

Political Economy of New Labour Regime and Women Labour in India



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Labour regimes: Contestation and resistance

- Under globalization capital's assault on labour is often camouflaged in the garb of the neutral term 'competition'. Production structures have undergone changes with dual trends of concentration and monopoly-formation through merger and acquisition among TNCs within the North, coupled with decentering of production through outsourcing and subcontracting in the low wage South.
- Free movement of capital together with restrictions in the global movement of labour allow differential labour regimes to exist within national boundaries, which in turn allows substitution of similarly skilled workers by way of shifting production from high wage to low wage regions.
- Currently 83% of the world manufacturing workforce lives in the Global South.
- Access to the reserve army of labour of the South resulted in a massive shift of manufacturing from the rich North to low wage segments of the South. This coincided with the period preceding the high peak of labour movements.
- In the South increased participation of labour in global production structures is coupled with massive outsourcing and subcontracting that allows bypassing of existing institutions of protecting labour rights. Globalization has affected all dimensions of bargaining power of workers.

Discourse on informality

- Liberalization policies pursued in different parts of the world have ultimately led to an expansion of the informal segment including the advanced capitalist countries. The dependency school and other strands of structuralism argue that informal activities are there not because of any chance or temporary aberration; instead they are being reproduced as they serve certain functions within capitalism.
- Informal labour is cheaper and can replace workers in the formal sector who receive higher wages and enjoy certain rights. Informal segment produces wage goods for the working class and hence helps containing the reservation wage.

- Labour market segmentation gives rise to dual structures wherein a section of the workers are located in formal sector jobs, and the other section of the urban workforce is found in the informal segment.
- The informal segment is not only persisting in most of the developing countries, but has also expanded, using a stricter definition of formal close to ILO's 'decent work' i.e., those covered and protected by formal labour institutions.

Informality and global labour

- The decline of standardized jobs is a trend which is not limited to developing countries anymore, but has infested the job markets of advanced countries too.
- Petty-producers, street vendors, construction workers, home based workers, domestic workers, contract labourers, sex workers, delivery boys, rag pickers and a huge range of other activities that provide earnings to majority of the workforce in urban space come under the rubric of informality.
- The impact upon labour and its return varies according to the skill scale. A section of workers with particular marketable skills may enjoy greater mobility in the globalized world. This increases their bargaining power as well which somehow helps protect the returns to their labour.
- In the case of India, one can identify two significant trends emerging in the labour market in the recent past. In the formal manufacturing sector there has been increase in contractual employment, and in the informal segment there are signs of increased fragmentation in the labour process.

Female employment in India from 1993-94 to 2011-12

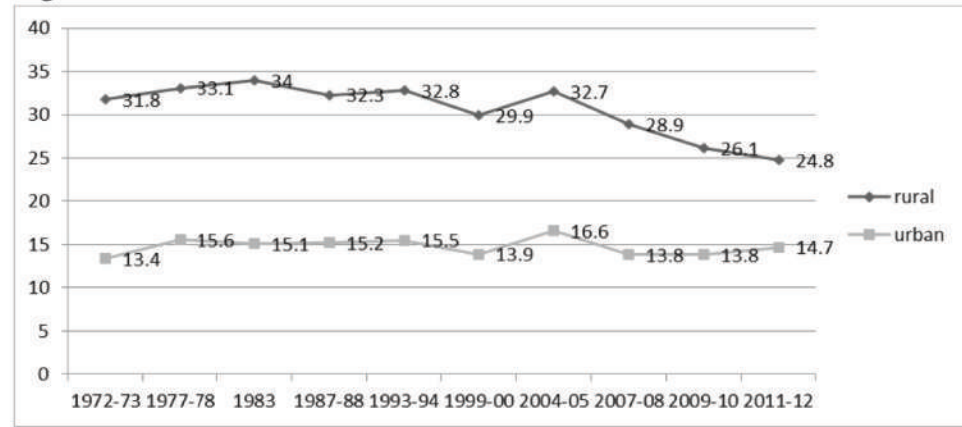
- **Based on NSSO's employment surveys, following features were identified:**
 - Work participation rates (WPRs) for women in India have been historically lower and stands well below the global average of 48% (ILOStat 2014).
 - Despite being the largest economy in South Asia, India also has one of the lowest female work participation rates (FWPRs) in the subcontinent, just above Pakistan and Afghanistan.
 - The second important characteristic, is the decline in FWPRs since the 1980s, with one outlier in 2004-05 (Figure 1).
 - This implies that a large part of the female population in India remains outside the marketised part of the economy.
 - Rural WPRs for women workers have historically remained higher than their urban counterparts. This is due to women's greater engagement in agricultural activities in the rural areas, which are not significant in the urban areas.

