



Women and work in South Asia: how important is structural transformation?

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“Women, Work and Structural Transformation in South Asia”

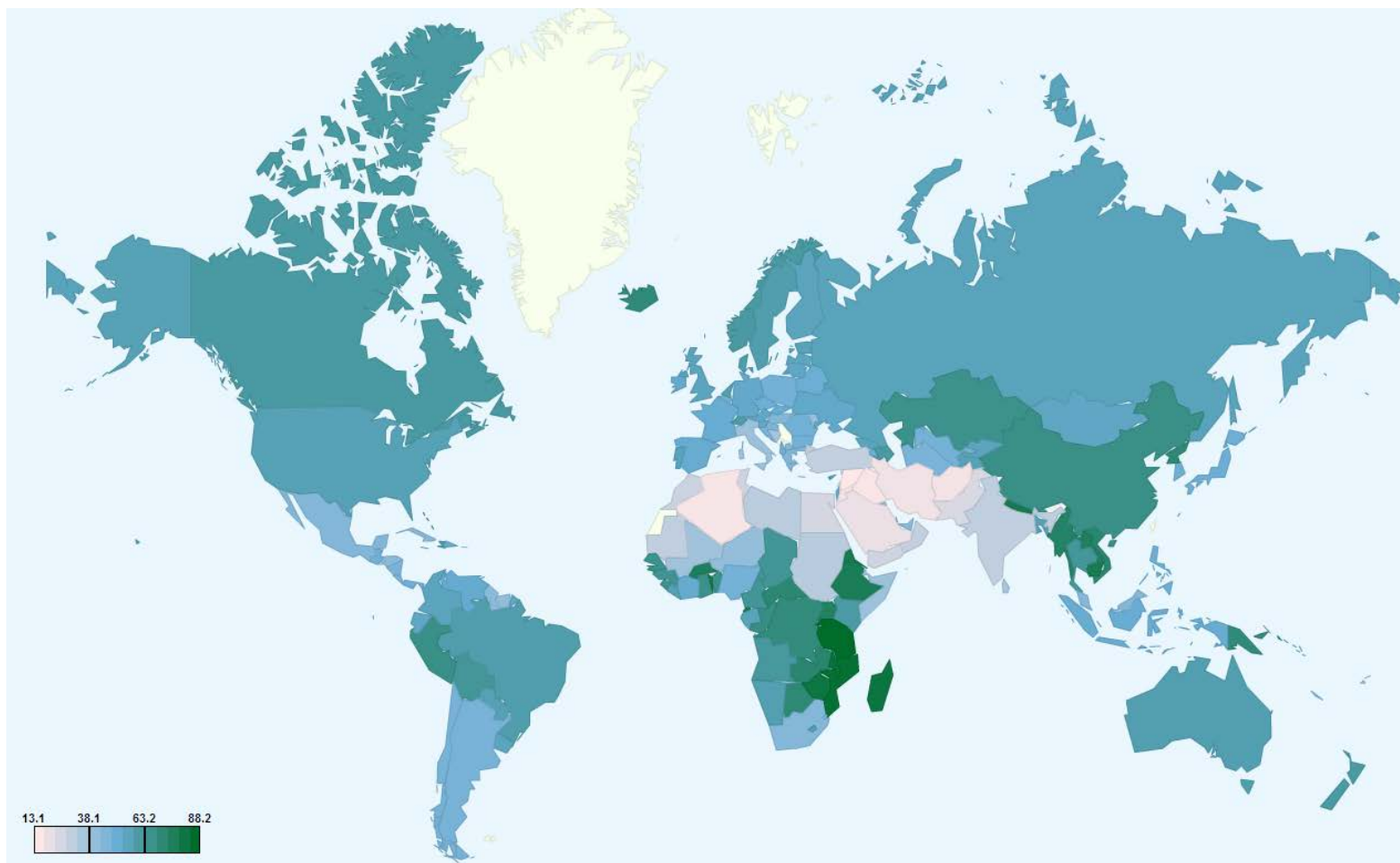
ISLE 2014 Ranchi



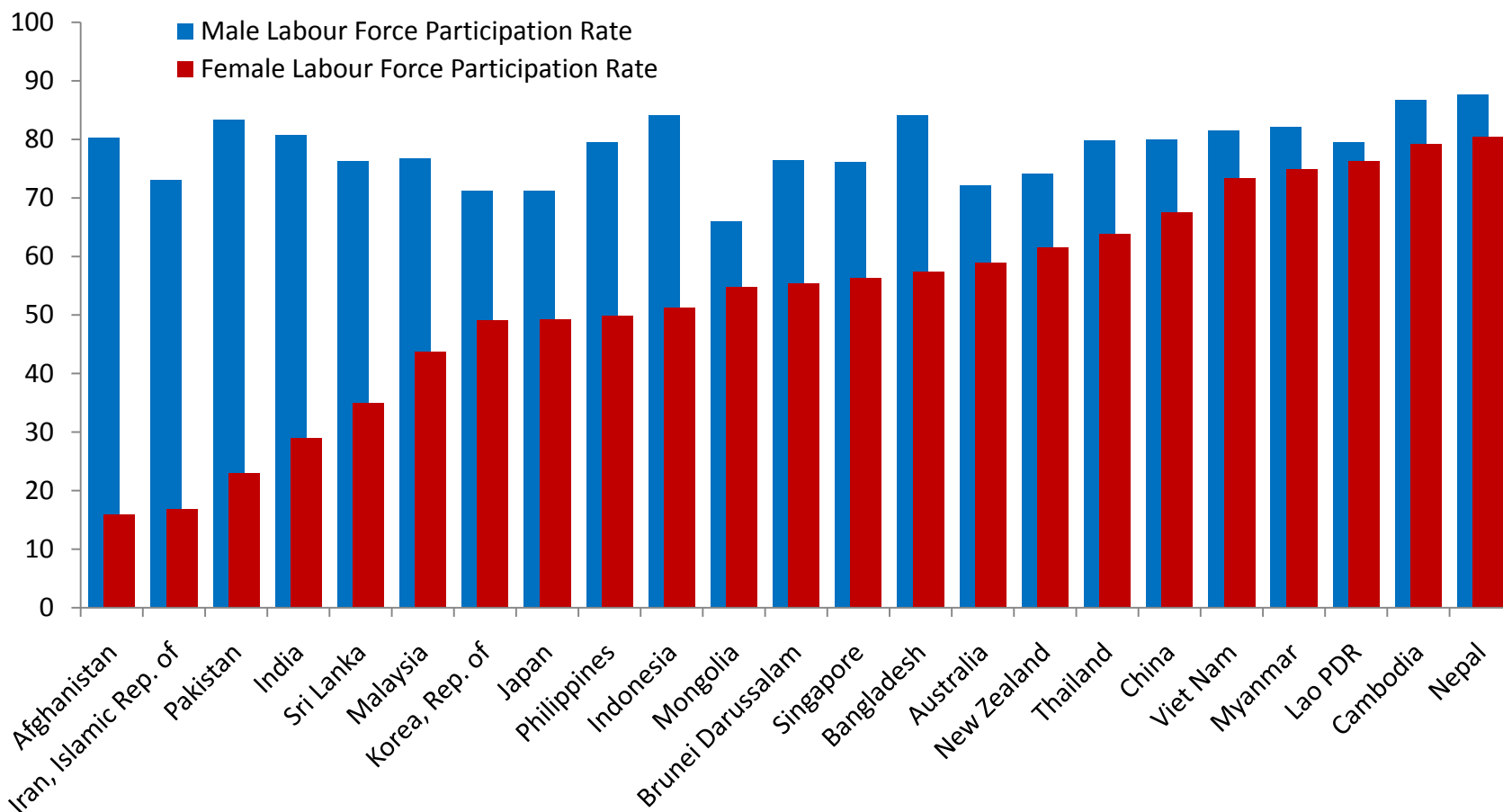
Outline

- Female labour force participation around the work
- Structural transformation and FLFPR
- What else drives FLFPRs?
- Trends and factors in India (and South Asia)
- Importance of education

