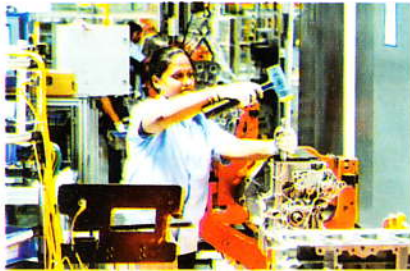


In Pursuit of Inclusive Growth in India

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Caregiving and breadwinning are equally important for improved well-being of the individuals in a nation. Overall, what emerges is that when the policies and institutions favouring development improve so would economic citizenship for all the socially disadvantaged groups including women

In India, adult women's primary role is as homemaker with low numbers in gainful employment which has been further declining during a period of high economic growth. Stereotyping or segregation of women's work, gender wage gaps, and limited or no access to productive resources enhances economic inequality and impedes the 'access to full citizenship' (pp3: Kessler-Harris, 2003¹). Inappropriate allocation of talent and human capital impacts growth rate of GDP. In improving women's participation by 10 percentage points, India could add USD 700 billion by 2025².

Focussing on women's access to the labour market that is also less discriminatory, this note reiterates the stylized facts of female employment in India and the factors shown to influence it including initiatives by the government and other stakeholders.

Stylized Facts for India

The already low female labour force participation rate (FLFPR) in India is declining further when compared to any other region in the world (Figure 1). The gap in male-female rates (Figure 2a), low and stagnant urban rates and declining rural rates, loss of women from labour market in all regions and sectors are

the primary features. Delhi has 17 per cent FLFPR with 24 per cent in other metros while, Ludhiana has highest male participation rate (83 per cent) but a mere 12 per cent FLFPR.

More women are available for additional work and report augmenting income as an important reason for this. Aspirations and need for employment are still high among women with unemployment rates (UR) being higher than men (Figure 2b). The principal status of male UR has remained around 2-3 per cent (3-4 per cent) in rural (urban) while female current daily status of UR are around 3-4 per cent in rural and varying between 7-9 per cent in urban.

India Human Development Survey (IHDS-2) for 2011-12³ shows that both individual and family constraints exist for labour market work (Figure 3).

FWPR declines with education and slightly increases at very high levels, and is more apparent in 2011 (t2) than in 2005 (t1); and more in metros followed by non-metro cities (Figure 4). For any education category, usual status of UR for women is higher by 2-5 percentage points in 2011-12 and high rural rates of 17-18 per cent (only 4-5 per cent for men) among higher secondary and diploma holders.

Nature of employment varies across regions, types and sectors

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of industry. Women in Northern states have lower FWPR compared to Southern states; more women are in subsidiary status employment in both rural and urban areas and they predominate in the agricultural sector⁴. The next largest FWPR is in public services where the state is the primary employer followed by one segment of manufacturing industries like the textile sector⁵.

Determinants of FWPR

Demand side or structural factors and supply side or cultural factors like family roles and societal norms impact FWPR⁶.

The role of caregiving and the limited time spent by men in sharing the household work are primary factors depressing FWPR and studies have shown that with domestic help or

presence of informal support from other family members improves FWPR.

Easier access to transportation would enable women to save time, empowering them to take on economic activities alongside care work. In rural areas where an expansion of transportation facilities by the state is noted, an increase in women participating in non-agricultural employment is observed but is also contingent upon gender norms in the household and the community⁷.

30 per cent reservation in government jobs in some states (Assam, Gujarat, Karnataka, Maharashtra and Tamilnadu) did not seem to have significant impact with public jobs shrinking⁸. As part of corporate governance policies all over the world, India instituted quotas for women in the board since 2013. Increased presence

of women improves the firm's value and performance but this could be affected by the nature of control in family firms⁹.

Better responsiveness of the state to crime rates and sexual harassment, laws extending night working hours for women and incentives for women entrepreneurs, impacts inter-state variation in FWPR¹⁰. Chances of participation in workforce for women increases in regions where there is a higher reported confidence in police/judiciary and lower reported crime¹¹.

Finally, female political representation promotes female employment due to access to public goods like paved roads, primary health centres and banks. Higher receptiveness of female leaders leads to more accommodating work environment for their female constituents¹².