- The decline in FWPRs in the recent decades has been led by a decline in the engagement of rural women workers, especially in agricultural work.

- It has been noted in the context of India that unlike other developing countries

like in the east and South-east Asia, the extent of ‘feminisation’ of export employment in India was limited.

Figure 1 : Rural and urban FWPR in India, All UPSS workers



Source: Reports on Employment and unemployment in India, NSSO, various years

Diversification of women’s employment and low rate of employment growth

Rural

- Occupational segregation is an important feature of women’s work. In rural areas, women workers are mostly concentrated in agricultural activities. Thus, a decline in agricultural employment for women in rural areas has a major impact on the overall WPR of women workers.
- The loss of women workers in absolute numbers from agriculture in 2011-12, which may be termed as a movement out of agriculture, was not accompanied by an increase in employment opportunities in the other traditional non-farm sectors, including manufacturing and certain service sectors. The only emerging sector of employment in rural areas for both men and women was the construction sector (Figure 2).
- Rural non-agricultural male employment was more diverse compared to women’s employment patterns. Male employment in non-agricultural sectors showed substantial presence in trade, transport, hotels and restaurants and other services, apart from manufacturing and construction (Figure 3).

Figure 2 : Distribution of usual status rural non-farm female workers

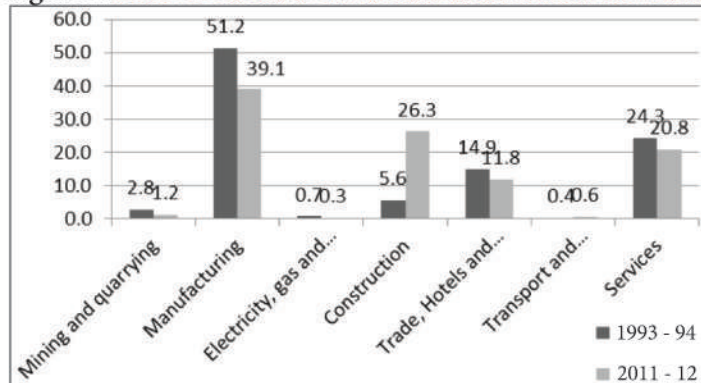
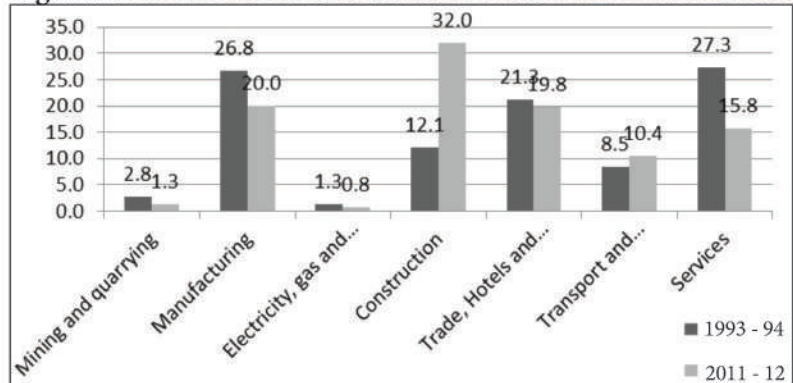


Figure 3 : Distribution of usual status rural non-farm male workers



Source: calculated from Unit level estimates of EUS, data CDs from NSSO, various years

Urban

- The presence of women workers in agriculture in peri-urban areas was around 11% in 2011-12, having dropped from nearly a quarter in 1993-94. At 5.6% in 2011-12, the

share of male agricultural employment to total employment in peri-urban areas is low. It also shows a faster movement of women workers out of agriculture into other forms of non-agricultural activities in urban areas as compared to rural areas.

