Fdi And Gender Employment Rate In India

AR. Chitra Juliet Mangeshkar, S. Prasad, A. Paul Williams

Abstract: Gender Equality is one of the foremost important factor in the contemporary society. Gender inequality has to be eradicated in its all forms. With globalization, countries around the world are well integrated in terms of societal, economic and cultural values. This integration has brought immense changes in the societal as well as the workplace culture. Foreign Direct Investment not only brings the investment in the form of money, it also brings in new ideas and values along with it. The Indian society has deep rooted gender discrimination in its structure. The nations around the world are striving towards excelling in creating an enabling environment that is conducive for working women. This is evident from the efforts of the India in achieving higher ranks in the Gender Inequality Index published by the World Economic Forum. With the emerging trends in the workplace environment, this study attempts to analyze how the foreign direct investment impacts the gender employment rates in the country. This paper also brings out how the technological advancements and other managerial know-hows are influencing the enforcement of gender equality in the Indian society and how the FDI inflows are influencing the Gender employment rates in India.

Index Terms: FDI, Gender Discrimination, Gender Equality, Gender Employment Rates, Gender Inequality Index, Make in India, Wage gaps.

1. INTRODUCTION

The era of globalization has brought in massive transformation in the societal and cultural values across the globe. One of the major components in globalization is the Foreign Investments. The foreign investments can be either direct or indirect. The direct investments are where the parent company sets up its own subsidiary in the host country. Foreign Portfolio Investments are indirect since they only manage the affairs of the company by buying the shares. The direct investors have long term interest in the country whereas the portfolio investors focus on the short term profit. These investments have brought immense changes in the traditional set up of the economy as well as the society. One of the most important development strategy adopted by countries is attracting the long term and stable Foreign Direct Investments. The investors also will benefit from the comparative advantage; the host country provides which can be cheap labor, resources, favorable political and social environment. This article has tried to analyze the impact of FDI on Gender equality by measuring whether the FDI inflows influence the employment levels in the country. Also it has tried to bring out the relationship between FDI inflows and employment rates in the country.

2 REVIEW OF LITERATURE

Braunstein E (2006) in his paper analyses the FDI contribution to the growth, investments and productivity in various Nations. He also studies the influence of FDI inflows on Gender equity. He says that growth in the economy makes it attractive for the investor and hence it is not contradicts the normal notion that FDI leads to growth rather than growth leads to FDI inflows. He also found that FDI in women intensive industries plays a significant role in work and development of women. He found that there is positive relationship between FDI and women employment but with the FDI inflows in the country more qualified men take over the jobs meant for women or they are pushed down the production chain wherein the subcontracts are the main job. The main suggestion by him was to provide social support to the women so that the productivity of the gender is enhanced. Ouedraogo .R & Marlet .E (2018) in their paper they have analyzed the relationship between FDI and women empowerment. They have outlined the hardships faced by the women in their lifetime. They have pointed out the ugly truth that even exists now in our Indian Society that more resources are allocated to the boys. The article also tells that there is lower political participation and labor market participation among the women. They have considered two UNDP indices which are Gender Development Index (GDI) and Gender Inequality Index (GII) and used seemingly unrelated regression equations and found that the results differ across geographic regions and income groups. For example, in South East Asia the FDI has a negative correlation with GDI. The reason given is that these economies attract FDI in the primary sector where men are employed more given the physical labor need for the same. Vo,X.U, Bui, T.M.H & Bui, D.T (2018) in their study has brought out the fact that Women’s rights drives not only the economic growth of the Nation but also brings in stability and prosperity in the society. Women disempowerment leads to staggering and pernicious loses in the productivity and economic activity. According to them, the wage discrimination in the economy is sometimes seen as a comparative advantage and attracts the Foreign investors. Patel, S.C (2016) in her thesis has emphasized that culture of the domestic economy plays an important role in bringing gender equality. She found that there is no statistically significant impact of FDI inflows on gender wage gaps and stated that FDI fails to overcome the local cultural barriers and promoting gender equality. She has concluded that FDI can be a great partner in increasing gender integration in workforce and beyond.

3 STATEMENT OF THE PROBLEM

Most of the studies have considered women centric approaches and the effect of FDI inflows on it. Also most of them have focused on the impact on FDI inflows in the country and its subsequent effect or impact on gender inequality. This study has focused on the influence of FDI inflows on the employment rate and the relationship between FDI inflows and employment rates.

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Assistant Professor, Department of Commerce (CA), Seshthalakshmi Achi College for Women, Pallathur. Ph: 9944765476E-mail:ijchithu@gmail.com

Assistant Professor, Department of International Business, Alagappa University, Karaikudi. Ph : 9790592686 Mail: prasadseivaraj@gmail.com

Ph.D Research Scholar, Department of International Business, Alagappa University, Karaikudi. Ph : 7094352569 Mail: williams paul333@gmail.com
4 RESEARCH METHODOLOGY

a. **Period of study**
The study is conducted for a period of twenty years from 1998 to 2017. The data for 2018 is not available.

b. **Sources of Data**
The data was collected from the World Bank website (World Development Indicators). For male and female employment rates of India we have used the ILO modeled estimates since the National level data is not available for a continuous period.

c. **Analytical tools used**
The tools such as OLS regression and Correlation are used.

5 RESULTS AND DISCUSSIONS

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<th>Table 1 (Regression and Correlation of FDI inflows and Employment rate)</th>
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<td><strong>FDI Inflows</strong></td>
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<td>Male Employment</td>
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The results indicate that the FDI inflows has a significant negative relationship with the male employment rate and this is confirmed by the regression model created and the R² value .63 indicates that 63 percent variation in the male employment rate is explained by the FDI inflows. For the variable female employment rate, the results are similar wherein there is a significant negative relationship with the female employment rate and this is confirmed by the regression model created and the R² value .67 indicates that 67 percent variation in the female employment rate is explained by the FDI inflows.

6 CONCLUSION
The paper has analyzed the impact and the relationship of FDI inflows with the employments rates in both the genders and the results are quite different. Even though ours is an open economy, FDI inflows have a negative relationship with the employment rates. This shows that may be the employment is more in the informal sector and hence the results are different from the general assumption. Also one has to take into consideration the fact that India is a late entrant into the globalized world. But now, the policymakers are interested in attracting FDI inflows and this is visible from the recent initiatives by the Government of India such as MAKE IN INDIA, INVEST IN INDIA etc. May be in the coming years due to formalization of economy and attracting the FDI, the results may be reversed.

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REFERENCES