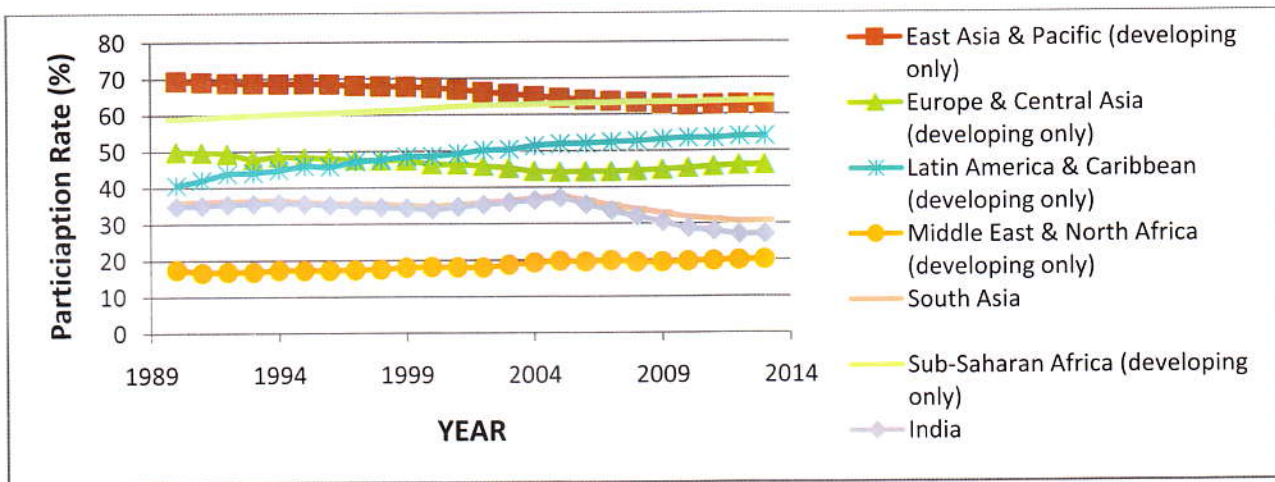


Figure 1: FLFPR, Regions of the World and India, Source: WDI

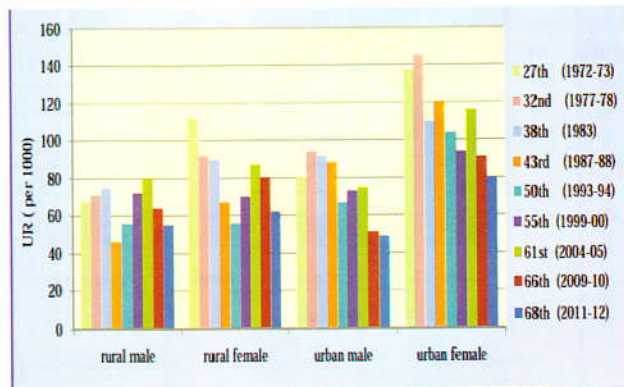
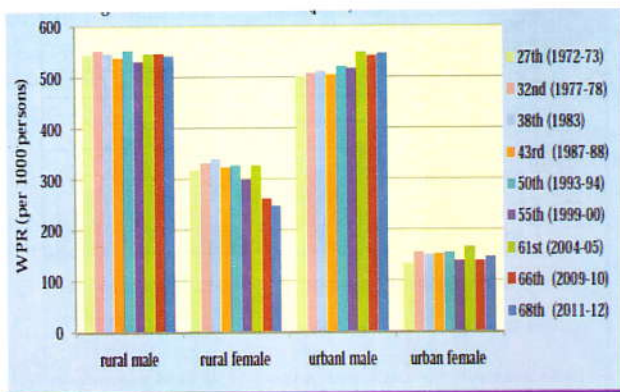


Figure 2 (a) Work Participation Rates (ps+ss)

Note: Source NSSO Report 554 the rates are per 1000 persons

Figure 2 (b) Unemployment Rates

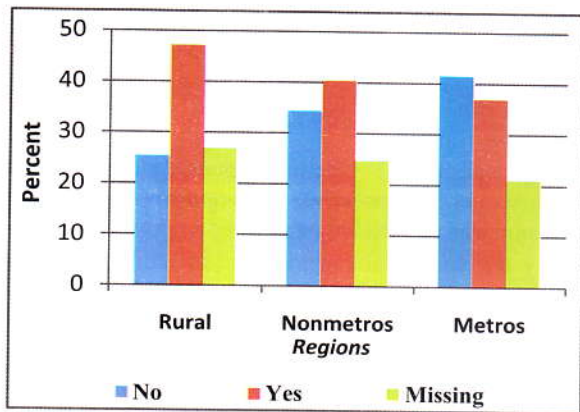


Figure 3 (a) If you found a suitable job would you be willing to work?

