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## **Political Economy of New Labour Regime: A Focus on Women Labour in India**

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Production structure assumes a global character facilitated by innovation in communication technology and relatively freer movement of capital. There has been changes in the mode of investment, production structure and in the process of realization during the neoliberal regime. This is largely being facilitated by a change in the relationship between labour, capital and the state marked by alteration of relative class shares and related institutions. In earlier phases of globalization we saw the spatial dispersion and functional fragmentation of production happening as a result of international division of labour. But in earlier phases this was accompanied by rising coordination costs which gave rise to a counter tendency of regional concentration along with spatial dispersion. Development of information and communication technology has increased the possibility of coordinating production from a distance and as a result of which in the current phase of globalization we come across further division of labour and spatial dispersion. This technological change since mid-eighties together with a liberal regime adopted across the world allowed gains from huge wage difference between the North and the South. In other words, technology of the North was coupled with cheap labour of the South giving rise to a division of the world between ‘head quarter’ economies and ‘factory’ economies (Baldwin, 2012). The crux of this re-organisation of global production taking advantage of technology and labour arbitrage emerged as a way of reducing labour turnover costs and wage costs at the same time. Free movement of capital and finance has accentuated the process together with the reality of existing labour arbitrage that continue because of labour market being defined by territorial boundaries of nation-states. But this contradictory process has immensely increased the accessible supply of labour across the globe. In the wake of liberalisation China India and ex-Soviet bloc alone has added 1.5 billion workers that effectively trebled the available supply of labour. Moreover, this addition of labour supply brought along with very little corresponding addition in capital. In fact, capital per person in China, India, Indonesia and Thailand is three per cent of that in the United States of America (Standing, 2011). This has adversely affected workers’ return across the globe manifested through a secular decline in wage share to GDP both in advanced and developing countries. The relative increase in the global supply of labour has largely reduced the bargaining power of workers, making them vulnerable in the face of extreme flexibility that capital enjoys in way through cross border movements. Changes in labour regime is further facilitated by internal and cross-broader migration giving rise to a mix of labour market outcomes that are largely favourable to skilled workers while unskilled workers seem to have lost their share in almost all countries. Furthermore, with the rise of informal or unprotected employment in developing countries it is generally assumed that women’s share in the labour force would be higher as

women are employed more in unprotected segments. However sluggish employment growth due to slowing down of growth has asymmetrically affected women's participation in the labour market. This paper first of all traces the political economy of changing labour regimes, revisits the discourse on informality from a political economy perspective and identifies the impact of global integration on India's labour market, especially on the women workers. The paper reviews and discusses the nature of women's employment in India and comments on the recent debate on declining female workforce participation rate in India.

### **Labour regimes: Contestation and Resistance**

The relation between labour and capital is essentially political. Capital has never been the sole author of history rather the conflict between labour and capital decides on the mode of production organization. In fact, a political reading of Marx's *Capital* allows us to see how production structure from handicrafts to factory and machinofacture changed as a means to curb bargaining power of workers. Marx read this change as a response of capital to workers' resistance to exploitation at the point of production but as the production process changes, workers' power although temporarily undermined, bounces back with new forms having larger disruptive power in terms of scale and scope. In a similar vein capital's response to crisis either of profitability or that of legitimacy has been a reorganisation of production. Aglietta (2000) in her theory of capitalist regulation offers a nuanced perspective in understanding the dynamics of labour regimes. Regimes of accumulation is a less abstract concept than the principle of accumulation. A regime of accumulation is a form of social transformation that increases relative surplus value under the stable constraints of the most general norms that define the absolute surplus value. Extensive regime of accumulation is that in which relative surplus value is obtained by transforming the organization of labour. Intensive regimes however create a new mode of life for the wage earning class by establishing a logic that operates on the totality of time and space occupied by its individuals in daily life. The transformation of the production process and the process of reproduction of labour power was linked with the technicalities of production. For instance, Taylorism was a response to reduce the autonomy of labour, to homogenize the labour process through minute details making human labour an appendage of its tools. Fordism is a stage that supersedes Taylorism. It denotes a series of major transformations in the labour process closely linked to changes in the conditions of existence of the wage earning class. It entails the formation of a social consumption norm and tend to institutionalize the economic class struggle in the form of collective bargaining. This also initiates a close articulation between process of production and mode of consumption, it universalizes wage labour and affects modalities of wage payment through mass consumption. It is the system of semi-automatic assembly line that reduces mean time of transmission, it drastically shrunk the possibilities of individual resistance and fixed workers to strict output norms. This was a response of capital when it faced the crisis of legitimacy. Workers however challenged the prerogatives of capital and capital responded through a compromise with organized labour. So in exchange of full employment and rising wages in the post-war period the Keynesian compromise allowed capital to make decisions on investments and also initiating changes in the production organisation. This compromise was embedded in a social compact that bridged the gap between production and consumption.

Increased trade and competition during the 50s and 60s however ended up in a crisis of over accumulation and a general squeeze in profits. In response to that crisis of profitability capital took recourse to both spatial and technology fix, shifting production to low wage segments of the world and also by newer technologies that reduces workers' bargaining power.

Globalisation signifies capital's assault on labour often camouflaged in the garb of the neutral term 'competition'. This is the third phase of globalisation which is far more interpenetrative than earlier phases. 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 arms-length outsourcing and subcontracting in the low wage South. Roughly 60 per cent of gross exports accounts for intermediate goods and we increasingly perceive a global assembly line channeled through FDI or direct subcontracting. 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 segments. In other words, labour arbitrage becomes possible as global capital gets access to global disposable labour (Smith, 2016). Currently 83 per cent of the world manufacturing workforce lives in the Global South. IMF computed 'export weighted global work force' multiplying numerical growth of workforce by growing ratio of export to GDP and found that effective global workforce quadrupled in size between 1980 to 2003. Access to the reserve army of labour of the South resulted in a massive shift of manufacturing from rich North to low wage segments of the South. This shift in manufacture to the South and the epochal change in structure of GDP in favour of services in the North coincides 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. The bargaining power of workers as defined by Eric Olin Wright (2000) can be of two broad types: associational and structural. Associational power consists of various forms of collective power such as trade unions or political parties and structural power relates to particularities of the labour market or strategic position of workers within the production structure. A tight labour market, acquiring some specific skills or alternative sources of non-wage income increases the market bargaining power of workers. While strategic position of workers in a larger production process might increase the strength of the workers since a localised stoppage would impinge on the entire production structure. Globalisation has affected all these dimensions of bargaining power of workers. Access to global disposable labour sharply reduced marketplace bargaining power of workers. In addition to that increased privatisation and marketization of agriculture and manufacturing shrunk non-wage sources of income. Strategic position of workers in an integrated production structure leads to workplace bargaining power. This has been weakened by capital's technological fix characterized by 'post-Fordist' production processes. Malleable technologies and multitasking allow to attain low average costs at a smaller scale of operation. Production increasingly becomes a network of temporary and cursory relationships that subverts the strategic position of the worker. Some however have argued that the decline of labour is not much about the structural transformations

in the production process rather because of a discursive shift that punctured the century-old belief of working class power. These changes are often reflected by a process of informalisation that is no longer limited to the developing countries but increasingly characterize the weakening of labour in developed North.

### **Discourse on informality**

Labour market segmentation gives rise to dual structures where in one wages above market clearing levels create excess supply of workers who look for formal sector jobs and on the other segment it is the low wage-low productivity activities with very high turnover of labour caught in subsistence levels constitute the dark underbelly of urban work force in the informal segment. This characterisation of informality although resembles realities of the developing world to a great extent it actually conceives the 'informal' as the abnormal 'other', the underdeveloped 'backward' compared to standard norms of formal labour. Keith Hart's (1973) study on economic activities in Ghana changes the discourse in the sense that informal sector is no longer seen as something residual that barely survives and hardly accumulates, instead it poses such activities in a positive sense as alternative and autonomous sources of income largely for the urban poor. In fact, this was a response to the dominant discourse informed by the dependency school viewing informality as a national assimilation of the same dependency relationship that keep the developing world as subservient to the growth of the advanced countries. Therefore, informal according to dependency school is the periphery within an economy around the formal 'core' that can only transfer the created surplus to the formal economy. The rise of the study of the informal sector was primarily a rejection of the 'modernisation' thesis that implicitly argues that informality is a transient category, result of a blocked development in the historical march towards advanced forms of capitalism and it is nothing but a passing phase towards maturity. It has already been settled that the informal segment is not only persisting in most of the developing countries but also it has expanded and using a stricter definition of formal close to ILOs 'decent work' those covered and protected by formal labour institutions, one might say the informal seems to be ubiquitous.

Informality has also been analysed using models that capture impacts of migration in the labour market. The 'urban explosion' in cities of developing countries are analysed through human capital model. As an extension of the Todaro model Cole and Sanders (1988) explains the emergence of 'urban subsistence sector' as a result of migration of rural unskilled labour. In spite of the fact that probability of getting employed in urban modern sector is close to zero but such movements are driven by expectations and keep waiting in the informal segment of the urban economy. Therefore, informal sector in such models appears as a transient, residual category with low levels of income, absorbing unskilled rural migrants and eventually increasing welfare of the society. Roughly 3 per cent of global population are international migrants and another 740 million are internal migrants. In the US undocumented workers increased by 42 per cent during the period 2000 to 2008 and these are largely illegal migrants from Mexico. There are extremely insightful models in the general equilibrium framework by Hemmer and Mannel (1989) discussing how intersectoral linkages work through commodity market, labour market and the production process. Informal sector in these studies is abstracted

as a casual work segment with near zero marginal productivity. These models help us in understanding the interactions that take place as individual response to labour market but what they do not say is the process that create and reproduce such informal labour as a systemic outcome. One strand of argument primarily informed by neoliberal framework sees informality as a result of excessive state regulations. In other words, firms opt for informal operations to avoid time, costs and effort of registration in an environment of restrictive regulations. So De Soto (1989) argues that informality is a fallout of state-led repression against entrepreneurs. Excluded from formal jobs and denied of any title of their property micro enterprises set their own extra-legal norms to fight against existing regulatory regime. So in that light abolition of regulations that actually marks the distinction between formal and informal brings this dualism to an end. Global institutions who primarily design policies for developing countries broadly come from this perspective and to them releasing the market forces would tend to resolve the problem of informality. However, that has not been the case. On the contrary liberalization policies pursued in different parts of the world have ultimately led to an expansion of the informal segment including the advanced countries.

The problem in the real world however does not end by denouncing of categories. Statistical expansion of formal sector by relaxing existing regulations or by changing definitions essentially does not make sense. Whatever name one might use, the structural dependence and asymmetry in the production and labour process is a reality and that prompts us to bother so much about this informal segment of the economy. The arguments that follow from the dependency school and other strands of structuralism identifies the fact that such asymmetries exist and hence the 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. Taking advantage of informality as a repository of cheap labour is well documented but it has its own limits as cheapening of wages comes along with declining productivity and therefore it is important to see how such wage depression helps in reducing unit labour costs. The use of cheap labour in the process of industrial subcontracting only partially explains the functional role of informal segment because the subcontracting relationship between formal and informal may be the dominant reality in Latin American cities but has not been similarly significant for other parts of the developing world. The structural function of informal sector in supplying wage goods to the working class and thus containing the wages is also not tenable empirically and analytically. In fact, cheapening of wage goods can be done better by introducing large scale production that reduces per unit costs and also can be imported from other countries as it had been the case in Sub-Saharan Africa. It is also not empirically true that the larger share of wage goods generally originates from the informal segment of the economy (Schmitz,1982).

The Marxian notion of informality evolves with diverse shades within the particular school of thought. The relatively old school perceives informality as a transitory mode in the historical trajectory of capitalist development. Dobb argues that the transition from feudalism to capitalism was mediated by a phase of petty-commodity production which resonates to Marx's

idea of simple commodity production. Informal activities as self-employment are nothing but circuits of capital that do not possess the intrinsic qualities of capitalist expansion. Instead whatever be the nature of the circuit the surplus produced in the process of production is largely used for consumption rather than contributing to expansion of initial capital advanced. The other view within the same genre is to look at informality as a constituent of reserve army of labour. Marx in Capital I talks about three layers of the reserve army of labour (Marx, 1958). The floating layer is in close vicinity to the cities and contains industrial labour force who are temporarily off from the active labour force because of some crisis or fluctuations contingent to particular situation. The second layer is the latent part consisting people mostly from rural areas who lost their job because of adopting capitalist forms of agriculture and mechanisation leading to unemployment and they end up as potential urban workers. The third layer is the stagnant part consisting of sweat shops where workers work at low wages, the lowest segment of the domestic industry and the paupers. Informality in today's world lies somewhere in the second and third layer of the reserve army of labour. The dominant perception being informality as a sign of underdevelopment and a result of unfulfilled promises of capitalist development.