- The service sector emerged as the most important form of non-farm engagement for women workers in urban areas, followed by manufacturing and trade, hotels and restaurants. There was a decline in the share of manufacturing employment in urban female employment over the period (Figure 4).
- Women showed concentration in particular sectors and particular occupations. Whereas, for men, employment was diversified and spread across all the seven non-farm sectors. Manufacturing, services, trade, transport and construction sectors are the major employers, compared to the other sectors.
- There was also a decline in the share of manufacturing and service employment in total male employment, which was largely substituted by construction in 2011-12 (Figure 5).

Figure 4: Distribution of usual status urban non-farm female workers

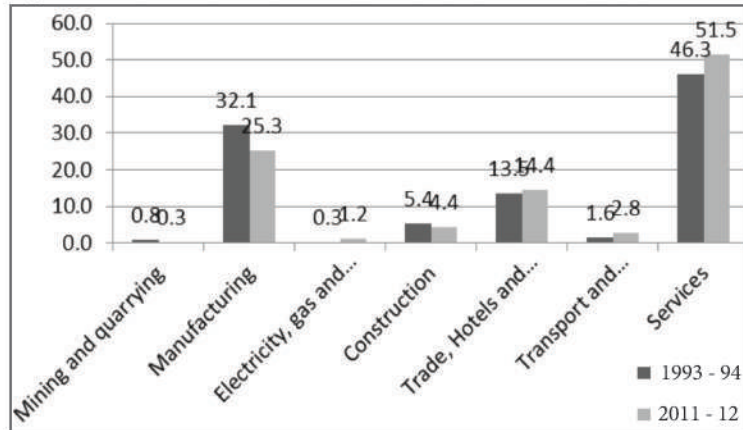
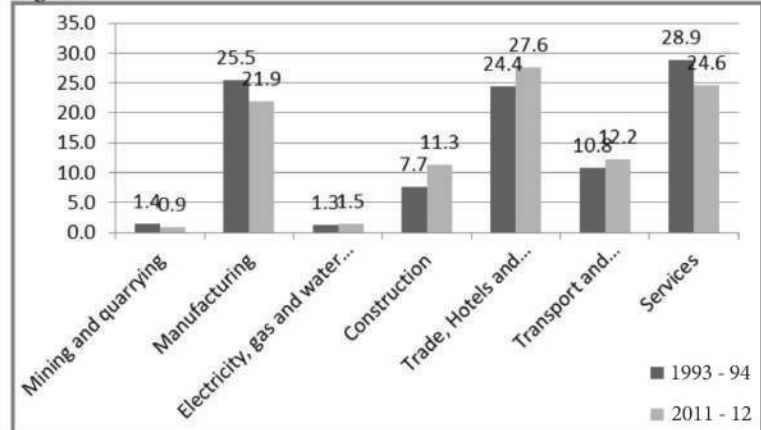


Figure 5: Distribution of usual status urban non-farm male workers



Source: calculated from Unit level estimates of EUS, data CDs from NSSO, various years



Status of women workers by contract of employment

- There has also been a large presence of self-employment among women workers, which has been evident in both rural and urban areas. Almost 50% of all women workers in India were self-employed in 2011-12, with the incidence higher for women in rural areas compared to the urban areas. While the share of self-employed in agriculture declined from 81% to 72% over 1993-2012, it increased in manufacturing and retail trade. The incidence of self-employment also increased in education.
- In macro data set, casual employment which mostly captures the daily wage labourers dominated the wage employment patterns of women workers in rural areas. MGNREGA emerged as an alternative to rural women workers.
- The incidence of regular work among women in rural areas was negligible. In the urban areas, there was a steady increase in regular employment for women like domestic workers. 2011-12 showed a significant presence of regular employment for women wage workers, as compared to casual employment. However, the increase in wage employment among urban women was limited in magnitude.