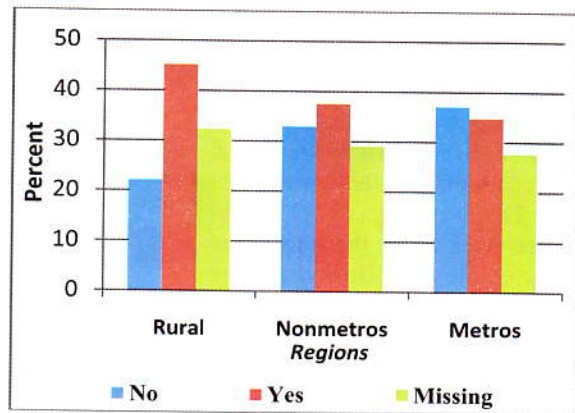


Figure 3 (b) If you found a suitable job would you be allowed to work?

Conclusion

Strengthening economic citizenship of women involves meeting her personal aspirations, while she contributes to household's income and is a caregiver. Pursuit of inclusive growth involves the role of the state as a regulator while providing

public goods and services alongside liberal socio-cultural norms within the household/community.

Fiscal policies like lower taxes did not improve female employment as the gains from it perhaps did not offset the costs involved. With stagnant and low share of formal sector employment,

the announcement in the Union Budget 2018, that contribution by new women recruits to EPFO be reduced from 12 per cent to 8 per cent to increase the take home pay may neither incentivize participation nor retention rates.

Government's policies annul the trade-off between equity and growth.

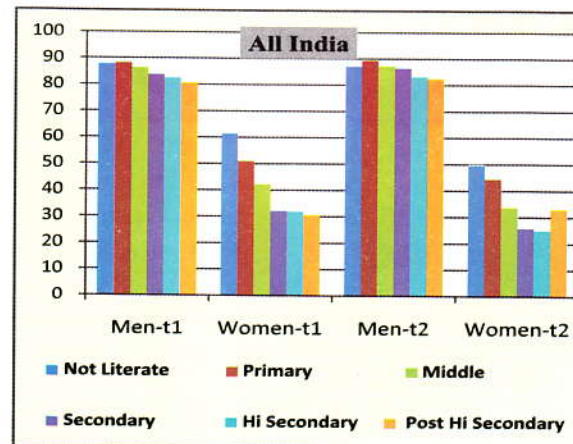
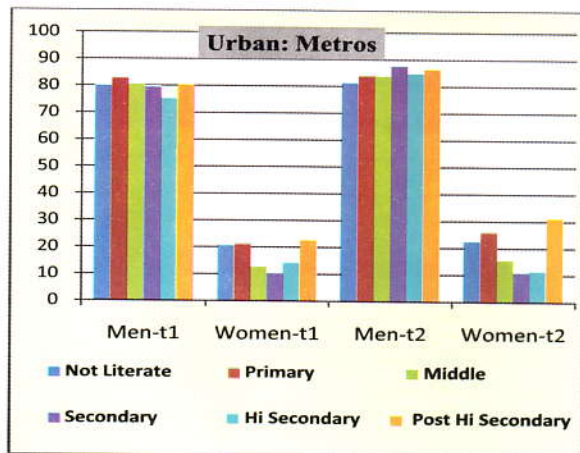
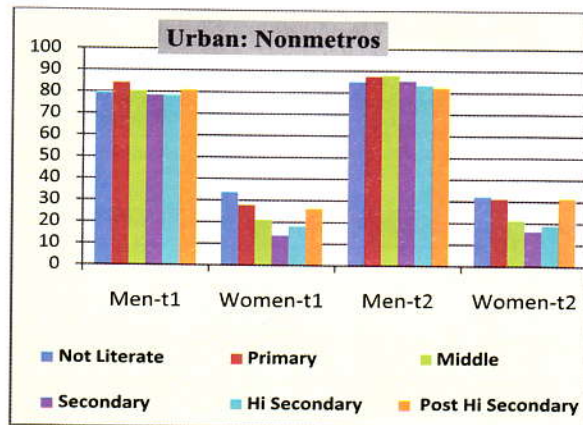
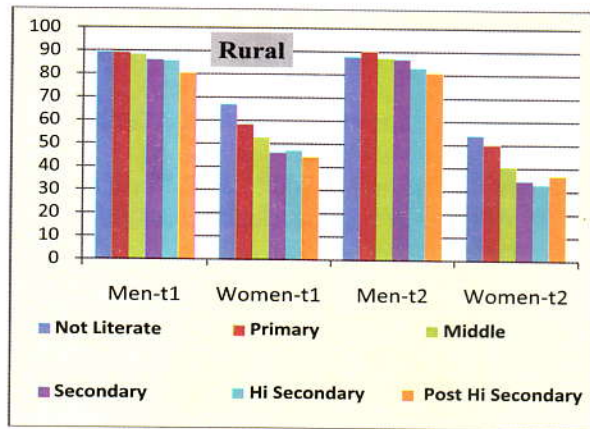


