

Burden of Success: Decline in Participation

Sonalde Desai



The only way to reap this demographic dividend would be to work towards providing more job opportunities to women, particularly rural women with moderate levels of education

UNTIL RECENTLY, the Indian economy has grown at a rapid pace for nearly two decades. Average per capita expenditure, used as a proxy for income, has grown rapidly for both urban and rural areas, although the growth in urban areas far outpaces rural growth when taking into account inflation. Rural average monthly consumption per person has grown from Rs. 942 in 1993-94 (in 2011-12 prices) to Rs. 1287 in 11-12, a 37 per cent growth; the urban expenditure has grown from Rs. 1597 to Rs. 2471, a 55 per cent growth.

In spite of this income growth, we have seen little improvement in employment statistics, and for some time periods, even a decline is apparent. This has resulted in a popular characterisation of this growth as being jobless growth. A deeper look at the employment statistics provides interesting clues to this paradox.

As Figure 1, culled from NSS Reports shows that when we take into account both the primary and secondary status, male employment rates have hardly budged. Urban female employment rates have fluctuated somewhat but remain more or less stable. It is the rural female employment where decline is most striking, a nearly

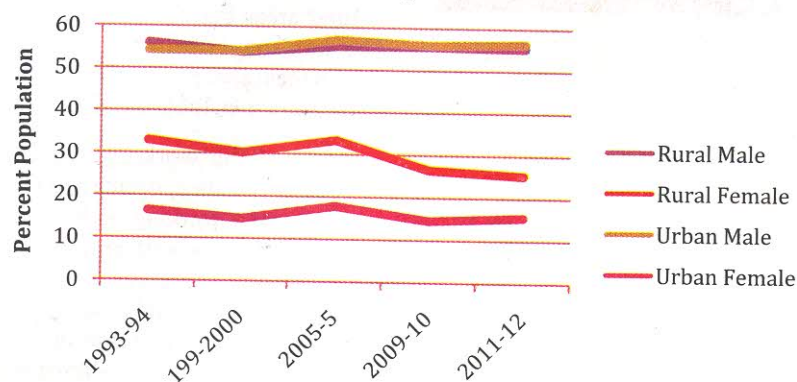
5 per centage point decline between 1993-94 and 2011-12.

This decline in employment for rural women is merely an overt sign of tremendous churning in rural labour markets. It is well recognised that the contribution of agriculture to Indian economy has steadily declined since Independence. Declining importance of agriculture is a normal transformation accompanying economic development. Where India differs from other countries is in lack of manufacturing opportunities and consequent crowding of workers in agriculture. While proportion of GDP from agriculture fell by 50 per cent since 1983, the proportion of workers in agriculture has barely declined by 25 per cent and about half the Indian workforce is still concentrated in agriculture although agriculture accounts for only about 17 per cent of the GDP.

With the declining share of agriculture in the economy, it is imperative that more and more workers move out of agriculture into non-agricultural work. However, these opportunities appear to be limited and are more easily available to men than to women. Consequently, while rural men increasingly move into non-farm work, particularly in construction labour, women appear to be stuck in agriculture and with

The author is a Senior Fellow at the National Council of Applied Economic Research and Professor of Sociology at University of Maryland. Views are personal.

Fig 1. Trends in Work Participation Rates



declining importance of agriculture in the economy are often squeezed out of the labour force. Rural men are also most likely to span sectors, something not easily documented by NSS surveys and hence, often overlooked. Fortunately, a survey conducted by National Council of Applied Economic Research (NCAER) and University of Maryland, supported by the Planning Commission, provides information on incomes of different members of the household. This survey, India Human Development Survey (IHDS) was conducted in 2004-5 and was canvassed to a nationally representative sample of urban and rural households in all states and union territories with the exception of Andaman-Nicobar and Lakshadweep. It collected information on all jobs by an individual in the preceding year and found that in 2004-5, about 51 per cent of the rural male workers work in farm related activities (either as own account farmers or as wage labourers), 21 per cent worked in both farm and non-farm activities, and 28 per cent only worked in non-farm sector. In contrast, among women workers, 84 per cent worked in farm oriented activities, 7 per cent combined farm and non-farm work, and 9 per cent worked only in non-farm activities. Thus, absence of non-farm opportunities places a great impediment on women's labour force participation.

