the society has been a great disabler for women empowerment. However, if we closely observe the whole scenario there appears to be a silver line in the journey of female upbringing. Females are definitely socialized to be home makers, but in teaching them skills to be good home makers they are acquiring those managerial tips and coordination strategies which if extended to the organizational setup can help them in becoming better managers. In the homes girls do help their mothers and also take on responsibilities for other siblings and household chores. As a corollary the output of the training are acquisition of certain skills which make them adept at taking decisions. What has held them back is the lack of appreciation and a supportive environment which pulls them back. This has an adverse impact on their self-esteem and confidence which otherwise would have encouraged them to join the mainstream of the workforce.

Figure 1. Flowchart showing the factors leading to contribution of Women in GDP Growth



The flow diagram above explains that in the process of growing and grooming in India, women have acquired certain skills which some of them have converted into successful business ventures and this needs to be emulated by the majority of women so they can be significant contributors to the economy. In the formative years girls acquire certain technical skills, financial skills, Interpersonal skills and administrative skills as part of the responsibilities put on them by the family. Hence, the foundational skills are present but they require the right exposure and training to transfer them to a professional level. It is globally observed that girls experience higher levels of social isolation than boys (Kalmuss & Austrian 2010) as a result they have less peer and adult social support and fewer safety nets. Lack of access to female role models in their communities is a great setback. If women are to use their latent talents, they need supportive female adults who are themselves empowered, have a successful career so that they can help them to navigate the life challenges and roadblocks that prevent them from achieving their aspirations.

The necessary support system provided by family, society, financial system and the government can be instrumental in realizing these latent resources and converting them into economic capital. Though there has been an increase in dual-earner families in India but the social environment is still not very conducive to working women. They are still judged through the traditional lens of home makers and this puts them in a disadvantaged position. Equitable distribution of family responsibility will give enough space and time for the females to think of their passion and pursue their dreams. In the family where responsibilities will be shared among males and females, a conducive environment will evolve leading to the growth and development of women of the family. A change in the thinking pattern of the society and acceptability and recognition of women's contribution in economic empowerment of the family will definitely encourage them to come forward.

Education is one of the factors that can lay a big role. Though the percentage of females in education has increased but it is not getting reflected in the job market. Education not only provides them with the requisite skill but it also opens a window towards a world of information which is a powerful tool in the hands of an individual. A holistic education provides knowledge, skills and awareness about one's rights and

duties but one area where emphasis should be made is financial literacy. Lack of financial literacy holds them back from managing their own money making them dependent on others for accessing their own money. Sometimes this has been a bone of contention in families and this acts as a demotivator for females who give up and withdraw from working. Awareness of their financial and legal rights and the process to access those rights can encourage females in forging ahead and step out of the boundaries of their house to join the mainstream.

Government's role in providing the stepping stone towards economic independence cannot be negated. Various government schemes and policy initiatives like 'Skill India' and 'Make in India' are in place for the welfare and economic empowerment of women but due to lack of awareness of these schemes they have not attracted many women. These interventions have yet to show the desired effect. As the startup culture is gaining momentum in India this is a great opportunity where women can set up creative startups, gain economic independence and get their voice heard. In order to encourage their initiatives, the banking system and other funding agencies need to be more women oriented and have their policies easily accessible. Credit availability on easy terms and conditions can act as a facilitator and encourage the women to start their own ventures. The success story of many women is a testimony to the fact that the financial system is sensitive to the requirements of those females who have viable business ideas. This can be upscaled to bring in a bigger chunk of women on board. With the increase in female literacy rate (70.3% according to NSO) they have become adept in handling technology and the sudden switch towards availability of information due to smart phones necessitated by the pandemic have provided plenty of opportunities at their disposal. From cloud kitchen to selling apparels and many products developed within the vicinity of their home on digital platform has given them the road towards economic empowerment.

One major concern of women stepping out for their work is their security. The sense of security refers to not only physical security but also economic and psychological security. We have witnessed large number of cases of assault on women at workplace or attack on them while commuting to their workplace or back home. This inhibits women from coming out of the four walls of their house. This is one of the major

concerns so a safe environment needs to be ensured. Apart from physical security the income disparity for equal work also is a great barrier. Generally, women if they feel discriminated in terms of salary or promotion they withdraw from the work force. Another barrier often faced by women is the work place environment. Since the work force has largely been male dominated they need to be gender sensitized. Many behavior which men take for granted can be emotionally hurting for females. Hence institutions need to have a clear and strict gender policy in place.

Conclusion

If India is to become the world's third largest economy in 2030, it can't afford to continue bypassing its over 600 million women from equal opportunity in the workforce, (Mandakini Surie, 2016). This necessitates that the latent resource of women need to be properly channelized. As we are entering the age of skill-based economy, we need to harness the skills of the neglected half of the population. Life skills training program can play an important role in economic empowerment of women. Skills based programs could provide women an opportunity to discover new aspirations for their present and future personal and professional lives. Equipped with the right skill and provided with a facilitative environment women will see themselves as confident, capable and empowered to handle the challenges life and enable them to pursue their goals. Thus, one can conclude that recognizing and accepting the potential of women as a contributor towards GDP would be a new wave of change. To achieve this dream a visible change is necessitated on part of the society, government and the individual themselves. Ensuring a safe environment and providing the right support structure will motivate and encourage women to come forward as an economic participant in the mainstream and contribute towards the GDP of the country.

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