Female LFPR around the world



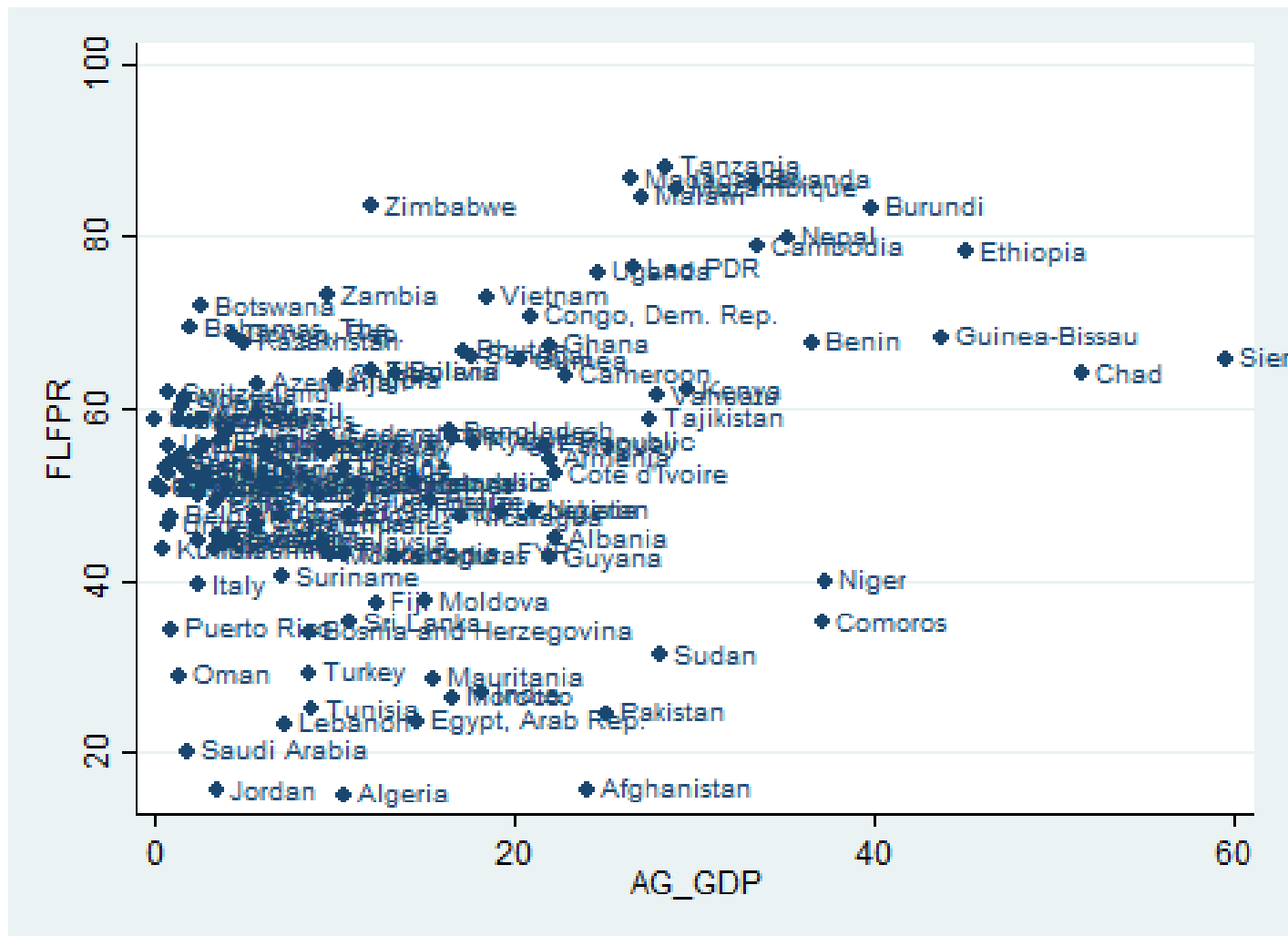
Gender disparities in LFPR in Asia



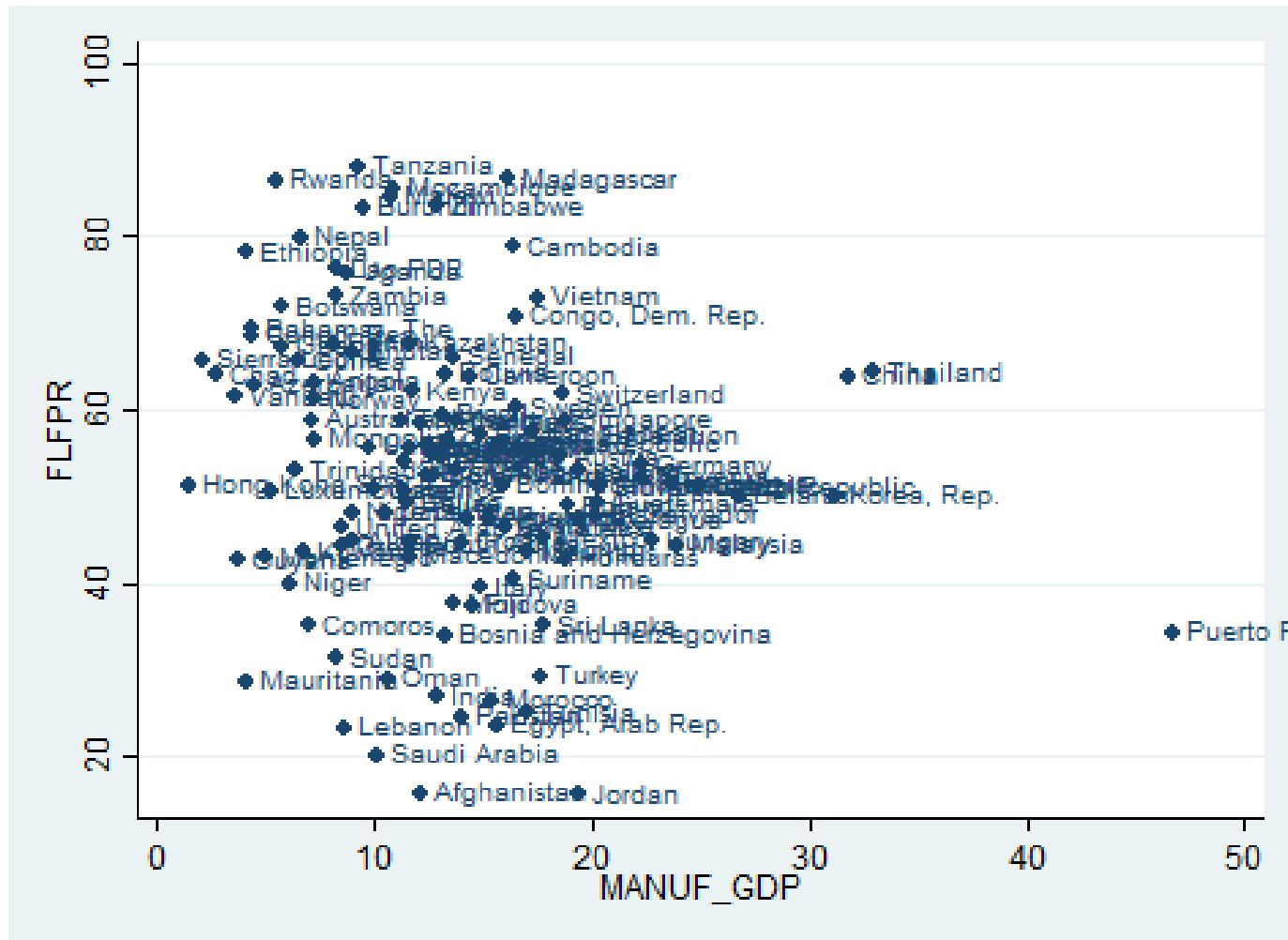
Structural transformation, work and gender

- Structural transformation - the reallocation of economic activity across three broad sectors (agriculture, manufacturing, and services) that accompanies the process of modern economic growth
 - Clark (1957), Chenery (1960), and Kuznets (1966)
 - Experience of East and South-east Asian countries
 - Can/should South Asia follow the same path?
- What is the relationship with female labour force participation?