Within the Marxist tradition a dominant tendency is to view informality as 'pre-capitalist' and one sort of argument that relates this pre-capitalist segment with capitalist core follows from a macro understanding of asymmetric dependence. In other words, capitalism needs this pre-capitalist space in order to realise the unconsumed surplus at the core or to stimulate investment demand at the core using this space as a reserve market (Patnaik, 1997, 2008). In some sense the existence of informality is viewed from the vantage point of capitalist accumulation. Either it serves the purpose of containing wages in the capitalist segment or it helps the problem of resolving to an extent the chronic deficient demand at the core. But such views are considered to be too capitalocentric. In the sense multiple modes of production can coexist having their independent historical trajectories of emergence, they may articulate with each other and in that process one mode of production assumes structural dominance and that is an empirical question altogether. In fact, it would not be correct to define informal sector as pre-capitalist or capitalist. Using the lens of class process heterogeneous combinations of production and appropriation of surplus may characterise the differentiated space of informality which is generally clubbed together as homogeneous 'other' of the formal segment (Chakrabarty and Thakur, 2010). And by way of using the capitalist mode of production as the nodal reference point, the informal sector is seen as a devalued subordinate of the formal segment.

Instead of using a false binary it would be more appropriate to look back and see the emergence of the notion of 'formal' which largely resembles the imagery of a masculine factory worker. In fact, petty-production and putting out system had been the dominant form of production in early phases of capitalism. In the wake of industrial revolution with a decline in transportation and transmission costs the site of production and consumption got separated. A decade before the First World War, the share of very small enterprises employing less than five workers was 95 per cent in Germany and 91 per cent in the United States. Majority of the workforce moved out from their home to work since 1914 (Castells and Portes, 1989). The post war development took a sharp turn towards industrial growth relying on huge investments in physical capital,

large scale production primarily designed to produce mass consumption goods. Large oligopolies emerged as captains of industry who employed large number of workers as well. Fordist production structure was in a sense a curtailment of worker's control in the process of production. But this was forced to be compensated by a regulatory regime that is supposed to strike a balance between production and consumption at the macro level. In fact, Fordist structure of production coupled with Keynesian welfare policies gave rise to a particular kind of industrial relations where workers enjoyed defined rights protected by trade unions. It was the result of the ascendancy of the working class to which the capitalist class in many of the advanced capitalist countries were forced to come to terms with. This was the backdrop of the emergence of the formal worker that gradually became the nodal reference point in our characterization of various work forms.

In the current context the resurgence of informality as a dominant work form need to be historicised. There are three important changes that might have destabilized the social compact from which the notion of 'formal' emerged. Firstly, the change in technology that unsettles the privileged position of large scale operations. Technology nowadays is much more amenable to flexible production structures and allows multitasking that reduces the required scale for minimizing costs. Secondly the coordination cost along with transmission cost has declined sharply and that makes moving people costlier than sharing information among spatially dispersed economic actors. This reduces the importance of factory like structures where many people are brought together under one roof. Thirdly in the process of globalisation global capital get access to cheap labour located in the developing world and that largely reduces the bargaining power of the workers. In this new techno-historical context labour is once again fragmented, devalued and demobilized. Informality is nothing intrinsic to particular sector rather it becomes visible across the economy and even raises its ugly head in the advanced capitalist countries.

### **Informality and global labour**

Wage and salaried employment accounts for only about half of the global employment today and in the cases of South Asia and Sub-Saharan Africa the share is even less roughly in the tune of 20 per cent. Fewer than 45 per cent of the wage and salaried workers are employed on a full time and on permanent basis (ILO, 2015). The decline of standardized jobs is a trend which is not being limited to developing countries anymore but infested the job markets of advanced countries too. The divergent activities that comprise the 'informal sector' in the developing world might be much more precarious compared to advanced countries' labour market, nonetheless the segment is not a homogeneous block as it sounds to be by definition. And it has almost become meaningless treating this vast and expanding segment as something transient, temporary and as some distortion from assumed standards of reference broadly termed as 'formal'. Petty-producers, street vendors, construction workers, home based workers, domestic workers, contract labourers, sex-workers, delivery boys, ragpickers 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 definitional problem as discussed in the literature continues till date both in terms of identifying its central features and also in regard to its



contribution and mode of engagement with the process of growth and development. The absence of uniformity in defining the informal across countries stems from the fact that the notion of 'formal' and standard forms of employment varies from country to country. This reflects the intrinsic hollowness of the concept itself which is predicated on the notion of 'formal' and cannot stand on its own feet as an independent category. Moreover, as non-standard forms of employment become all pervasive the idea of informality as a deviation from a 'norm' actually loses its relevance as a category even to policy makers. What seems to be more important is to understand the dynamics of this segment, its heterogeneity, its vulnerability and the way it negotiates with the formal segment of the economy. In other words, the dual structure of conceptual binaries of formal/informal loses its explanatory power and the non-standard nature of business and employment in today's world needs to be approached not from the perspective of *what it is not* rather looking into it as *what it is*.

And there we see new ideas emerging that delineate the informal as a differentiated space of class process where capital and non-capital engages and mutually constitutes each other, or in the milieu of uncertainty how the absence of vertical mobility and community support, a vast segment of workforce emerges that is denied of any security and civic rights. Are they actually workers in the waiting? as the outer layer of the reserve army of labour or simply doomed to be excluded rather than getting opportunity to be exploited. There are counter views as well that suggest that it would not be correct to treat informal as some residual employment always. In certain conditions and given the returns in formal options a person may choose to operate in the informal segment of the economy. In advanced countries relative cheapening of investment facilitates a substitution of labour by capital on the other hand huge wage gaps between North and the South prompts capital of the North to relocate production in places where labour and environmental regulations are relatively weak and provide access to cheap resources including labour. This might have caused relocation of jobs from advanced countries to the developing South but in a milieu of global competition where production is increasingly standardized with the use of technology borrowed primarily from the North and those being relatively labour displacing there has not been much net increase in employment due to relocation. Evidence however suggest that the impact upon labour and its return varies according to the skill scale. In other words, certain skills that have greater marketability offers the workers endowed with such skills greater mobility in the globalized world. This increases their bargaining power as well which somehow helps them protecting their returns. On the contrary the vast majority of low skilled workers face a relative disadvantage vis-à-vis their skilled counterparts and are forced to accept longer working hours, higher intensity of work, lower wage as well as higher fragmentation in absence of protective labour institutions. Subcontracting and outsourcing both in the global and local scale redefines the emerging labour process that sets the rule of the game where informal labour emerges to be the new norm of work. The destruction of a regulatory regime that defined norms of work broadly under the rubric of 'formal' in which the state facilitated a macro-balance between production and consumption by way of protecting certain rights and entitlements of workers through institutions such as trade unions are weakened to a great extent in the neoliberal era. The rules of the game in the labour market are increasingly driven by cost cutting competition where the norms of employment are compromised and the boundaries of market seem to be open ended. In other words, the absence of norm in

participating in the labour market is the context of informalisation and that is being pushed forward through 'labour market flexibility' argument.

All of the above, the regimes of accumulation, changing organization of production structures, rising global informalisation of labour, increasing alienation of workers from the means of production, which characterize the changing nature of capitalism in the 20<sup>th</sup> century and thereafter, has implications upon women's overall world of work. The status of women workers in an economy is also a consequence of the existing regime of the accumulation processes. It is beyond doubt that with the advance of capitalism, women have come to play an important role in labour markets. During the course of the development of capitalism, women were pushed out of the confines of the households to take up gainful employment. Women's entry to such work was observed in many stages of the development of capitalism, e.g. in the period of industrial revolution, or during the interwar periods. In the current phase of capitalism, women's labour force participation is analysed based on the relation between the productive systems and the continued segregation of labour markets.

### **Changing labour regimes and women's work**

Researchers have effectively shown that the continued restructuring of the production processes affected the global labour processes with an emergence of the new industrial division of labour in which women workers had an important role (Standing, 1998; Ghosh, 1999; Heyzer, 1988; Joekees and Weston, 1994; Cagatay and Ozler, 1995). It is evident that as various low-income countries have become increasingly integrated into the global economy through a strategy of growth based on greater export orientation, deregulation of the economy, reductions in the size of government budgets and reduced scope of state intervention in the economy, the effects were felt across economic and social structures in diverse forms across countries. A major impact was felt across the labour market structures globally, as well as within the regions and countries.

One of the major strategies adopted by the globalised capital for some time now, has been to exploit the large pool of unutilised and underutilised labour existing within the developing economies via global restructuring. As labour forms the main asset of production for majority of the population in the developing and transition economies, there exist both disguised unemployment and underemployment in the agrarian sectors, a large part of which comprise of women workers. The current process tapped the unused and underutilised female labour force in these regions and in the process also created a diversification in women's employment patterns in terms of moving women out of the primary sector. While such a process has been hailed as a success of the globalisation in terms of increasing women's labour force participation through a process of increased diversity of employment patterns and breaking the sex segregation of occupations, it has not always been accompanied by positive gains for women workers.

More often than not, increased labour force participation of women has been associated with a number of issues like the deterioration of work conditions in terms of labour standards, income, and employment status (Standing, 1998; Moghadam, 1999; Ghosh 2004). The process has also

been questioned in terms of being able to break the occupational rigidities associated with women's work. It has been pointed out in several studies that such increases in women's workforce participation globally has also increased the drudgery of household maintenance and care work for a section of the working women deprived of any kind of state protection and provisions (Ghosh, 2009; Elson, 1995). While this has not only increased the 'double burden' of women's work, it has also facilitated a further segmentation of the labour market based on the type of work offered to women.

It was first argued by Friedrich Engels (1884) in 'The Origin of Family, Private Property and the State' that status of women in an economy rests on the relationship between the sexual division of labour and the mode of production. Thus, with changing modes of production and the associated processes of accumulation, the gender relations within a society are subject to alteration. It is important to bear in mind that the sexual division of labour although historical, is not the simple continuation of the age-old patriarchal division of labour and has experienced substantive and complex changes in the process of capital accumulation via global integration. This has been documented extensively in the accounts of the 20<sup>th</sup> century feminist scholars who had looked into the relationship between capitalism and patriarchy.

Examples of such trends have been captured substantially in the works of several scholars such as Milkman (1972), Bruegel (1979), Anthias (1980) and others to name a few. The idea of 'women as reserve army' stemmed from the fact that women made up a large surplus pool of labour who could be drawn in or thrown out of the labour market in response to the business cycles. Fine (1992) noted that women's disadvantaged position in the labour market, led to an identification of this sort. However, the theory of 'women as reserve army' has been challenged many times on several pretexts such as women's wages are lower than men and thus women can be employed at both times of labour shortage and labour surplus. Also, Humphries and Rubery (1982) and Milkman (1972) showed that more women are absorbed even during high male unemployment if jobs created are stereotypically associated with women.

However, one cannot but ignore the fact that women workers have been used in the above-mentioned ways throughout a large part of the 20<sup>th</sup> century as a means of surplus appropriation in the developing countries. Under the current regime of capitalist accumulation marked by the changing processes of production and an associated restructuring of the economy, the imperatives around the labour-market also underwent certain important changes which got reflected in the inclusion of women in newer sectors of employment yet the occupational segregation of labour markets continued to persist. Thus in seeking explanations to the subordinate status of women in the labour market, an important starting point for most feminist scholars has been the occupational segregation. This has also been argued by Fine (1992) as a major source of women's inequality in employment.

Beechey (1977) argued that the existence of patriarchy as a system within capitalism 'is not merely a 'hangover' from a pre-industrial stage of capitalism or from pre-capitalist societies, but is of fundamental economic, political, and ideological importance to the capitalist mode of production'. This framework calls for the analysis of gender within the labour market process along the lines of 'deskilling under capitalism' hypothesis in which women are typically the

reserve who are drawn into unskilled, low-paying jobs in the course of accumulation of capital. Hartmann (1976) argues that sex segregation in the labour markets is instrumental to put men, as capitalists, in a superior position to enforce and reinforce lower wages for women workers and maintain the segregation patterns thus emphasizing the role of patriarchy in the sustenance of capitalism. Several others argued that the development of capitalism was facilitated by women through their domestic work which subsidised the process of surplus accumulation, while maintaining the social controls on women's labour. Such roles played by women in an economy often formed the basis of rigid segregation of activities for women within the labour market.