Figure 4: Work Participation Rates, Men and Women, 2005 (t1) and 2011 (t2) Across Education Levels⁴.

MGNREGA increased FWPR, reduced gender gaps in wages in other markets with positive implications on poverty, child and own nutritional status and empowerment. With the expansion of NRHM, ASHA workers have increased, impacting FWPR¹³. Alongside the ICDS the Creche schemes should be strengthened further, as, in these two schemes, women would be the service providers which could make widespread additions to workforce across all rural India. The crèches would provide daycare for young children making it easier for more women to participate in the labour market.

Additional allocation of 173 cr for women in public transport in the 2018 Union Budget and similarly, subsidized scooter scheme for working women in Tamil Nadu are important steps which will have to wait to see the benefits.

Hostel for Working Women Scheme was brought in as an effort towards creating a safe working environment and providing affordable accommodation for working women away from their home-town¹⁴.

The Maternity Benefit Act, 1961 was amended in 2017 (Maternity Benefit Amendment Bill 2017) to primarily include increased paid maternity leave from 12 to 26 weeks, provide an option of 'work from home' for women after the 26 weeks and also included provision of crèche facility and leave for mothers adopting children¹⁵. The amendment would cover the organized sector and with no provisions for women in the unorganized sector its implications are yet to be analysed.

As a part of 'Make in India' and 'Digital India' the launch of online market platform for Indian women entrepreneurs with e-commerce

marketplaces known as Mahila E Haat will improve market access¹⁶. Pradhan Mantri MUDRA Yojana (PMMY) provides financial support to non-corporate small businesses and extends a 0.25 per cent rebate on refinance interest rates to women borrowers, encouraging female entrepreneurship. Increased awareness and easy implementation of such initiatives helps create a women-friendly economy. For instance, SEWA Bank also enhanced community network by holding an initial workshop while providing financial assistance and with better impacts on self-employment¹⁷.

Additionally, behavioural issues as in the context of Swachh Bharat should be paid attention to, since social norms take lot more time to change but clearly some leverage exists in terms of community participation. Collection of time use data would inform how women spend their time in social production but will also give insights about how men in many families share household work. Caregiving and breadwinning are equally important for improved well-being of the individuals in a nation. Overall, what emerges is that when the policies and institutions favouring development improve so would economic citizenship for all the socially disadvantaged groups including women.

Footnote

- 1 Kessler-Harris, Alice (2003), 'In Pursuit of Equity: Women, Men, and the Quest for Economic Citizenship in 20th Century America', Oxford University Press, New York
- 2 <http://www.mckinsey.com/global-themes/employment-and-growth/the-power-of-parity-advancing-womens-equality-in-india>

- 3 <https://doi.org/10.3886/ICPSR36151.v5>
- 4 Source: IHDS 1 and 2 for figures 3 and 4.
- 5 <https://www.epw.in/journal/2014/29/special-articles/gendered-labour-india.html>
- 6 Viswanathan, Brinda (2018), 'Inclusive Growth and Women's Employment' mimeograph.
- 7 <https://www.demographic-research.org/volumes/vol38/31/38-31.pdf>
- 8 [https://ihds.umd.edu/sites/ihds.umd.edu/files/publications/papers/Lei per cent20Village per cent20Infrastructure per cent20and per cent20Women per cent20s per cent20Work.pdf](https://ihds.umd.edu/sites/ihds.umd.edu/files/publications/papers/Lei%20per%20Village%20per%20Infrastructure%20and%20Women%20s%20Work.pdf)
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- 18 <https://www.aeaweb.org/articles?id=10.1257/pol.20140215> □

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