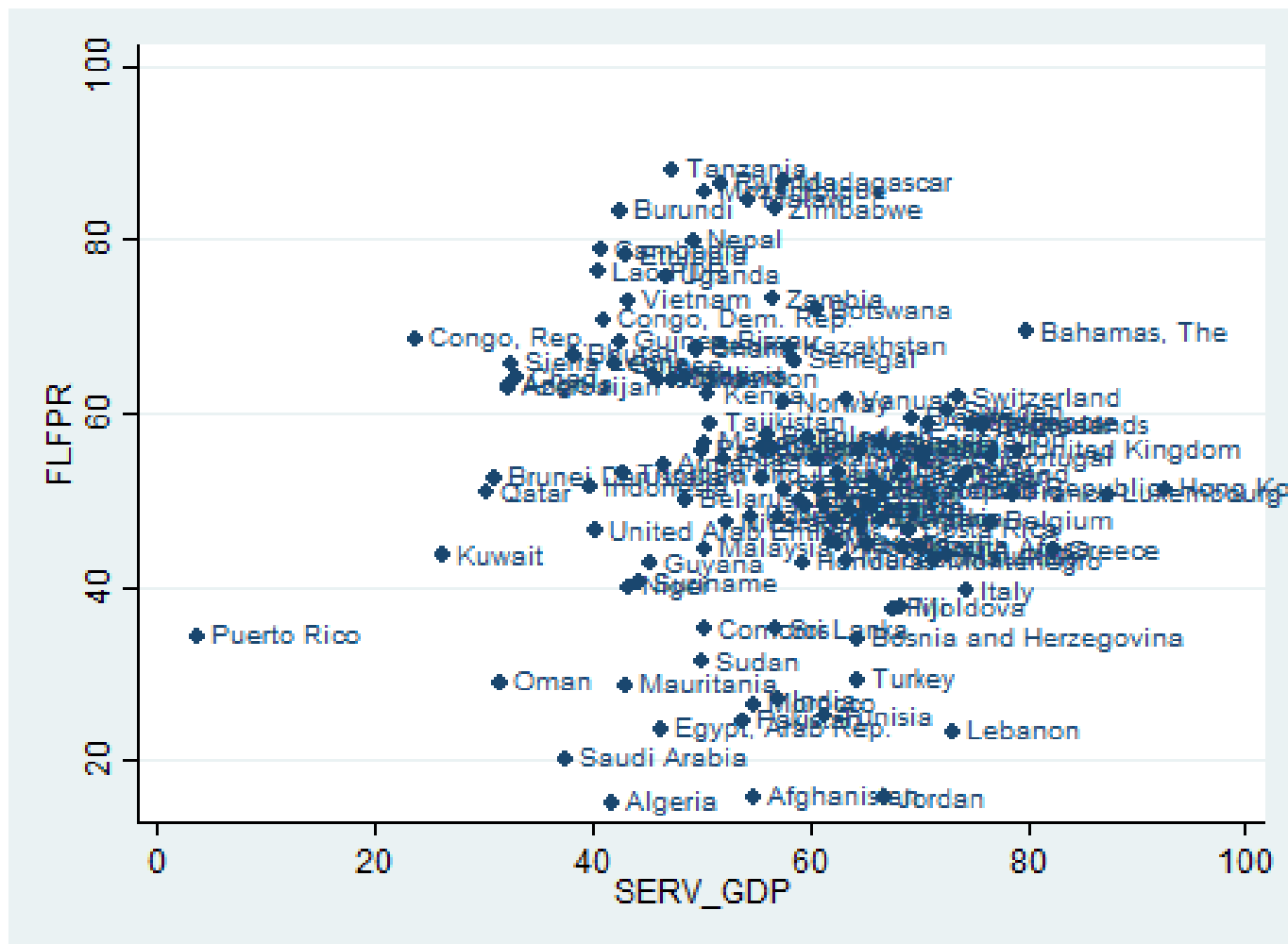
FLFP and agriculture/GDP



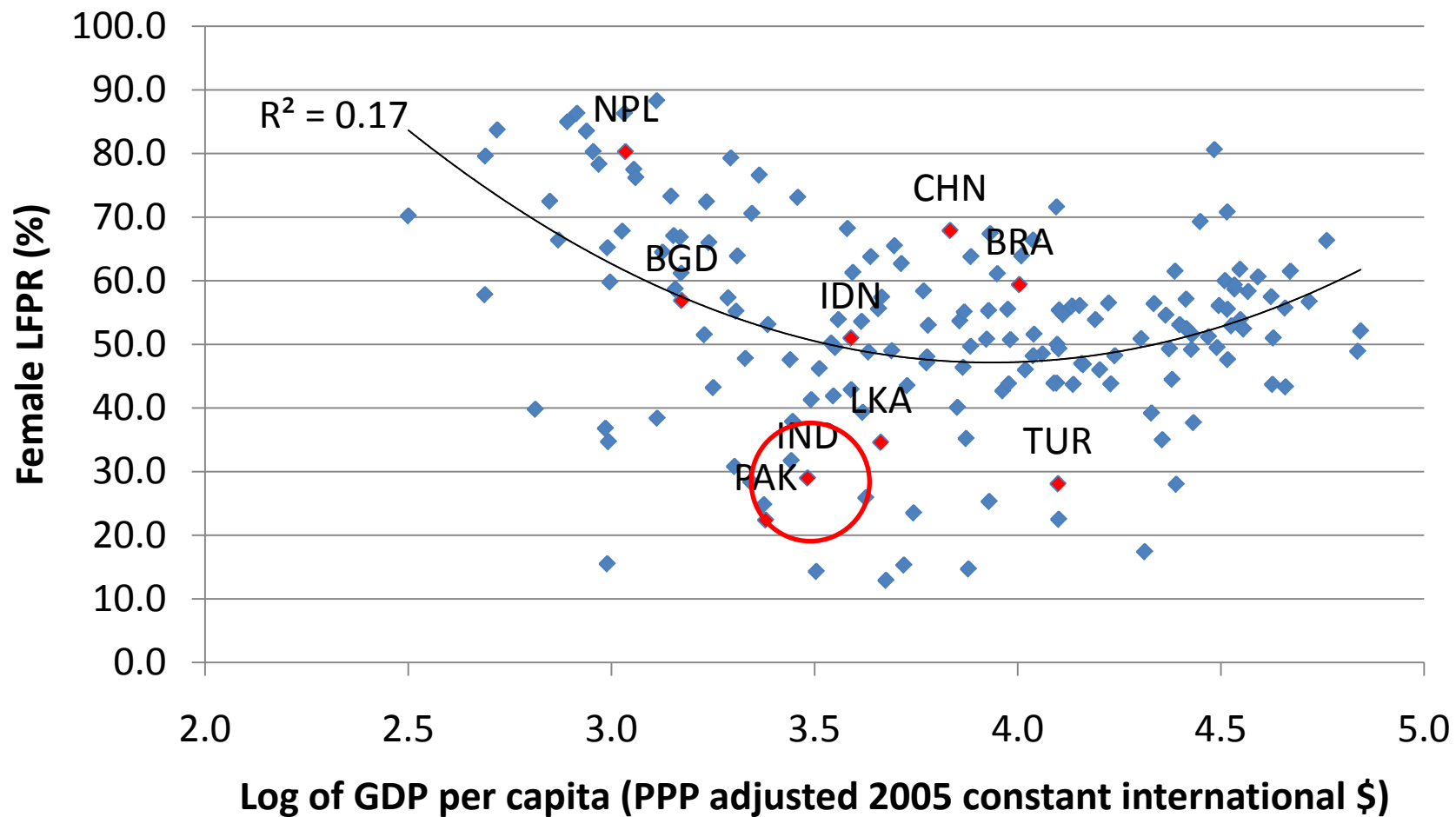
FLFP and manufacturing/GDP



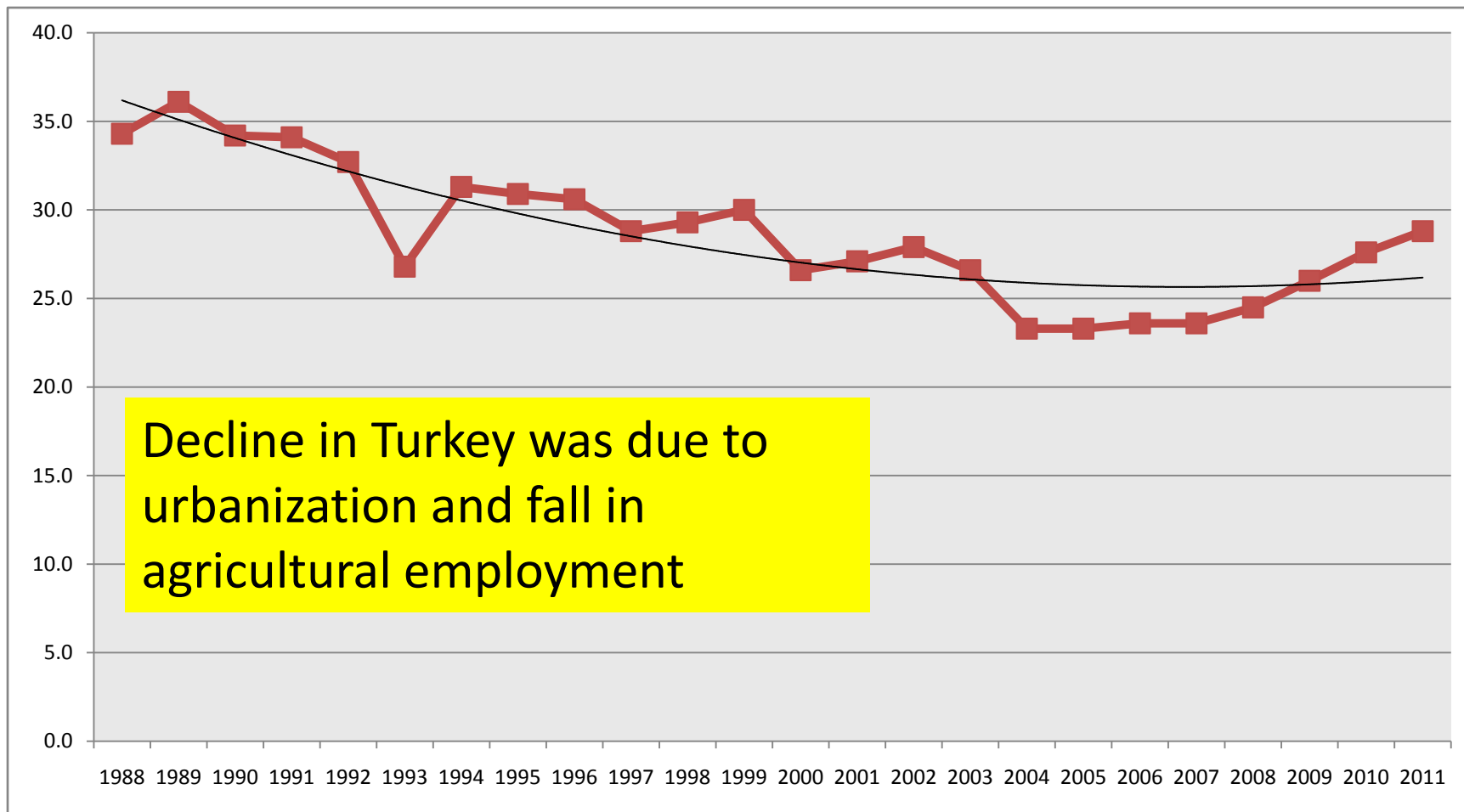