In the context of the developing countries, the sex segregation in the labour market and concentration of women in specific sectors often got reflected in the overwhelming presence of women within the primary sector, namely in agriculture. Deere (1976) attempted to explain this phenomenon by emphasizing the role of rural women in subsistence sector with male labour in the modern capitalist sector engaged as wage-earners, in order to argue that women constituted a source of cheap labour for the non-capitalist sectors of the economy. However, Boserup's (1970) examination of women's roles in agriculture in the developing countries highlighted the significant role played by women workers as 'food-growers' in primarily agrarian societies. More than five decades after Boserup's analysis, women continue to play a very important role in agriculture in almost all developing countries, especially in Africa and South Asia.

The FAOSTAT, 2013 reveals that women form almost 40 percent of global agricultural workforce and ranges from about 20 percent in the Americas to almost 50 percent in Africa. However, the global average is dominated by Asia. Within Asia, the sub-regional averages range from about 35 percent in South Asia to almost 50 percent in East and Southeast Asia. The Asian average is dominated by China, where the female share of the agricultural labour force has increased slightly during the past three decades. The female share in India has remained steady at just over 30 percent. The South Asian average is dominated by India. These large countries mask changes in some smaller countries where the female share of the agricultural labour force appears to have increased dramatically, now exceeding 50 percent in Bangladesh. Other Asian countries such as Malaysia and Thailand have seen declining female labour shares in agriculture (FAOSTAT, 2013).

In this context, it is thus worthwhile to mention briefly the distribution of women's employment across the world in order to highlight the concentration of women in specific sectors. Agriculture remains the most important source of employment for women by a wide margin in South Asia and in sub-Saharan Africa, relative to manufacturing and services. The distribution of women's employment by sectors shows that more than 65 percent of women workers in South Asia and almost 70 percent of women workers in sub-Saharan Africa are engaged in agriculture. It is also the most important sector for women in East Asia and South-East Asia employing almost 35 percent and 40 percent of total women workers respectively. However, in these regions, the figures are nearly equally so with services (ILOSTAT, 2014). The predominance of service sector in women's employment is observed in the Latin American

countries where almost 70 percent of women workers are engaged in services. Further, the figures also show that agriculture is much more important for women than for men in terms of employment in South Asia and East Asia. While more than 65 percent of total women workers remain employed in agriculture, only 40 percent of men are in agriculture in South Asia, and the figures for East Asia are approximately 35 percent and 30 percent respectively for female and male workers (ILOSTAT, 2014).

Sayed and Tzannatos (1998) have highlighted that women enter the workforce to usually perform tasks that are distinctly different from those of men and also work in different sectors than men. Thus, segregation by sex in the labour market is both occupational and sectoral. Globally women workers are concentrated in a limited number of industries. Almost two-thirds of total workers in the garment sector comprise of women workers (ILOStat, 2014). The State of World Population 2006, UNFPA, report almost half of 200 million international migrants are women and girls joining the ranks of domestic workers. In terms of occupations, women in manufacturing are mostly categorised as labourers, operators and production workers but rarely in administrative and managerial positions. Sayed and Tzannatos further note that the ‘compartmentalised’ activities of men and women also lead to horizontal and vertical segregations.

However, while segregation of labour markets and sectoral rigidities associated with women’s work have been a persisting feature, the rapid changes in the global labour processes in the last few decades have presented with a range of alternatives for women workers in developing countries across the world. The changing processes, albeit with the motive of maximum appropriation of surplus and accumulation of capital, have been able to alter the nature of women’s work, have provided them with greater mobility, in terms of being able to become a part of the labour migration networks, both within domestic and international, but unfortunately have not been able to transform it. This becomes evident from the extensive presence of women workers in a wide range of activities in the current context, yet not being able to have an impact on its status as a worker. Analysing the nature of such varied activities of women workers requires an analysis of the nature of the changing global labour processes which provide the reasons for such associated rigidities in women’s subordinate status within contemporary labour regimes.

### **Emerging global labour processes and its impact on women’s work**

Under the current regime of capital accumulation, the changing patterns of women’s work in the last few decades have also generated an interest in analysing the demand side determinants influencing their labour force participation. It is especially interesting for those economies experiencing a spurt in their economic growth rates in the last one and a half decades. Several theories of growth have propagated that high and sustained rates of economic growth have the potential of structural shifts of the economy in terms of shifting surplus resources including labour from the low-productivity primary or traditional sector to high-productivity modern capitalist sectors. Such postulations have been questioned widely on the basis of lack of conformity between the given theory and the real-world experiences, more so in the period of globalisation and rapid development of capitalism. Real world experiences have shown that

rate of growth of employment as well as structural transformation of an economy within the current system does not depend only upon the rate of output growth but also on the drivers of such growth. The experiences have been varied across continents, regions, nations as well as at sub-national levels.

Since the early nineties the developing countries across the globe, including those in Asia and Africa, began walking the path of globalisation. Certain economies in the Latin American and the Caribbean regions embraced this policy of export-led growth path with more open markets from the eighties. This onset of globalisation in the developing economies posed several questions for researchers in terms of whether the high rates of growth achieved as a result of such policies have been able to generate enough employment opportunities. It has also produced a significant literature on diversification of employment patterns within countries as a result of such strategies.

Ghosh (2012) notes that in the last few decades, in the emerging form of globalisation, the removal of tariff barriers, emergence of new trade links and rapidly expanding global production chains based on splitting up the production structures across different locations, have significantly altered production processes and labour market structures across the world. Trade openness, while destroying certain forms of traditional livelihoods, also simultaneously created newer avenues for employment and income generation. These processes in turn affected women's employment patterns. The manifestations of these processes were observed in the Global South from the eighties, when export-oriented employment in the factories saw a substantial rise in the rate of growth of women's employment. Large increases in women's employment occurred in countries that adopted export-oriented growth strategies, where women comprised on an average about 70 percent of the labour force (Joeekes and Weston, 1994). Ghosh (1999) noted that such changes were particularly marked in developing Asia which became one of the 'most globalised and economically dynamic regions of the world'. Lean (2011) notes that while men outnumbered women in industry, in several Asian countries there were more women employed in manufacturing than men. The 'feminisation' of employment in labour-intensive manufacturing in Asia's export processing zones/special economic zones may have peaked and be in decline (Milberg and Amengual 2008; Wick 2010).

The economic crisis in the developing South, especially in the developing Americas in the early and mid-1990s and the South-east Asian crisis of the 1997-98, led to a process of increased informal employment for women in the form of a surge in home-based sub-contracted employment outsourced by the large MNCs. The report on Women and Men in the Informal Economy, 2013 notes that significant portions of homebased work pertain to manufacturing activities and also account for self-employment in women workers, which forms a bulk of women's work in South Asia (ILO-WIEGO, 2013). Ghosh (2009) also noted that such a process of outsourcing was not limited to export firms and was extensively used by manufacturing units of varying sizes catering to domestic demand, which operated on a subcontracted basis. However, it is still important to note that the reasons why manufacturers in global supply chains preferred to hire women were due to their tractability, flexibility, and

lower reservation and aspiration wages (UNESCAP 2002). These reasons explain the predominance of women, especially young women, in such manufacturing processes.

Apart from manufacturing activities, increased informal sector work led to a spurt in global migration of women for work. It has given rise to increased employment of women in domestic work. It is common knowledge that women from the countries of the Global South travel across the globe to serve as maids, cooks, nannies, housekeepers, etc. for affluent households in the global North and West Asian and Gulf countries. One conservative estimate finds that the number of domestic workers increased from 33.2 million in 1995 to 52.6 million in 2010 – or 3.6 per cent of global wage employment (ILO-WIEGO 2013). The State of World Population 2006, UNFPA, reported that almost half of 200 million international migrants were women and girls. Domestic workers are an important part of this growing trend. Asia is a large source of international migrants who work as domestics. As of the mid-2000s, around 6.3 million Asian migrants were legally living and working in the more developed Asian countries (UNFPA, 2006). The Gulf countries employ millions of migrant domestic workers. In Saudi Arabia alone, there are approximately 1.5 million domestic workers (Human Rights Watch 2008) mostly migrated from Indonesia, the Philippines and Sri Lanka. The category of “private households with employed persons” includes domestic maids, cooks, waiters, valets, butlers, laundresses, gardeners, gatekeepers, chauffeurs, caretakers, governesses, babysitters, tutors, secretaries, etc. Such work is informal, often outside the purview of labour law, labour inspection and social protection.

While such a process of increased incidence of domestic work among women workers was already visible in the Americas much before it caught up in the Asian region, in Asia, Lean (2011) notes that the six service sectors where women accounted for more than 50 per cent of the workforce were health and social work, education, private households with employed persons, hotels and restaurants, and financial intermediation. The finance sector can offer decent jobs for women, as can the health and education sectors, particularly if these are government-run. While the prerequisites for such jobs are higher educational degrees and better training, even within these sectors where women tend to dominate in terms of numbers, they do not necessarily hold the upper level, managerial positions. In the health sector, women are predominantly in nursing and are poorly represented in the higher echelons; the doctors are mainly men (ILO 2009). In education, women constitute a high proportion of primary school teachers but a much lower proportion of university teaching staff (UN 2010). Often these jobs offer prospects for decent work for women but remain limited in terms of access and quantity. The others in the ranks of domestic work are frequently characterized by low pay, long hours and informal working arrangements.

Whatever be the distribution of employment by sector, it has been evident from this discussion that agriculture and/or services remain the most important sectors for women’s employment in the developing countries. This reflects a specific employment pattern associated with women’s employment across the globe. While a range of economic theories on growth and employment diversification have associated an improvement in the status of workers and their conditions of work, through a transformation of the employment structures within an economy towards a

non-agricultural employment pattern, such theories have not been able to explain the continued subordination of women in the labour markets through the emergence of newer forms of sex segregation.

The discussion also leads to certain defining and intrinsically interlinked features in terms of women's work. It is evident that the sex segregation of labour markets continues to persist, be it in occupational patterns or is evident from clusters of women's employment by sectors. Such segregations are a result of the changing global processes, which determines another feature of women's employment. The increased mobility of women, both sectorally and geographically in search of employment suggests a pattern of diversification and transformation in women's employment in developing countries. However, it is also to be noted that as women's mobility increases and women workers enter newer sectors of production, newer clusters of occupations and sectors emerge. This is to say that the sexual division of labour within those changes as per the need to preserve the levels of social control over female labour (Mackintosh, 1981; Custers, 1997). Custers (1997) rightly points out that the flexible nature of such division of labour, changing over time, has been important to ensure the continuation of the current regime of capital accumulation.

Thus, women's work in most developing countries under changing global processes has been characterised by an increase in number of women joining the non-agricultural labour force. However such intersectoral mobilities have been restricted by factors discussed above thus creating newer forms of occupational and sectoral segregation by sex. Given such trends, the female workforce participation and the emerging characteristics of women's work in India exhibit a unique pattern which could be argued as an impact/manifestation of the unique process of capital accumulation and economic growth witnessed by India since the early 1990s.

### **Economic growth, global integration and the Indian labour market**

It has been argued that rapid development of capitalism in terms of high rates of income growth would generate a process of diversification in employment patterns by utilising surplus resources in the non-primary sectors (Lewis, 1954; Kuznets, 1966). Such structural transformations in turn would also bring about diversity in women's employment. McGee (1971), on the other hand, has argued that the existence of labour surplus in agriculture is more often a consequence of agrarian distress where the surplus cannot be absorbed into more productive employment in the manufacturing sector. He further argues that the surplus labour then has no other option but to settle into a low-productivity tertiary sector. Such an expansion of the non-farm sector is distress induced. McGee brings in the aspect of an increased unskilled employment in informal activities as an indicator of such distress diversification.

Many of these theoretical premises have been highly contested in the context of India. The literature on growth and structural changes in India reveals the following features. First and foremost, economists engaging with the issues of structural transformation in India acknowledge the fact the Indian growth story defied most economic growth theories mentioned above (Sharma and Nayyar, 2005; Ghosh and Chandrasekhar, 2006; Kannan, 2009; Patnaik, 2011, World Bank, 2014). Although there are signs of visible structural changes in terms of



share of sectors in total output, commensurate structural changes are barely visible in employment patterns. The process of structural transformation in employment patterns has been extremely sluggish even in a period of high rates of GDP growth.

India joined the ranks of emerging economies of the global South with very high rates of growth since the middle of 2000s and continued to remain one of the fastest growing economies of the world till 2008-09. The strategy of growth adopted in this period successfully raised the average rates of income growth to almost 7-8 percent per annum. However, such a growth instead of resulting in commensurate increases in employment, resulted in a pattern of 'jobless growth' throughout the decade with stagnated and even plummeting rates of growth of employment (Chandrasekhar and Ghosh, 2007; Patnaik, 1999, 2009).