The decline in rural women's work

participation rate (WPR) has slowed down, however. National Sample Survey documents that between 2004-5 and 2009-10 rural women's WPR including both primary and secondary activities fell from 32.7 per cent to 26.1 per cent and further fell to 24.8 per cent in 2011-12. This amounts to an annual decline of about 2.5 per cent in the past two years compared to about 4.5 per cent in the prior five years. At least some of this improvement may be attributable to the Mahatma Gandhi National Rural Employment from programme which mandates that at least one third of the beneficiaries must be women, and men and women should be paid equally. Nonetheless, regardless of the opportunities in NREGA, women's exclusion from rural labour markets remains a potential concern.

Could other factors explain this decline? It is sometimes argued that family pressures may account for women's withdrawal from the labour force. However, fertility has steadily fallen for both urban and rural areas. Rural Total Fertility Rate (TFR) declined from 3.7 in 1992-93 (as measured in National Family Health Survey-1) to 2.8 in 2011 (as measured by Sample Registration System). Urban TFR over the same period declined from 2.7 to 1.9. Similarly, increased access to clean fuels and proliferation of processed foods such as wheat flour have reduced demands

on women's time. If domestic demands are limiting women's labour force participation, this decline should lead to *increase* in women's employment. In contrast, we see a *decrease*, at least for the rural women.

A second possibility is that rising incomes have led to a decline in women's labour force participation. It has been well documented that as men's incomes increase, a family's need for money declines and women may prefer to concentrate on domestic activities. As noted above, undoubtedly incomes have increased. However, this does not seem to be the sole explanation for a decline in Indian women's labour force participation.

Few data sources exist that provide information on household income, particularly at an individual level. Household incomes used for this analysis must exclude women's own incomes since likelihood of women's labour force participation is the primary issue of interest. However, the IHDS survey referred to above, contains information in incomes of various household members. Results from this survey are presented in Table 1.

This table documents two things: (1) With rising income, as we go down the rows in each column, work participation rates decline. Suggesting that income of other household members is associated with declining labour force participation by women. (2) With increasing education, as we go across columns, work participation rates also decline, with an uptick only emerging after completion of 12th standard. Suggesting that regardless of income, education is associated with lower female labour force participation. This may well be due to shortage of employment opportunities for women whose education makes them eschew manual labour but who are not qualified enough for a clerical job.

Increase in women's education has occurred in both urban and rural areas with greater improvements in urban areas. Incomes have grown in

Table 1: Women's Work Participation Rates by Education and household income (excluding women's own earnings)
Women's Education

	None	1-4 Std.	5-9 Std.	10-11 Std.	12 & some Coll	Graduate
Rural						
Lowest Quintile	81	79	70	59	(NA)	(NA)
2nd Quintile	74	72	67	61	(NA)	(NA)
3rd Quintile	72	58	59	51	(NA)	(NA)
4th Quintile	67	56	50	39	46	53
Highest Quintile	65	58	45	43	36	46
Urban						
Lowest Quintile	62	60	51	36	(NA)	(NA)
2nd Quintile	45	31	30	28	(NA)	(NA)
3rd Quintile	39	34	23	23	27	46
4th Quintile	27	23	16	13	20	27
Highest Quintile	19	17	11	9	14	23

NA -- Not available due to small sample size.

Source: IHDS 2004-5.

Table 2: Distribution of Workers by Employment Status as Percent of Workers.