FLFP and services/GDP



U-shaped hypothesis



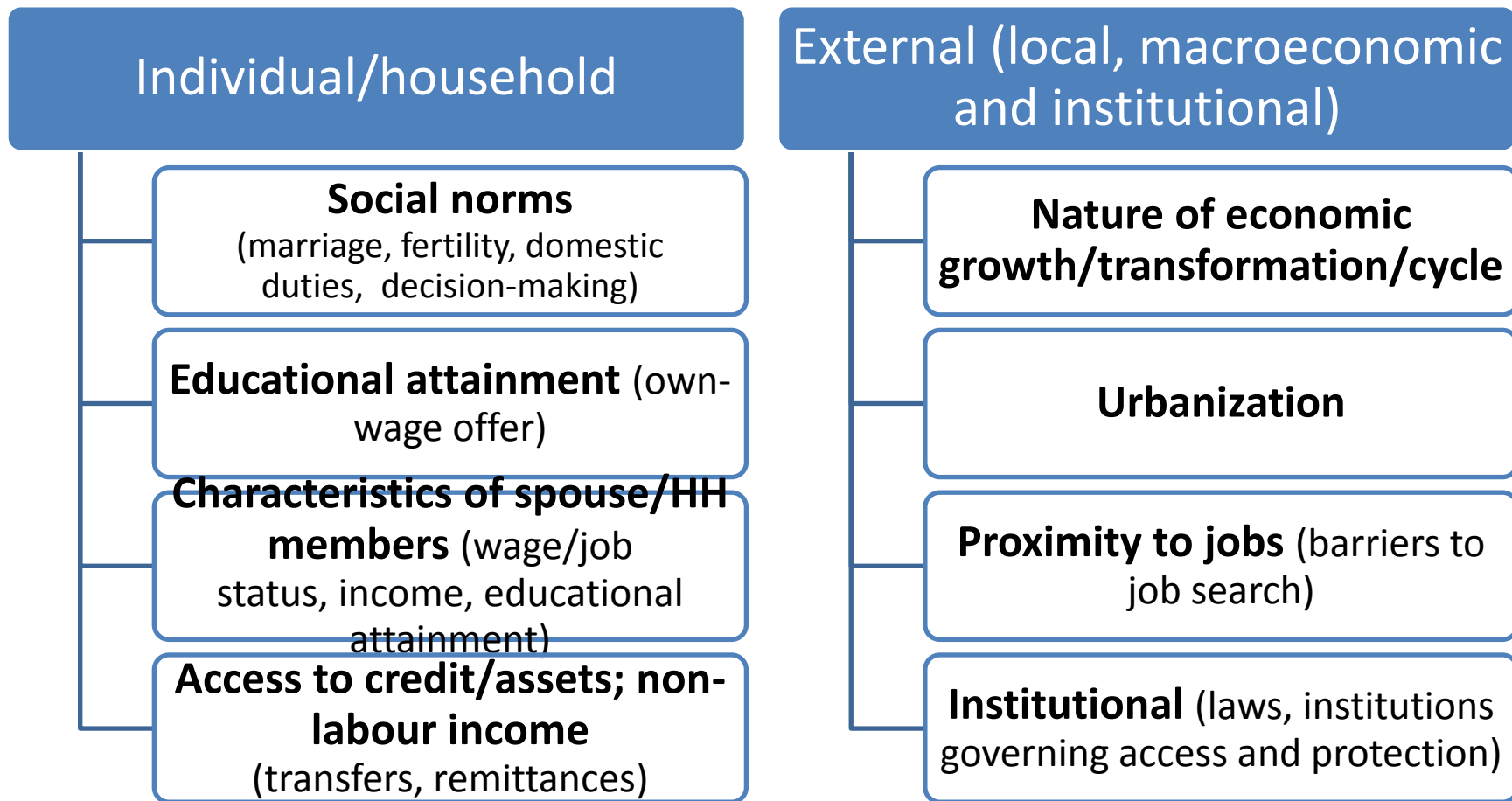
Turkey



Structural transformation, work and gender

- Sectoral pattern of growth