A substantial section of the literature analysing India's economic growth trajectory has highlighted the unevenness of the growth process. Scholars have put forward the thesis that the current trends in India's employment pattern can be directly traced to the changes in the global and domestic output patterns and is based in the larger context of the global process of accumulation of capital. It is this process that drives national governments to adopt policy strategies which in turn result in a process of economic growth that fails to translate into adequate employment opportunities. The literature points out that the factors responsible for such growth were not due to an increased fiscal stimulus provided by the government as was the situation in the 1980s, but were rooted in contractionary fiscal tendencies (Ghosh and Chandrasekhar, 2007; 2012; Mazumdar, 2010; Das Gupta, 2016)). The impacts of such a growth process were felt in declining rates of growth of agriculture, a stagnant manufacturing sector and a rapidly growing service sector.

The low rates of growth in agriculture were a direct manifestation of the declining public investment in rural development and agriculture, which led to a severe crisis within the sector since the 2000s (Patnaik, 2009). Given that agriculture provided the mainstay of livelihoods for majority of the population, the challenge of employment became stark in a situation where the labour intensive manufacturing and services were not driving the overall growth process and hence could not absorb the surplus labour migrating out of a declining agrarian sector (Ghosh and Chandrasekhar, 2007; 2012; Mazumdar, 2010).

Such a high growth regime in India was marked by several important features. First, it coincided with a period of distress faced by the rural areas in terms of income deflation, reduced calorie intakes, declining rate of return from agriculture, the mainstay of livelihood for majority of the rural working population, burdened with high levels of indebtedness and a consequent rise in farmer's suicides (Patnaik, 2007). In another study of the consumption expenditure patterns (provided by the NSSO, GOI) over the same period revealed increased consumption and wage inequalities (Ghosh, 2011; Chandrasekhar and Ghosh, 2014). In the Indian context due to an absence of income data, consumption expenditures are used as a proxy. The paper argued that increased consumption and wage inequalities were reflected in the stagnant consumption levels for poor households while consumption patterns showed some dynamism for the uppermost deciles of the population.

Such features are a direct outcome of the strategies adopted to drive the high rates of growth. Indian growth strategies have been characterised by a shift in the production structures in which increased rate of returns are associated with the exports of high value services and goods produced under more capital-intensive regimes and an associated lack of demand for labour-intensive goods and services (Ghosh, 2011). The process resulted in moderate to high rates of growth of GDP throughout a large part of the 2000s without creating commensurate employment.

Further, such economic growth processes which allow for low or no employment generation, often tends to be exclusionary and unequal, catering to only a specific section of the population usually located within the highest income decile, leaving behind the large majority. This review paper highlights such a process which took the form of an urban centrism, in which a large part of the rural economy was excluded from reaping the benefits of the growth process. Such an exclusion of the rural areas resulted in aggravating the crisis of returns from agriculture discussed in the following section. However, this review paper assesses the crisis and challenges of women's work in India in this broad macroeconomic framework.

### **Agrarian Crisis in India and Rise of Unprotected Labour**

In the past three decades in India there has been a huge shift in employment reflected by a decline in employment share in agriculture from 69 per cent in 1983 to 47.8 per cent in 2011-12. Decline in agricultural productivity, rise of input costs due to reduction in subsidy, decline in public investment in agricultural infrastructure as well as fragmentation of land led to decline in agricultural income. The shift in employment towards non-agriculture is driven by this push factor resulting in not only occupational shift but also huge out-migration to urban and peri-urban centres. It is generally held in development literature that movement of people from agriculture to non-agriculture is a virtue in itself assuming that such movements imply labour moving out from low productivity to high productivity segments. But the nature of movement in case of India from agriculture to non-agriculture does not conform to this stylized view.

In India those who have moved out of agriculture and got employed in non-agricultural segment were primarily absorbed in the informal sector. The 68<sup>th</sup> Round report on informal sector collected for both usual principal status workers and usual subsidiary status workers engaged in non-agricultural sector (industry divisions 05-99 of NIC-2008) and a part of the agricultural sector (industry groups 014, 016, 017 and divisions 02, 03 of NIC-2008). The industry groups/ divisions 014, 016, 017, 02 and 03 are in the agricultural sector excluding growing of crops, plant propagation, combined production of crops and animals without a specialized production of crops or animals. These activities are referred to as AGEGC activities. Table 1 shows that in rural India the percentage of informal workers in AGEGC activities hovered around 90 percent and for female workers it is even higher, more than 95 percent. In non-agriculture the percentage of informal workers within female workforce shows a significant fall from 77 per cent in 2004/05 to 64 per cent in 2011/12 however the proportion of informality within the male rural workforce records a marginal decline. In the urban segment for the male workers in non-agriculture the share of informal employment declined during the period 2004/05 to 2009/10 but it again increased in 2011/12. A similar fluctuation is visible for

female workforce in urban non-agriculture. It is interesting to note that informal employment as a proportion to total workforce in AGE GC activities has been consistently higher in case of female workforce compared to the male counterparts through the three rounds. On the other hand, informality has a larger incidence in rural workforce compared to urban workers both for male and female workers.

**Table 1: Percentage of workers in the informal sector among workers (ps+ss) in AGE GC and Non-agriculture over the years**

	<b>61st Round (2004/05)</b>		<b>66th. Round (2009/10)</b>		<b>68<sup>th</sup> Round (2011/12)</b>	
	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>
<b>Rural</b>						
AGE GC	90.4	97.2	90.6	95.0	88.9	94.0
non-agriculture	78.1	77.1	73.0	64.1	75.5	64.0
AGE GC + Non-agri	79.2	86.4	74.2	74.4	76.2	72.7
<b>Urban</b>						
AGE GC	86.8	94.9	88.3	97.7	88.9	97.1
non-agriculture	73.7	63.5	68.3	60.1	70.2	62.5
AGE GC + Non-agri	73.9	65.4	68.5	61.6	70.4	63.6

Source: NSSO(2014) *Informal sector and conditions of employment in India* NSS 68<sup>th</sup>. Round Report No.557(68/10/2)

Within the non-agriculture group wholesale and retail trade and repairing activities accounts for the highest share of informal workers. In the rural area 95.1 per cent and in urban area 93.6 per cent of the workforce are informal in nature. Accommodation and food service activities record a share of informal workers in the tune of 91.5 and 91.8 per cent in rural and urban segments respectively. In rural areas 95.3 per cent of workers involved in real estate activities belong to the informal category while in the urban segment the proportion of informal workers in this industry is relatively less 87.7 per cent. In manufacturing the share of informal employment is 85.3 per cent in rural areas and 75.9 per cent in urban areas. Mining and quarrying, utilities and finance and insurance activities account for relatively low share of informal employment for obvious reasons. Wholesale and retail trade, repair of motor vehicles, motor cycles and activities related to accommodation and food services are the sectors in which more than 90 per cent of workers both female and male belong to the informal category.

One of the most striking features of India's labour market is the relative stability of the distribution of workforce by employment status. In the past three decades the share of regular employment as a proportion to total employed increased by only five percentage point. The share of casual employment remained close to thirty per cent and there is a marginal decline in the share of share of self-employed. It is really worrying that in spite of having high growth during the recent decades more than half of her workforce is self-employed and less than one-fifth of the population only is in regular employment. Some studies relate the rise of self-employment with a decline in growth. In other words, due to decline in growth those who were employed on the basis of wage contract are thrown out of job and they survive by resorting to some kind of self-employment. But the relative stability over time in the proportion of self-

employment as seen in the case India does not support the above argument. The linking of self-employment with the growth trends of the economy is based on the assumption that higher growth in output necessarily leads to higher wage employment which may not be the case always. In fact, in the recent period growth of output seems to outpace the growth of employment, hence widening of the vulnerable proportion of the work force may coincide with phases of high growth. The other possible effect of declining growth may be that many of the existing self-employed enterprise would no longer remain viable because of demand. Therefore, it is the net effect of declining growth that may be causing a push towards self-employment on the one hand and on the other hand making some of the existing ones unviable, would determine the final outcome. The distinction between formal and informal at least in the functional sense relates to size categories of firms and ownership of enterprise. These demarcations directly or indirectly relate to the productivity, technology levels of activity and rights and entitlements of workers. A bigger firm is generally equipped with higher levels of technology and hence employs workers mostly on the basis of efficiency wages. This also suggests the workers having higher skill and linked to higher productivity may be having rights and entitlements which define the formal nature of employment. But in the regime of 'flexible specialisation' the way it is defined and understood in case of countries such as India is basically numerical flexibility that allows the employer to adjust the number of workers according to fluctuations in demand or wage flexibility by making institutions for wage protection weak or insignificant.

NSS results suggest the proportion of regular and salaried workers who do not have any written contract has increased over the years and currently 65 per cent of the regular and salaried workers are having no written contract of employment. Employment without a contract has increased for casual workers although the rise is marginal in this case but the share of such employment is somewhere around 96 per cent of the total casual employment. Half of the regular and salaried workers do not have any provision of paid leave and roughly 98 per cent of the casual workers do not enjoy any such right. It is evident from the trends that increasing proportion of workers in all categories are being denied of paid leave over the years. More than half of the regular and salaried workers are not entitled to any social security provisions and the proportion has increased over time. Within casual employment the share of workers having no social security provisions is as high as 93 per cent although this share is lower than that was in previous rounds. These are simply signs of informalizing the formal workforce. It implies that the workers employed in enterprises that are categorized as formal by employment size and ownership criteria are increasingly denying the rights of workers which are established norms of employment for the formal sector. The rise of the informal workforce including the rise of contract and casual labour in the formal sector is not something benign with respect to wage-profit relationship. Informalisation facilitates a substitution of regular workers by contract and casual labour which not only directly reduces labour cost but also reduces bargaining power of the existing formal workers.

The rise of the informal workforce including the rise of contract and casual labour in the formal sector is not independent to wage-profit relationship. Informalisation facilitates a substitution of regular workers by contract and casual labour which not only directly reduces labour cost

but also reduces bargaining power of the existing formal workers. NSS provides the wages of regular/salaried workers and casual workers by proprietary and partnership firms as well as for the household enterprises in the year 2011-12. The figures suggest that roughly the wages of regular and salaried workers is 2.6 times higher than the casual labourers. In rural areas the regular/salaried wage is double the wage of a casual worker while in urban areas the difference is even sharper, close to three times. In the case of regular salaried workers the male wage in the rural areas is 57 per cent higher than the female wage while in urban areas male wage is about 27 per cent higher than female wage. Therefore, in urban areas for regular salaried workers gender discrimination in terms of wages is higher in rural areas compared to the urban counterparts. In the case of casual workers the trend seems to be opposite. In rural areas the male wage is 43 per cent higher than the female wage while in urban areas the male-female gap figures to be roughly 55 per cent. Therefore, in urban areas the female casual workers seem to be facing greater discrimination compared to their rural counterparts. The rural-urban wage gap is also quite significant. Average urban wage considering all workers is 1.7 times higher than the average rural worker. It is significant to note that for casual workers the rural-urban wage gap is marginal while for regular/salaried workers urban wage is 1.46 times higher than the rural wage. If we see the wage differences by enterprise category we find that in rural areas workers employed in partnership and proprietary firms earn roughly 70 per cent higher compared to those engaged in household enterprises and in the urban areas this wage gap by enterprise type is 68.6 per cent. Therefore, in both urban and rural areas the workers in household enterprises are earning much less than those employed in proprietary or partnership firms. It is evident from these observations that informalisation signifies a process that ultimately reduces return to labour and weakens claims derived from established norms.