	Self Employed	Regular Salaried	Casual Labour
Rural Males			
2011-12	54.5	10	35.5
2009-10	53.5	8.5	38
2004-5	58.1	9	32.9
1999-2000	55	8.8	36.2
1993-94	57.7	8.5	33.8
Rural Females			
2011-12	59.3	5.6	35.1
2009-10	55.7	4.4	39.9
2004-5	63.7	3.7	32.6
1999-2000	57.3	3.1	39.6
1993-94	58.6	2.7	38.7
Urban Males			
2011-12	41.7	43.4	14.9
2009-10	41.1	41.9	17
2004-5	44.8	40.6	14.6
1999-2000	41.5	41.7	16.8
1993-94	41.7	42	16.3
Urban Females			
2011-12	42.8	42.8	14.3
2009-10	41.1	39.3	19.6
2004-5	47.7	35.6	16.7
1999-2000	45.3	33.3	21.4
1993-94	45.8	28.4	25.8

Source: NSSO

both urban and rural areas with greater increases in urban areas. So why do we see decline in female employment in rural areas but not in urban areas? The key may lie in the nature of employment changes in urban and rural areas, shown in Table 2.

Most of the working women in rural areas remain concentrated in self employment – working on household farms or in petty self employment. Although the same can be said of men, there is a steady decrease in self employment and a rise in casual labour as well as regular salaried work for rural men over the 20 year period between 1993-94 and 2011-12. In contrast, women's self employment has grown and their participation in casual work has declined, albeit with a very small increase in regular salaried work. This suggests a stagnation in job opportunities for women outside of self employment. Under these circumstances, where aspirations for non-manual work are rising with education but work opportunities continue to stagnate, it is not surprising to see labour force withdrawal among educated women.

In contrast, urban areas show a welcome trend. In urban areas, women seem to be making rapid gains with decline in self employment as well as casual work and rapid gains in regular salaried work. In 1993-94, 28.4 per cent of the urban working women were in regular salaried jobs; by 2011-12, 42.8 per cent are in regular salaried jobs. This perhaps accounts for the fact that urban women's work participation rates have increased marginally, although rapidly rising urban household incomes have created considerable pressure for labour force withdrawal.

What is the policy significance of these trends? If fortunate conditions like growth in men's income and rising education are at least partially responsible for decline in women's labour force participation, should we not rejoice and let the market forces dominate? Unfortunately long term impact of this decline has tremendous social significance; its consequences

for reaping the demographic dividend is just one of the issues to consider.

The much trumpeted demographic dividend theory suggests that a young population will give India a productivity advantage, not available to aging countries such as China where a shrinking working age population is left to support a large number of elderly. Theoretically, this is a plausible proposition. Population projections suggest that dependency ratio, the ratio of non-working age population to working age population is likely to go from 0.39 in 2001 to 0.50 in 2030 for China, with the reverse trend, from 0.55 to 0.48 expected for India. However, this naïve discourse ignores striking differences in women's labour force participation between India and China.

While Indian and Chinese men exhibit similar work participation rates, Indian women substantially lag behind the Chinese women. World Bank World Development Indicators show that for population above 15 years, 68 per cent of the Chinese women are employed compared to only 29 per cent of the Indian women. This implies that instead of simply relying on age distribution differences to calculate the dependency ratios, if we take differences in work participation rates into account, in year 2030 the Chinese dependency ratio will be about 0.89 compared to 1.26 for India. This striking difference hardly provides reason to be sanguine about the potential for realizing the demographic dividend.

The only way to reap this demographic dividend would be to work towards providing more job opportunities to women, particularly rural women with moderate levels of education. Rising incomes and education are positive trends, but they are both associated with lower work participation by women. Thus, special attention is to be paid to generate jobs for educated women, particularly in rural areas. □

(E-mail : sonalde.desai@gmail.com)

India and China agree to enhance cooperation in the Media sector

India and China have agreed to initiate steps to include Media cooperation as part of 2014 celebrations being observed to commemorate "Friendly Exchanges" between the two countries.

During the discussions between the two delegations it was also agreed to explore possible areas of cooperation in the field of Capacity Building, Co-production Agreements related to Films, sharing of the experience of institutionalizing Digitization in the Broadcasting sector and enhanced participation during the Film Festivals being held in both countries. It was also suggested that all possible areas could be identified under the aegis of the Working Group set up between the two countries. In view of the vibrant Media & Entertainment industry in both countries, both sides also agreed to share experiences with regard to strategy, policy initiatives, innovation and implementation across different media platforms.

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