and how this translates into employment has specific implications for women's participation in work
 - U-shaped hypothesis – right way to look at it?
- There are many demand and supply-side factors driving participation and work status of women

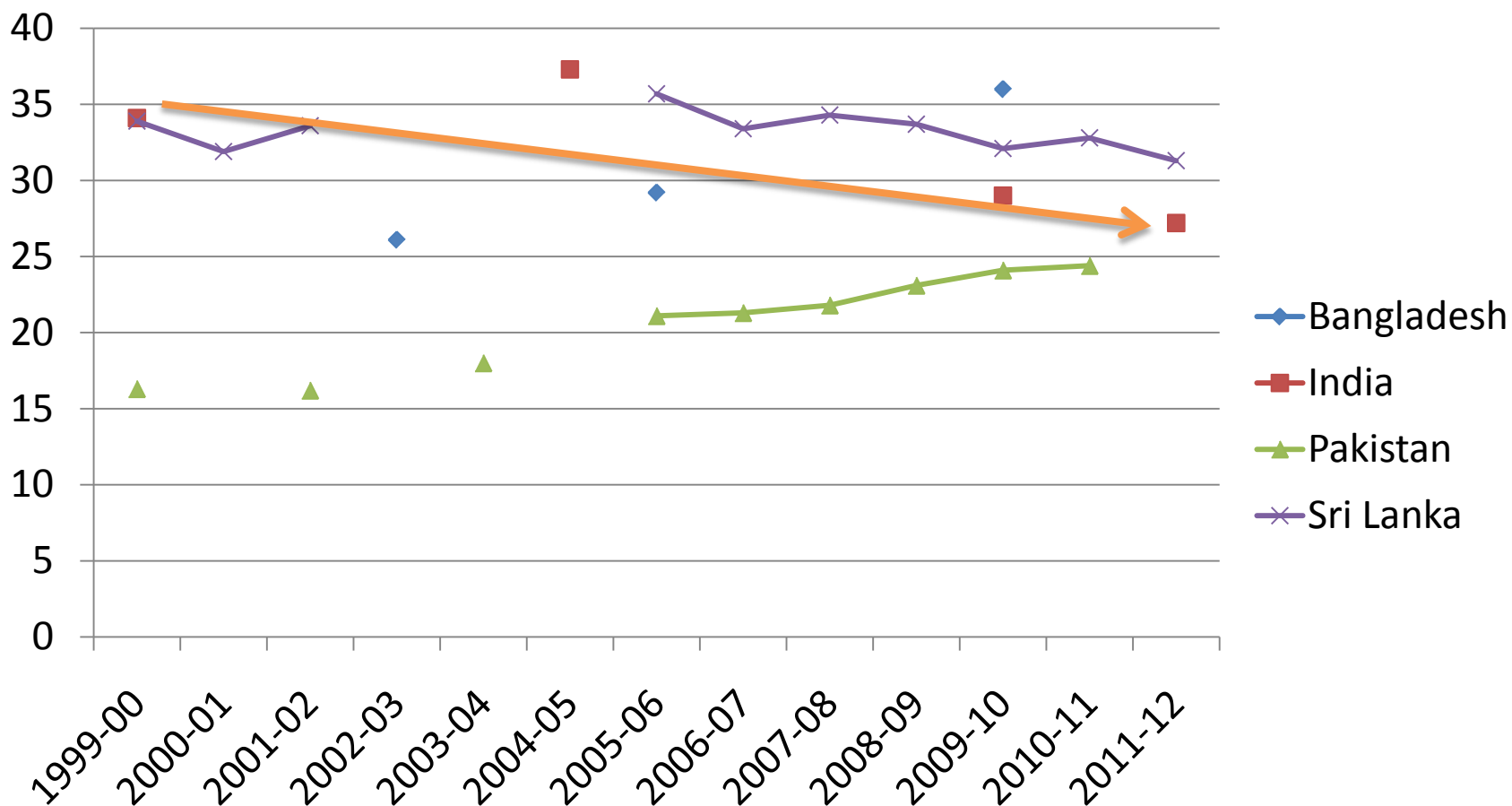
Literature: factors driving participation of women in work