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. Employment in organised manufacturing during the period January 2000 to December 2011 increased by about 5 million, more than half of which is on the basis of contract. More recently during March 2014 to July 2015, total employment in manufacturing including organised and unorganised declined in absolute terms while there had been increase of 0.32 million employment in organised manufacturing and this time the share of contract workers of newly employed in organised manufacturing went up to 85 per cent. In the case of unorganised manufacturing, the only segment that recorded growth in employment is the Own Account Manufacturing Enterprises (OAMEs) which are basically one person enterprises meaning self-employed who do not hire any labour and mostly employ unpaid family labour. According to the NSSO survey on Unincorporated Non-agricultural Enterprises (excluding construction) total employment in unregistered manufacturing increased from 34.8 million in November 2010 to 36.04 million in 2015-16, an increase of 1.24 million in five years. The rise has been higher in OAMEs to the tune of 1.84 million, while employment declined in establishments that are relatively larger in size within the unregistered segment that employ one to ten hired workers, have employed 0.67 million less workers during the same period. Therefore, the rise in employment in the organised manufacturing sector was driven by contractualisation and in the unorganised segment, employment increase was accompanied by fragmentation of productive activities. It is also important to note that the growth of one-person enterprises is

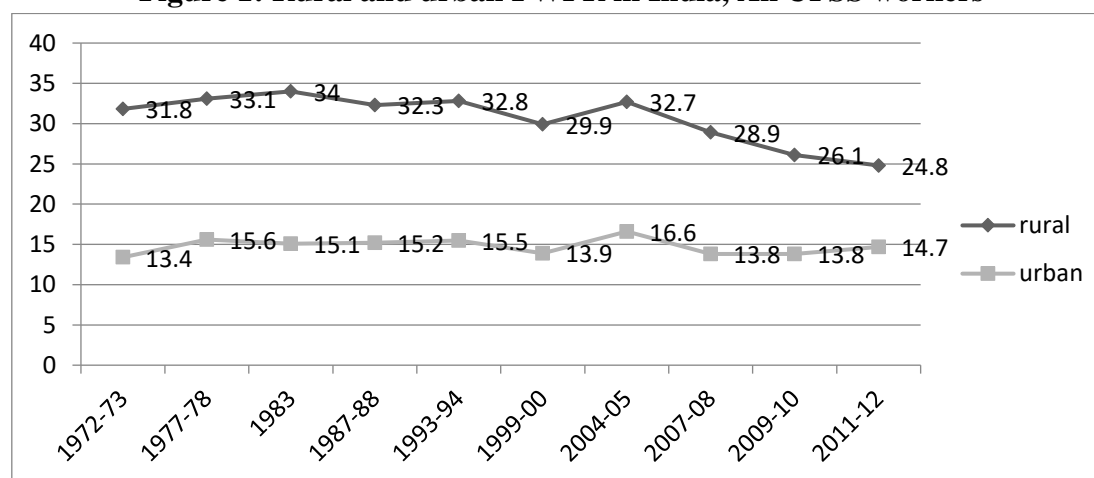
visible more in the tradeable segment of the manufacturing sector. In 1989, informal tradeables accounted for 6.2 million workers that is 19 per cent of total manufacturing employment, and 24 per cent of establishments involved in manufacturing activities. In 2010, employment in this segment rose to 16.4 million workers which is 39 per cent of manufacturing employment, and accounts for 55 per cent of manufacturing establishments. In total, informal tradables recorded 166 per cent and 193 per cent growth in employment and establishments, respectively, across the two decades. The dynamics of employment in the formal sector also suggests that employment on the basis of contract increased faster in relatively capital intensive sectors compared to labour intensive sectors. This might be because sectors, such as chemicals, auto-components, motor vehicles, metals, computer equipment that are increasingly integrated to global production network are struggling to remain buoyant in global competition by way of taking advantage of flexible labour.

It is in this wider context of exclusionary growth, increasing informalisation of the labourforce and financialisation of the economy with a persistent agrarian crisis in the backdrop that the current labour market has been analysed. With such characteristic features and current trends in the Indian labour market, the situation of women's employment has been discussed in the following section.

### Women's Employment in India from 1993-94 to 2011-12

There are certain basic features of women's employment in India. The work participation rates (WPRs) for women in India have been historically lower than in many comparable countries. The female WPR in India, at approximately around 20 percent over the last decade, is well below the global average of 48 percent (ILOStat, 2014). Despite being the largest economy in South Asia, India also has one of the lowest FWPRs in the subcontinent, just above Pakistan and Afghanistan. The second important characteristic as mentioned earlier, is the issue of declining female work participation rates (FWPR) since the 1980s, with an aberration in 2004-05 (Figure 1). Both these traits imply that a large part of the female population in India remains outside the marketised part of the economy.

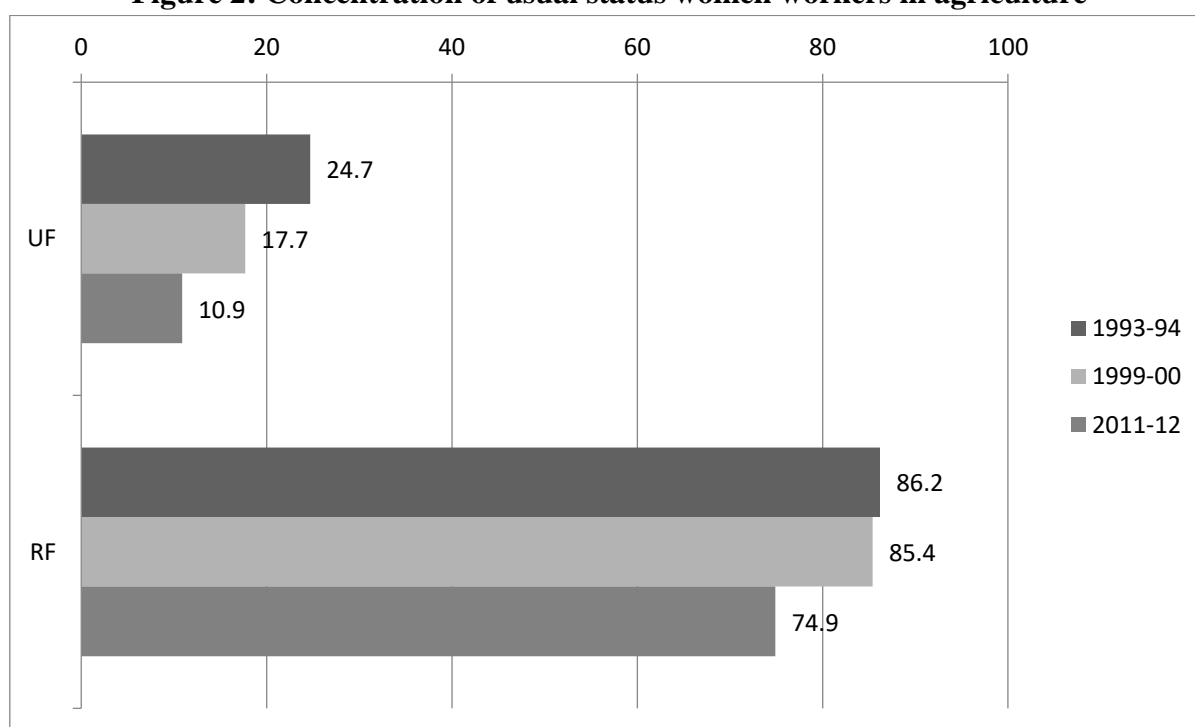
**Figure 1: Rural and urban FWPR in India, All UPSS workers**



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

Apart from the above, it is also to be noted that there remains a considerable difference between the WPRs of women workers in rural and urban areas. The 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. However, while the gap between rural and urban FWPRs seem to be closing, this is not due to an increase in WPRs of urban women workers, but is clearly due to a decline in the WPRs of rural women workers. 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 is worthwhile to note here that women's work in India underwent specific yet much slower changes in terms of being able to diversify out of agricultural activities (NSSO, 2013). Despite the decline of women participating in agricultural work by the latest available estimates, more than 60 percent of all women workers still remain engaged in agriculture (Figure 2).

**Figure 2: Concentration of usual status women workers in agriculture**



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

### **Determinants of Women's Work**

Given the above caveat, the literature in the recent decade attempted to explain the above characteristics, especially the low and declining FWPRs in India. It has been noted in the context of India that unlike other developing countries like in east and South-east Asia, the extent of 'feminisation' of export employment in India was limited (Ghosh, 2009; Mitra, 2008; Neetha, 2012). It has also been documented that women's work participation rates in India exhibit wide variations by regions. Historically, the FWPRs have been on the higher side for Southern and Western India compared to much lower WPRS for women in the East and the North. The variations have usually been accorded to the differences in the socio-economic,

caste and culture based gendered practices followed in these regions (Mukherjee, 2007; Eswaran et al., 2013). Despite such explanations, the question remains as to why the global economic integration and a consequent high rate of output and export growth in India following the reforms in 1991 has not been able to push the FWPRs out of the low levels. Despite India being one of the fastest growing economies of the world in the last decade, it is of concern that the FWPRs have started declining instead of moving the other way.

Several arguments have been put forward to explain this curious phenomenon of declining FWPRs. Few economists have argued that an increase in the enrolment of younger women into educational institutions has been a prime reason for this reduction in the overall WPR (Mehrotra, et al., 2014; Rangarajan et al., 2011). Apart from this argument, recent studies have also highlighted the ‘income effect’ and a possible U-shaped feminisation hypothesis in the context of India. Klasen and Pieters (2013) in their study highlights the ‘income effect’ related to the ‘social stigma’ of women working outside the confines of households implying that with an increase in household incomes, women workers retreat from the workforce. However, the study emphasizes that this explains only a part of the decline in FWPRs in India. The other part of the decline is explained by a strong U-shape in the relationship between education and female work participation. Similar arguments have been provided by Neff, Sen and Kling (2012), who have also emphasized that no potential change in the employment structures in rural areas were visible over 2005-2010 which could have led to such a decline thus concluding that the education and the income effects led to the decline.

The income effect hypothesis was also forwarded by both Mehrotra et. al (2014) and Rangarajan et al (2011) who argued that apart from increases in enrolment of women into higher education and rising school attendance rates, rising income of households and a consequent upward social mobility of middle income households was a reason for women workers to retreat from the labour force. An OECD study by Sorsa (2015) analyzing data from 1987-2012, finds a strong income effect, a negative effect of husband’s education, a U-shaped own-education effect and a negative effect of children and marriage. A similar study by Afridi et al. (2016) focusing on married women’s participation rates suggests the role of increasing education as a primary factor for the decline. A third argument is that the decline is a reversal of an exceptional increase in distress-driven female labour force participation during the earlier period 1999-2000 to 2004-05 characterised by severe agrarian crisis in the Indian economy (Abraham, 2009; Himanshu, 2011). However, most of these studies approach the issue of women’s participation as an issue of labour supply only and hence do not take into account the existing employment structure and falling rates of growth of employment in India in the last one and a half decades.

The above arguments have been criticized on the grounds that increases in school attendance and educational improvements can explain only a part, at best a quarter of the decline in FWPRs (Kannan and Raveendran, 2012; Ghosh and Chandrasekhar, 2011; Chatterjee, et al, 2015). The arguments provided in favour of ‘income effect’ have also been criticized on the basis that there has not been enough evidence to show that income of households and the levels of FWPR reached the expected levels of the U-shape hypothesis. Gaddis and Klasen (2012) have shown



in an empirical study of countries that the FLPRs in India were 22 percent below their expected levels in a U-shape feminization curve. Lahoti and Swaminathan (2016) who investigated the U-shaped hypothesis for India using a state level analysis also find little support for such hypothesis in the Indian case. Rather their study found that the structural change in the composition of output in India which is characterised by a rapidly shrinking agricultural sector in favour of a rapidly expanding construction and services, rather than relatively more labour-intensive manufacturing sector, contributed to the decline in the FWPRs in India in the last decade. Klasen and Pieters (2013) also mentioned that lack of adequate employment opportunities for women in healthcare, education and public services led to such a trend.

It is therefore evident that the women's employment in India cannot be explained simply by examining the supply side determinants of women's employment. This has also been suitably established by the literature. However, very few studies have focused on the labour demand variables. A World Bank working paper by Chatterjee, Murgai and Rama (2015) focuses on labour demand and argues that a dearth of both agricultural and non-agricultural employment opportunities in rural areas appears to drive the declining FWPRs. Similar arguments have been made in papers by Neetha and Mazumdar (2011), Sanghi et al. (2015). They have argued that while education effect is important, the lack of sufficient and suitable non-farm jobs in rural areas has forced women to stay out of the labour market. The paper further argues that such a retreat may have occurred, as with rising education levels, women might have left working in lowly remunerated, unskilled employment opportunities. In another study of rural women's employment outcomes, Srivastava and Srivastava (2009) while emphasizing on the supply side factors of female employment in terms of education, mobility and assets also concludes that strong government interventions are needed to increase employment opportunities for women in rural areas. These observations are in tandem with arguments provided by Ghosh and Chandrasekhar (2011) and Kannan and Raveendran (2012). However these papers emphasise the pattern of 'jobless' growth in India beginning in the last one and a half decade leading to an overall employment crisis in which women workers have lost out on opportunities. Chand and Srivastava (2014) also see poor agricultural performance over this period unable to drive rural non-farm employment adequately, leading to such patterns.

In explaining the recent declining trends in FWPR, Rawal and Saha (2015) have highlighted a changed rural production patterns. The paper argues that the decline in the rural FWPRs is a result of an increased mechanization of agriculture, which has pushed women out of agricultural processes due to lack of knowledge and training in handling the machines. However, they have observed that wherever there has been MGNREGA work, women have participated in large numbers thus corroborating the argument that women workers' retreat is due to a lack of adequate employment opportunities. In another study by Ray (2014) declining FWPRs have been linked to the process of accumulation by displacement. The paper has argued that since women have the responsibility of collecting fuel, wood, fodder, minor forest produce and water for their family, development induced displacement and a consequent loss of entitlement to the Common Property Resources (CPRs) which support subsistence livelihoods, primarily affects women leading to the loss of access to traditional sources of livelihood. In an intensifying regime of development-induced displacement and reduced access to common

property resources, women thus end up either working as construction workers, domestic servants, and agricultural labourers or in absence of such work, fall out of the labour force.

