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CGIAR GENDER Platform panel on 12th April (13.30 - 15.30 IST)

Talking points:

Title of presentation: **The long road to structural transformation: women's labour force participation and employment opportunities in rural areas**

- In my intervention I will focus on women's participation in the labour force, particularly in the context of the process of structural transformation.
- At this point, I would like to clarify that I will be referring mostly to paid employment outside the home, which is an important dimension when you look at this issue within the context of development and structural transformation, in particular.
- Moreover, we should ultimately be focused whether women are able to access decent and productive employment not just any job. In the end it is about choice not restrictions on whether women stay at home or have to work in a menial, back-breaking job in a factory.
- For this reason, it is important to see women's employment in terms of economic development – the more productive and diversified an economy, the greater the opportunity to access decent jobs. However, it has to be acknowledged that there are different pathways and stepping stones that lead to this outcome.

- Stylized development process has been characterized by a movement of resources (workers and capital) from low-productivity sector (agriculture) to high-productivity sector (manufacturing) → movement out self-employment to wage employment
 - Manufacturing as a driver of development – i.e. Kaldor
 - Industrialization spurred urbanization, which drove the population to move to urban areas where the factories were located
 - Economies of scale and spillover effects
- This has been accompanied by
 - Increasing rates of educational attainment
 - Falling fertility rates
- These trends had important implications for women outside the household, particularly in the labour market

- However, the relationship between women's participation in the labour force and the development process is complex
 - The prevailing view is captured by the U-shaped hypothesis: Boserup (1972), Goldin,
- But, there is little comparative evidence to support this stylized fact. India has been a real puzzle in this regard. Over the 2000s and 2010s, the female LFPR in India

declined until recently, especially in rural areas – it was more stagnant in urban parts of the country.

Area type	2000	2005	2010	2012	2018	2019	2020
Area type: National	30.7	32.2	26.2	23.4	20.8	21.5	26.2
Area type: Rural	35.3	36.7	29.8	25.7	21.6	22.7	28.2
Area type: Urban	17.9	20	17.1	17.8	19	19	21.9

- Until recently, different reasons were given for this situation
 - o Increased education enrolment
 - o Income effect – change in preferences
 - o Measurement
 - o Lack of job opportunities - Occupational segregation
 - o Mechanization of agriculture in poorer states
 - Afridi, Bishnu and Mahjan Rising mechanisation in Indian agriculture has been accompanied by reduction in farm employment in rural areas, particularly for women - that the observed 32 percentage point increase in mechanisation during 1999-2011 can account for 22% of the 30% overall decline in women’s rural employment in agriculture

- COVID-19 had led to a greater decline in women’s employment around the world, especially among young women. But interestingly in the case of India, women’s participation has increased in 2020 (also in 2019).
 - o Does this represent a turning point (i.e. in the U-shape)?

- Due to the low (though increasing) rate of urbanization, the transition of women (and households) out of agriculture will determine the changes to over patterns of employment
- Ultimately, efforts are needed to ensure that more jobs are created outside the large metros to ensure that there are opportunities in the smaller towns. But to address this requires an integrated approach on policies
- Areas for policy action
 - o Demand-side policies to promote broader economic development, esp. in rural areas/smaller towns
 - o Education and skills development
 - o Access to jobs, credit, assets and information
 - o Transport, infrastructure and security
 - o Work-family balance, child-care, flexi-time, maternity benefits
 - o Working conditions and rights at work