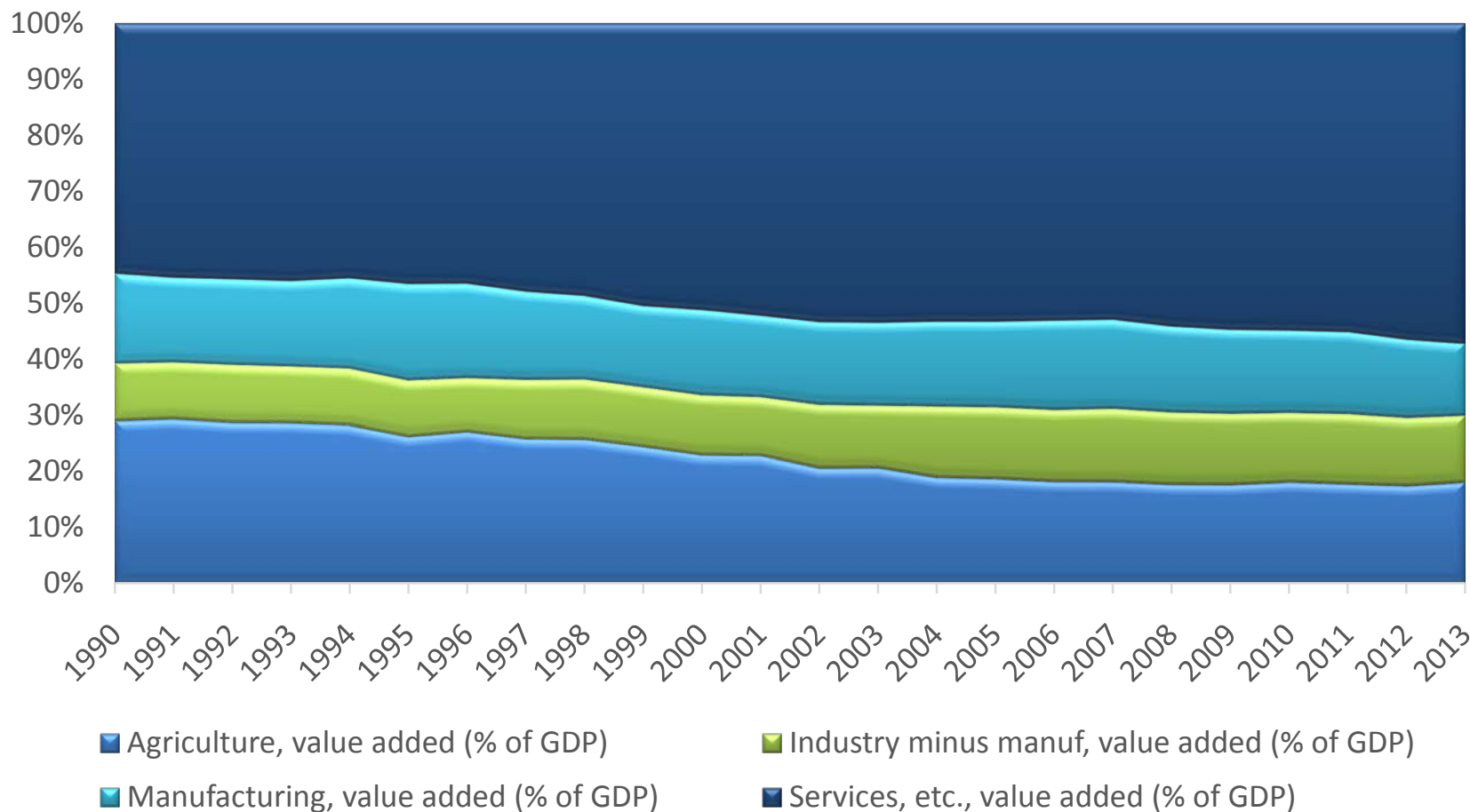
Cross-country regression

Variable	Coefficient
Proportion of women in parliament (%)	0.11**
Share of women in non-agricultural employment (%)	1.18**
Fertility rate (%)	2.58**
Urbanization rate (%)	-0.54**
Urbanization rate squared	0.00**
Duration of female secondary schooling	0.89**
Log of GDP per capita	-26.33**
Log of GDP per capita squared	1.72**
South Asia dummy	-8.67**
Constant	110.35**