A lot of studies also highlight the problems related to the nature and quality of work performed by women in India. Certain specific studies focus on the lack of diversity in women's employment in India, linked to both demand and supply side factors driving female employment in India. Kingdon and Unni (2001) and Rustagi (2010) argue that the slow process of diversification in women's employment has largely been a result of lack of access to education and skill building apart from the inadequacy of available opportunities. Several others have shown that lack of adequate wage employment opportunities for women plays a role in clustering a large number of women in self-employed activities (Srivastava and Srivastava, 2009; Mitra, 2008; Chandrasekhar and Ghosh, 2011; Neetha and Mazumdar, 2011). Srivastava and Srivastava (2009) highlights the fact that rural women remain overtly self-employed as there were limited options of wage employment for women in non-agriculture, a situation which required urgent government interventions. Neetha and Mazumdar (2011) argued that policies of neo-liberalism worsened the situation for women workers by clustering them not only into poor quality self-employment but the 'unpaid family worker' part of the self-employed cohort.

There also exist arguments that segmented nature of Indian labour markets into organised and unorganised, formal and informal along with other wage related segmentations, have created specific nature of jobs for women. Unni and Rani (2003) have shown that women workers in the regime of economic reforms have been added increasingly into the informal sector employment due to poor education and skill endowment. Ghosh (2009) argues that segmented labour markets create barriers for women workers in terms of equal access to decent jobs in the organised and formal sectors which lead to an overwhelming presence of women workers in specific informal sectors. Chen and Raveendran (2014) shows that urban employment patterns reflect a large presence of women workers in the informal sectors, which in turn comprise mostly of self-employed and home-based workers.

Apart from the above, there have also been specific explanations forwarded for the decline in FWPR pertaining to the issues of definition of women's work, measurement and reporting. A range of literature is available on data underestimation. Women are involved in subsistence and extended SNA activities which are often uncounted or undercounted. Kapsos, et al. (2014) pointed out measurement issues with the NSSO surveys which have been the reason for a significant underestimation of the FWPRs. An important theoretical point argued by Ghosh (2016) point towards a conceptualisation error of women's work and identifies a recognition issue with women as workers. She argues that in the context of women's unpaid work comprising of daily household chores and other care activities, which leaves little time for women to actively pursue paid work engagements needs a relook at the definition of women's work, which would alter the rates of work participation for women in India. In an exercise using NSSO-EUS data, including the codes pertaining to SNA and extended SNA activities, the paper finds much higher participation rates of women in India. In a similar exercise, Siddique et al. (2017) analyses the NSSO-EUS data from for 2004–05 and 2011–12 and

enquires about various activities undertaken by individuals who report performing household activities as their principal activity. Including these observations within the fold of ‘work’, reveals a less dramatic decline than that presented by the more conventional measure of work participation.

In addition, the current status of women workers analysed in a more recent study by Mondal et. al (2018), has argued that while unpaid work among women has been increasing leading to lower reservation wages and widening gender gaps, within the labour intensive sectors, gender wage gaps have widened the most in public sector manufacturing. The study noted that while the number and proportion of unpaid women workers actually increased in the period of India’s economic growth boom, for those women who are employed, this has meant greater exploitation in terms of significant gender wage gaps, at least partly because women workers have been clustered into poorly paid activities that are seen as less skilled. Further, the same study has highlighted a more problematic symptom of a female employment pattern, embedded within the role of public employment strategies, which rely on underpaid women workers to run major public schemes for nutrition, health and education. These have had the perverse and (presumably) undesired effect of intensifying exploitation of women workers, discrimination in terms of greater occupational segmentation and adverse impact on gender wage gaps.

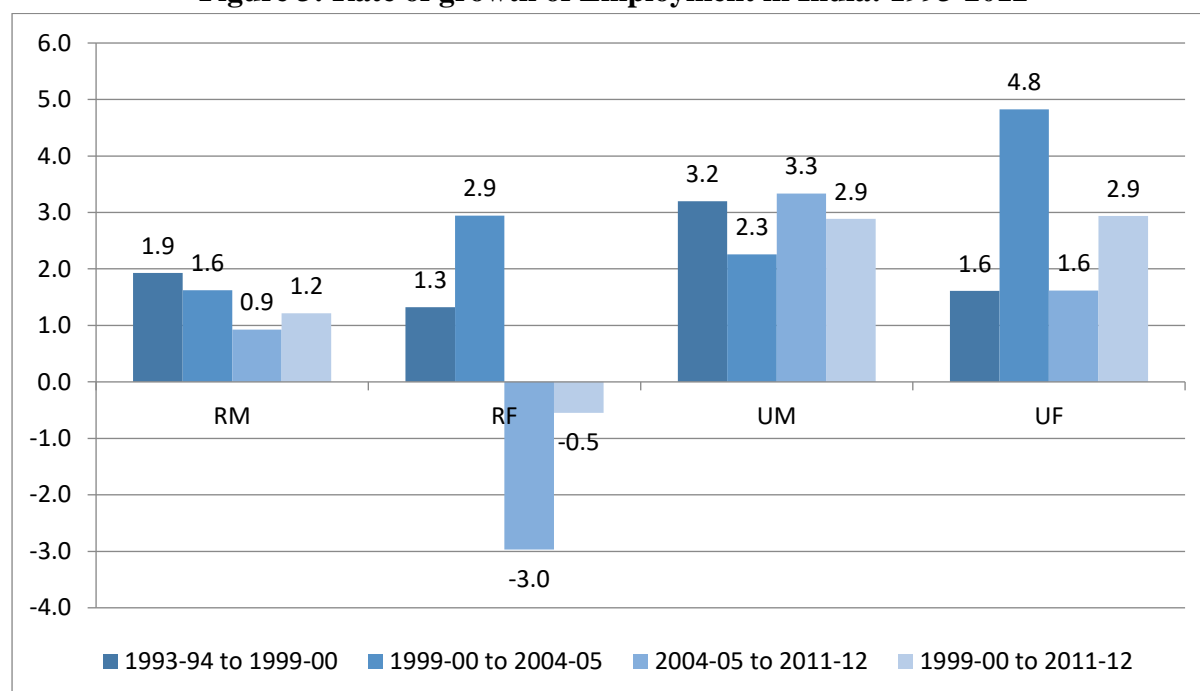
### **Diversification of Women’s Employment and Low Rate of Employment Growth**

Given the above range of literature, the analyses of employment growth further reveals that the average annual rate of growth of employment in the period 2004-05 to 2011-12 was a mere 0.3 percent<sup>1</sup> due to an absolute loss of employment for rural females. Considering 2004-05 to be an outlier year, the rate of growth of employment between 1999-00 to 2011-12 also shows similar trends of low rate of growth of employment for all workers. However, urban woman’s rate of growth of employment showed marginal improvement by 1.3 percentage points. This was the only category that showed improvement in the rate of growth of employment over this period (figure 3). The impact of such low employment growth rates for women are visible in the limited options for women in non-farm sectors, especially in rural areas.

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<sup>1</sup> Calculated by author from Unit level NSSO-EUS estimates, various years.

**Figure 3: Rate of growth of Employment in India: 1993-2012**



Source: Employment growth rates calculated from Unit level NSSO-EUS estimates, various years.

### ***Rural employment diversification***

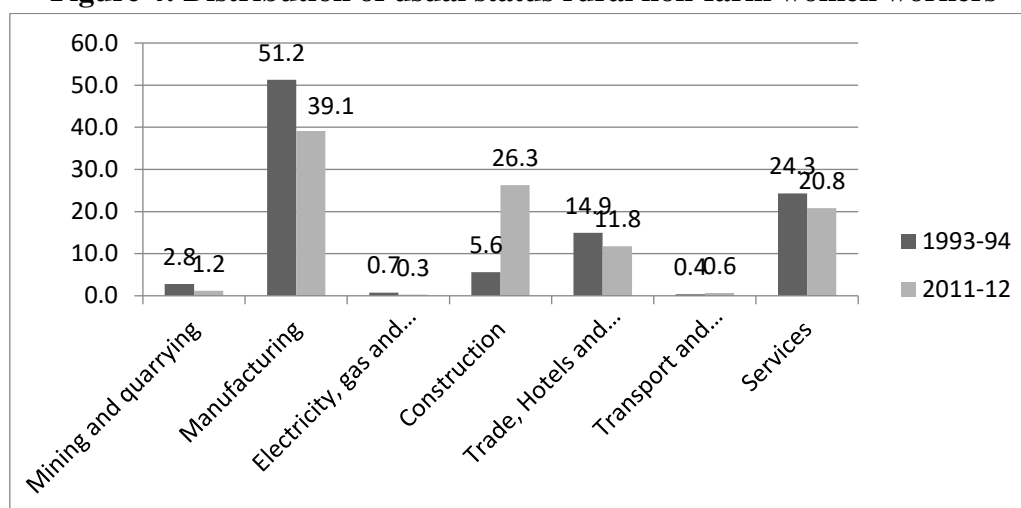
In rural areas, women workers are faced with the problem of remaining mostly stuck in agricultural activities (Figure 2). Thus, a decline in agricultural employment for women in rural areas has a major impact on the overall WPR of women workers. In rural areas, it has been argued that apart from the supply side factors related to lack of access to education, training and lack of employability for women, the low WPRs primarily reflect the lack of available employment for women workers. The fact that almost 75 percent of usual status women workers were still engaged in agriculture despite a loss of absolute employment for women in the sector shows the degree of concentration of rural women workers in agriculture. The distribution of the rest of the 25 percent of women engaged in non-farm employment options is given in figure 4.

Figure 4 clearly shows that the most important non-farm sector for rural women workers was manufacturing. While for the years 1993-94 and 1999-00, manufacturing was followed by services as an important sector for women workers, in the latest year, construction showed a substantial surge in women's engagement after manufacturing, thus pushing the service sector to third place. The service sector here includes financial services, public administration, education, health, community and other services. Women workers were also present in smaller numbers in the trade, hotels and restaurants sector.

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 the labour intensive

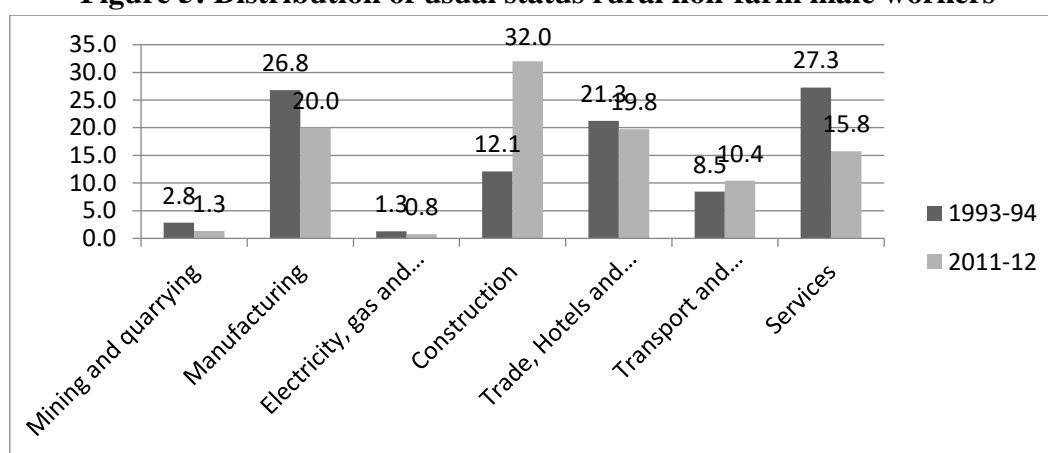
manufacturing and certain service sectors. The only emerging sector of employment in rural areas for both men and women was the construction sector. Construction employment for rural women increased from 0.8 mn in 1993-94 to almost 6.4 mn in 2011-12 (EUS 2011-12, NSSO). A major part of such increase in employment in construction can be directly traced to government interventions through wage employment programmes such as the MGNREGA that led to substantial employment generation in the rural areas<sup>2</sup>.

**Figure 4: Distribution of usual status rural non-farm women workers**



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

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



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

<sup>2</sup> The NSSO uses code 41 and code 42 to capture other public works and MGNREGA work separately for the current daily and current weekly status. However, MGNREGA work is not provided by a separate code under the usual principal and subsidiary status workers and is reflected in code 41. According to the unit level estimates provided by the 68<sup>th</sup> round of EUS, NSSO, the number of women workers employed in MGNREGA and other public works programme in 2011-12 was approximately 4 mn which implies that approximately 65 percent of women's employment in construction was driven by government initiatives. Out of these, a large part of the employment were MGNREGA workers.

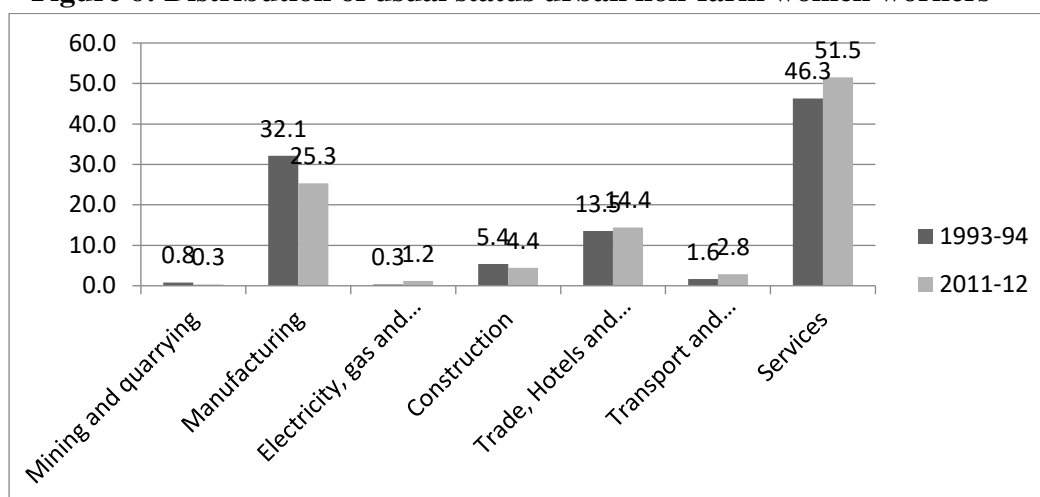
Understanding the diversification of activities for women workers cannot be an exercise in isolation, without looking at male activities. Figure 5 shows that the trends were not similar for male workers. Rural non-agricultural male employment was more diverse compared to women's employment patterns, as is evident by comparing the above figures. Male employment in non-agricultural sectors showed substantial presence in trade, transport, hotels and restaurants and other services, apart from the usual labour intensive sectors like manufacturing and construction. This points to limited availability of non-farm employment options for women in rural areas, and indicates certain rigidities involved in the distribution of women workers across sectors.

### ***Urban employment diversification***

The urban employment distribution of non-farm women workers showed greater diversity compared to their rural counterparts. The presence of urban women workers in agriculture was around 11 percent in 2011-12, having dropped from nearly a quarter in 1993-94 (Figure 1.2, chapter 1). At 5.6 percent in 2011-12, the share of urban male agricultural employment to total employment is low. However, 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.

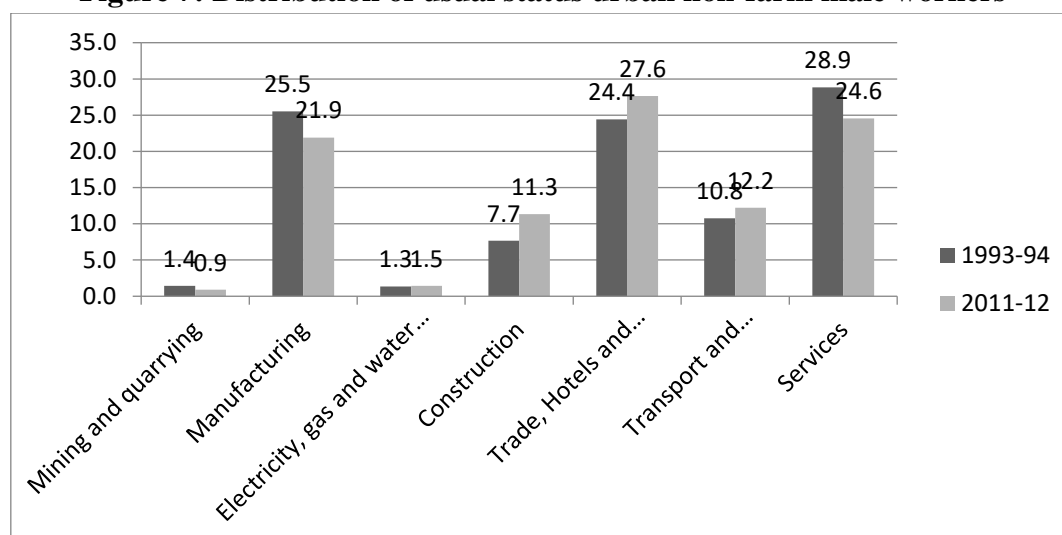
The distribution of the 89 percent (almost 20 mn) of women workers engaged in non-farm activities in urban areas is provided in figure 6. The trends clearly differed from those in rural areas. The service sector emerged as the most important form of non-farm engagement for women workers in urban areas, followed by manufacturing and trade, hotels and restaurants. The figure also shows a decline in the share of manufacturing employment in urban female employment over the period. For the men on the other hand, the distribution of employment across non-farm sectors did not show any concentration in particular sectors, but was spread across all the seven sectors (Figure 7). Manufacturing, services, trade, transport and construction sectors are the major employers, compared to the other sectors. Such a spread across sectors was also observed in rural male employment in non-farm sectors. However, 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 6: Distribution of usual status urban non-farm women workers**



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

**Figure 7: 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***

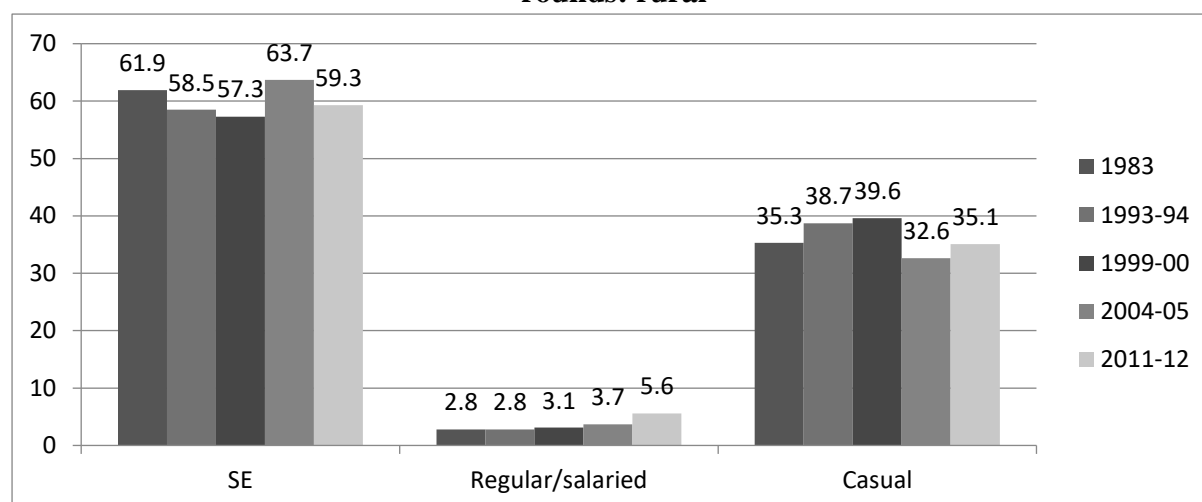
Another important feature of women's employment in India is the large presence of self-employment among women workers, which has been evident in both rural and urban areas. Almost 50 percent of all women workers in India were self-employed in 2011-12, with the incidence higher for women in rural areas compared to the urban areas (Figures 8 and 9)<sup>3</sup>.

Casual employment, which mostly captures the daily wage labourers in the NSSO-EUS, dominated the wage employment patterns of women workers in rural areas. The incidence of

<sup>3</sup> The NSSO-EUS provides the detail of workers by their contract of employment, classifying them into three categories, namely self-employed, regular and salaried and casual workers. As the nomenclature suggest, the first category consists of self-employment and the rest are wage employment. The figures provided by the NSSO-EUS for the last few major rounds of survey since 1983, show substantial incidence of self-employment among women workers in both rural and urban areas.

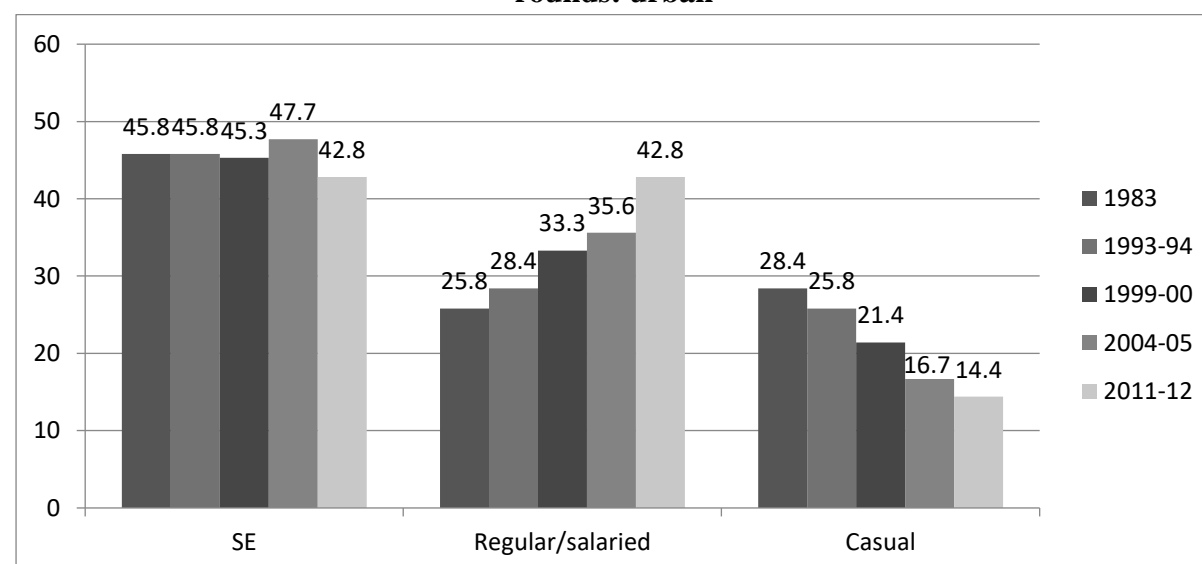
regular work among women in rural areas was negligible (figure 8). On the other hand, in the urban areas, there was a steady increase in regular employment for women which is evident from figure 9. The 2011-12 numbers even showed a significant presence of regular employment for women wage workers, as compared to casual employment.

**Figure 8: Status of women workers by contract of employment for different EUS rounds: rural**



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

**Figure 9: Status of women workers by contract of employment for different EUS rounds: urban**



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

### *Self-employment among women workers*

Characteristically, self-employment in most cases does not have fixed hours of working and has the flexibility of working from home which claim to make such forms of employment



attractive for women workers who also have to attend to domestic chores and care work. In the absence of state provisioning for care work, such forms of employment become relatively more acceptable than working away from home. In India, as shown by the figures, the importance of self-employment among women workers was evident even before the period of globalisation. A significant proportion of self-employed women workers were engaged in agriculture. However, the distribution of self-employment across sectors among women workers changed over the period. While the share of self-employed in agriculture declined from 81 percent to 72 percent over 1993-2012, it increased in manufacturing and retail trade (Table 1). The incidence of self-employment also increased in education.

**Table 1: Distribution of female self-employed workers by sectors: All India (%)**

	1993-94	2011-12
Agriculture and allied	80.5	71.6
Manufacturing	10.4	17.6
Retail trade	4.2	5.5
Education	0.3	1.0
Rest of the Others	4.6	4.2

Source: Unit level estimates, EUS, 1993-94 and 2011-12, NSSO, GOI

In the manufacturing sector, self-employment is likely to be associated with exploitative practises and poor working conditions. Most self-employed workers were engaged in low productivity activities which provided lower earnings due to piece-rate payment practices and much longer hours of work. Self-employment in manufacturing also tends to be associated with uncertainty of work and unpredictable incomes. A large part of the self-employment in manufacturing is carried out from home. The exploitative practices associated with such self-employment have been documented in a range of micro studies on women manufacturing workers in India. Mazumdar (2007), in a survey of women manufacturing workers in Delhi, documented such poor payment arrangements accompanied by a wide range of activities which included providing specific end products or intermediate goods for a multitude of manufacturing activities in textile, garments, engineering, chemical and leather industries. Similar trends have been reported by case studies conducted across several parts of the country by Mukhopadhyay (1999), Neetha (2002), Mahadevia (2001), Nandi, et al. (2006), AIDWA (2010) and so on.

These studies reveal the engagement of women with local manufacturing units. The activities included food processing, stitching labels on garments, stuffing cotton in quilts, beading necklaces, patchwork embroidery, making *rakhis*, sticking *bindis* to making elements for ironing presses and some potentially hazardous work in chemical processing and glass industries. The list of course is not exhaustive. However, apart from piece rated payment arrangements and no fixed timings of work, another common finding from these case studies was that these women workers were engaged in a myriad activities that situated at the lowest level of the production chain with very little value addition or skill development.

Given the range of activities that women performed in the manufacturing sector, as revealed by the case studies, it could also be concluded that there was a greater dependence of specific

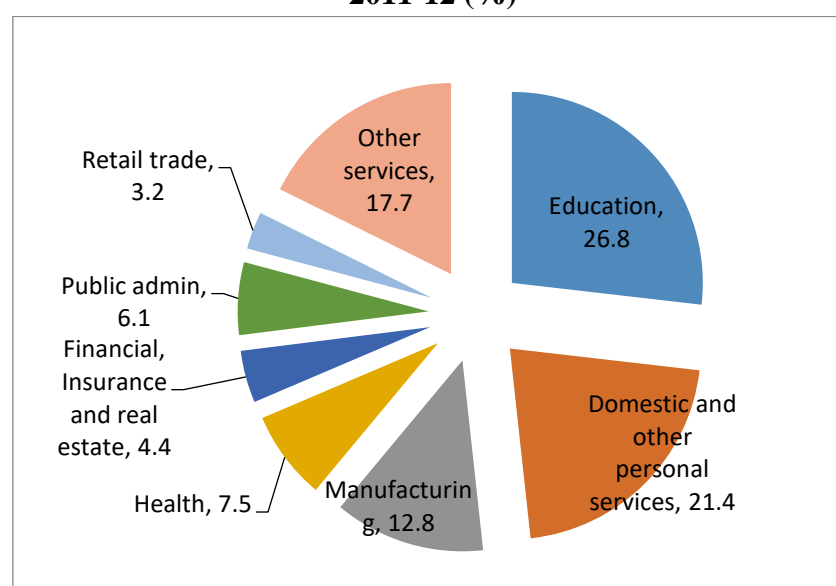
local low productive, labour intensive manufacturing units on the labour of women. In fact it can be argued that in the current regime of a rabidly competitive globalisation, the sustainability of these units of production that face continuous threats of extinction from the big corporations, both domestic and multinational, relies massively upon the availability of a continuous supply of cheap female labour. Therefore such a pattern of self-employment in manufacturing suggests that engagements like these were more of a survival strategy rather than a demand-led expansion of productive opportunities for women.

### ***Wage employment among women workers***

Wage employment in women are categorised into regular and salaried workers and casual workers. Regular and salaried workers are defined by the NSSO as those workers who have a regular and steady flow of income at regular intervals thus providing relatively greater security and are also associated with non-wage benefits in specific cases. Figures 8 and 9 show that regular work among women increased over the period both in rural and urban areas. However, it was more prominent in urban areas and almost negligible in rural areas. While it can be argued that regular and salaried work entail better employment opportunities provided the regularity in flow of income associated with such a contract of employment, a closer scrutiny reveals certain pitfalls.

The data for 2011-12 reveals that apart from education, manufacturing and other services, a large part of the regular employment for urban women comprised of domestic workers (figure 10). It is common knowledge that domestic services are often poorly paid, do not follow the minimum wages and the work conditions are often harsh. Such regular employment is thus not the most preferred engagement for women and also suggests that regular employment is not always “beneficial” for women workers.

**Figure 10: Distribution of regular employment across non-agricultural sectors:  
2011-12 (%)**



Source: Unit level data, EUS 2011-12, NSSO, GOI

On the other hand, casual work as defined by the NSSO captures mainly agricultural labourers, construction workers and other daily wage labourers in rural and urban areas. While the incidence of casual employment among both rural and urban women reduced, in rural areas, the share of casual employment among total rural female employment was still substantial at 35.5 percent in 2011-12 (figures 8 and 9). The distribution of casual employment by broad sectors reveals that in rural areas, there was a substantial decline in the share of agriculture and a corresponding increase in construction. While this does not indicate that all agricultural labourers moving out of the sector were accommodated by construction, it clearly shows that such employment, mainly driven by MGNREGA, emerged as a more attractive alternative to rural women workers over the latter part of the period.

The rural employment guarantee was implemented at the peak of the agrarian crisis in mid 2000s and came as a relief to a large number of rural workers, mainly women. Since MGNREGA promised to provide a guaranteed minimum wages to the workers, it attracted a large number of rural women workers to take up these alternatives, even if those were relatively low productivity non-agricultural activities. Apart from MGNREGA, that constituted almost 65 percent of total rural women workers in construction (discussed earlier), the others remained engaged in construction activities related to infrastructure development, mainly construction of roads, which could be linked to the boom in the construction sector in the latter half of the period of analysis.

**Table 2: Distribution of Casual employment of women by sector and location (%)**

<b>Rural</b>	<b>1993-94</b>	<b>2011-12</b>
Agriculture	91.1	75.1
Manufacturing	4.7	4.0
Construction	2.0	18.6
Others	2.3	2.4
<b>Total</b>	<b>38.7</b>	<b>35.5</b>
<b>Urban</b>		
Manufacturing	23.9	23.0
Construction	14.6	23.5
Retail Trade	0.9	1.1
Others	60.6	52.4
<b>Total</b>	<b>25.8</b>	<b>14.4</b>

Source: Unit level data, EUS, 1993-94 and 2011-12, NSSO

In the urban areas, casual employment accounted for only 14.4 percent of women workers in 2011-12. Manufacturing and construction together constituted nearly half of the total casual female employment in urban areas (Table 2). Despite an overall decline in urban casual employment, the share of manufacturing in casual work remained the same and the share of construction in casual work increased. This increase was not as high as in the rural areas but was still quite significant at almost 10 percentage points. The increasing importance of

construction in casual employment can be linked to the surge in construction activities in urban areas, especially from the early 2000s.

Therefore, in 2011-12, the bulk of the work performed by women was in the form of self-employment. Increases in self-employment also occurred in typical manufacturing activities. While the activities in certain sectors namely garments, textiles and apparels, could be linked to the export manufacturing sectors, clearly there were also manufacturing activities that catered to the local markets without any specific global linkage, with very low returns to work as evident from case studies. This increased incidence of low productivity activities is a clear manifestation of the overall lack of dynamism in the manufacturing sector. Thus, despite being one of the important sectors of non-farm employment for women workers in both rural and urban areas, home-based manufacturing work for women did not reflect much positive change in women's quality of work. The increase in wage employment among women workers, especially regular employment among urban women in the service sector activities did provide some positive dynamism, although limited in magnitude. However, as the data show, a little more than one-fifth of the urban female regular employment was in domestic services. A large part of the increases in wage employment was due to increase in casual employment in construction. This was visible in both rural and urban areas, albeit more in rural areas. So the process of growth failed to create better quality employment opportunities for women. The newer opportunities created were mostly low productive activities, which did not indicate an improved status of women workers.

### **Concluding Remarks**

The shift of policies from liberal Keynesianism to conservative monetarism marks the beginning of neoliberal era that entails deep change in labour regimes. The accord between classes during the Fordist-Keynesian regime that was meant to strike a balance between production and consumption through standardizing both and that defined returns on the basis of institutionalised contestations crumbled in the market society. Market contestation invokes demolition of existing institutions that protect wages and certain standards that are not always linked to productivity.

Furthermore, it is also a process that facilitates primordial forms of labour regimes in which workers loses out across the globe due to declining bargaining power. Informalisation of workforce and increased fragmentation of work has been the dominant trend in labour market. Insecure forms of work and fluid labour has been the major plank of wooing capital by national governments. Increasing informalisation within the formal segment and related processes of outsourcing and subcontracting gradually blurs the distinction between formal and informal conditions of work. The duality seems to disappear rather we see a continuum with spot labour market on the one hand and formal protected employment as that in public sector on the other end. The declining difference however is caused by dismantling the protective rights of workers in the formal segment rather than by enhancing the rights and entitlements of those who work as informal labour. It has also been argued from a choice theoretic framework that workers are voluntarily informally employed making the best choice given the level of their education attainment. In other words, given their education levels they may not necessarily be better off

by opting for a formal employment and the choice is determined not just comparing earnings but the total 'package' of benefits and costs measurable and imputed in available options. Surveys in many advanced as well as in some middle income countries suggest that majority of the self-employed prefer their current form of employment compared to jobs available for them in the formal sector. This of course does not imply that the self-employed workers are not 'poor' nor also a claim that they are happy with their earnings but what is suggested is given the available opportunities working as informal worker can emerge as a preferred choice. In most of the developing countries it is primarily the non-availability of adequate formal jobs that manifest in a burgeoning non-standard forms of employment.

The process of normalising informal or unprotected labour through the discourse of labour market flexibility often seeks legitimization from the vantage point of global competitiveness. The argument is the following. In a globalized market local monopolies are destroyed by global players and as a result in a developing economy the producers are largely price takers as they neither have any control over prices of inputs nor on the output price since it resembles a competitive market. In such situation only option left for the producer in cutting down production cost is to push down wages in a flexible labour market. Since labour is a factor of production which is still rooted within the boundaries of nation-state and movement of labour being very much restricted compared to the freedom enjoyed by global capital, the supply of labour continues to be segmented and labour arbitrage continues to exist. It also allows capital to manoeuvre working conditions given the relative supply of labour and also the history of institutions that define the social sanction of conditions of work in particular nations. This is precisely the reason why despite the wage cost as a share of output has fallen drastically nevertheless it continues to be the mainstay of producers to increase productive efficiency. This excessive focus on reducing wage levels however does not seem to be prudent beyond a point. The reason being competition is largely driven by unit labour cost which is a composite index measured as a ratio of product wage per unit of labour productivity. In other words, unit labour cost is the wage paid to the worker measured in terms of output price with respect to the monetary value of output produced per unit of labour. It is evident from the relation that if the productivity of the worker increases keeping the wage unchanged or if the productivity increases faster than the rise in wages then unit labour cost declines. It can be shown that unit labour cost is directly related to real wage and the ratio of price of wage goods to the price of output and inversely related to labour productivity. Therefore, there can be various ways of reducing unit labour costs and pushing down wages is not the only option. One can argue that if the wage goods are subsidized or being cheapened by imports or through various household or community diversification strategies then *ceteris paribus* unit labour cost may decline. The East Asian strategy was primarily of increasing productivity through investment in fixed capital together with a strategy of 'subsidized learning'.

The process of financialisation and increasing concern on shareholder returns give rise to an investment trajectory that is increasingly dependent on debt and on the other hand consumption also seems to be largely debt driven. In such a scenario growth is bound to be low. Rising inequality between countries and within countries is reflected by a sharp decline in wage share in GDP for both advanced and developing economies. As a result growth faces a perennial

constraint in demand which is often tried to be displaced by asset inflation and related income in course of financialisation. On the other hand, cheapening of capital gives rise to higher capital intensity and also because of global integration favours technologies that are labour displacing. It has been pointed out that the weak linkages between the high rates of growth and employment were mainly due to the existing growth pattern. The overall macroeconomic strategy to achieve high rates of economic growth was dependent on a) greater reliance on exports especially of services; and b) increased dependence on capital inflows, especially of the short-term variety, that ushered in a very high rate of growth of output for the finance, insurance and real estate sectors.

These were associated with a boom in private consumption of the urban rich and middle classes fuelled by increased retail credit. In effect, such strategies led to urban centric growth which was reflected in some amount of employment dynamism visible in the urban areas. For both men and women workers, employment was created, albeit to a less than desired extent, in personal services, trade, hotels and restaurants and transport and communications. For women, however, the process of employment generation was a more complex affair, as certain specific trends, such as the phenomenal growth in the domestic services as a regular employment opportunity for women, were being generated through more complex processes. While the former was driving a part of the manufacturing employment for women workers and also created limited employment opportunities in IT-enabled services, the latter was not accompanied by commensurate levels of employment growth. Thus even the factors driving urban employment were restricted by the process of growth prevailing over the period.

The limited dynamism observed in women's work in the urban areas also comes with corollaries. The kind of employment generated in the urban areas for women revealed that the dynamism was limited to specific sectors of employment and was also in cases, reinforcing the stereotypes associated with women's work in terms of creating employment with low returns such as in domestic work and in some parts in home-based manufacturing and petty service activities. Manufacturing did not lead women's non-farm employment in urban areas; rather employment was created in non-trade services, both traditional and new activities. The bulk of the employment was created within the low-productive, low/unskilled activities such as a range of domestic and personal services; and some amount of employment was generated within the high growth, high productivity segment of the non-trade services, which required higher skills and higher levels of educational qualifications. Since these were low labour intensity sectors that produced high value added services and catered to a set of limited consumers, they had limited ability to create more new jobs. So the process of diversification of women's non-farm employment in urban areas also remained limited.

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