Female LFPR trends in South Asia



Structural transformation in India – sectoral GDP shares



Change in structure of employment

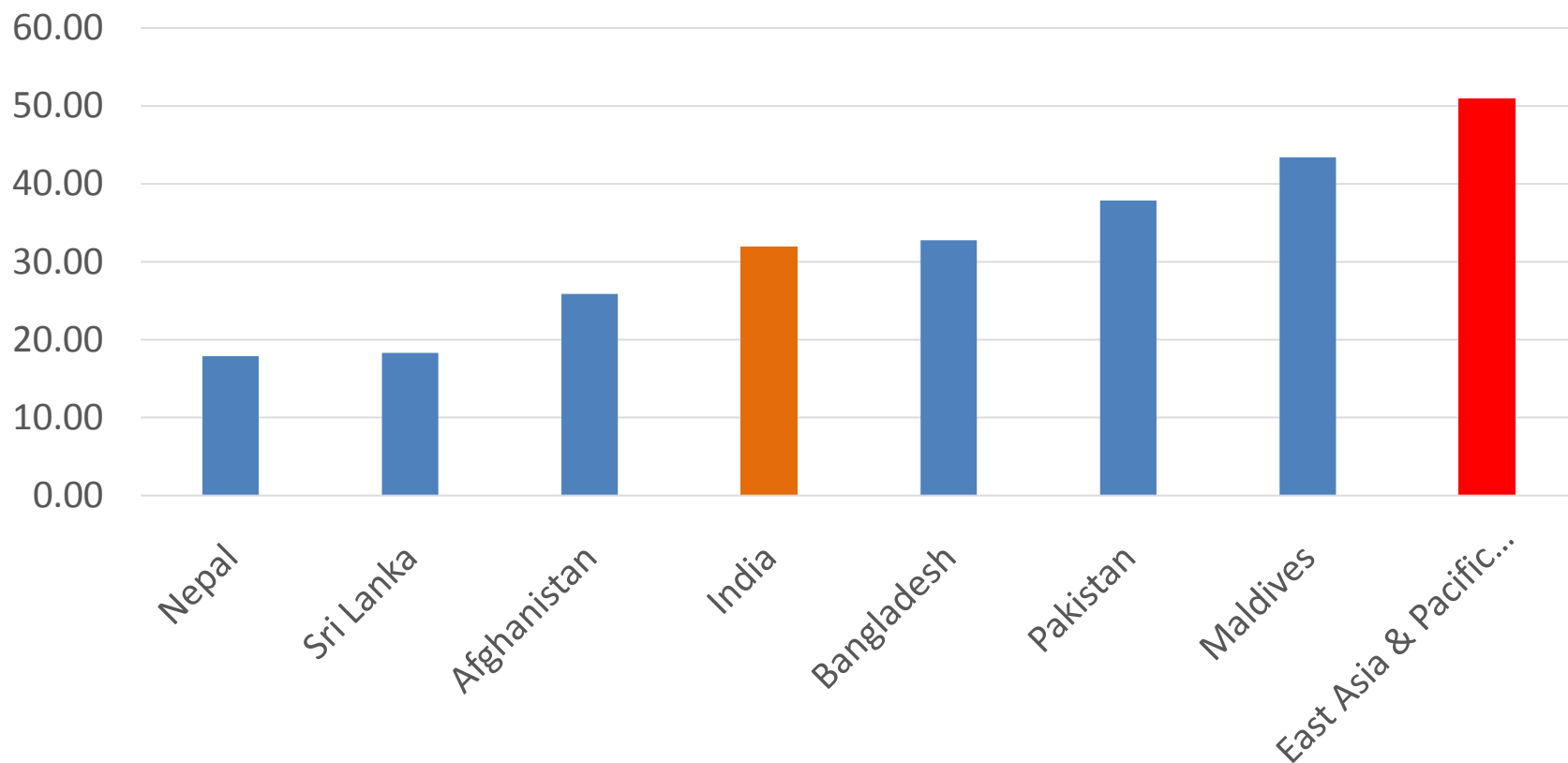
	Sectors of economy (%)			Status in employment (%)		
	Primary	Secondary	Tertiary	Self Employed	Regular Salaried	Casual Labour
2011-12						
Total	48.9	24.3	26.8	52.2	17.9	29.9
Male	43.6	25.9	30.5	50.7	19.8	29.4
Female	62.8	20	17.2	56.1	12.7	31.2
1999-00						
Total	61.7	15.8	22.5	52.8	14.0	33.2
Male	54.9	17.7	27.3	51.5	17.2	31.3
Female	76.3	11.7	12.0	55.8	7.1	37.1

Change in employment (millions)

Period	Rural male	Rural female	Urban male	Urban female	All persons
1983 to 1993-94	33.8	14	17.9	5.1	70.8
1993-94 to 1999-2000	10.9	1	10.8	1	23.7
1999-2000 to 2004-05	20.3	18.3	15	6.4	60
2004-05 to 2009-10	13	-19.5	9.4	-1.8	1.1
2009-10 to 2011-12	2.7	-2.7	9.4	4.5	13.9
1993-94 to 2011-12	46.9	-2.9	44.6	10.1	98.7

Urbanization is (s)low

Urban population (% of total)



Factors explaining Indian trends

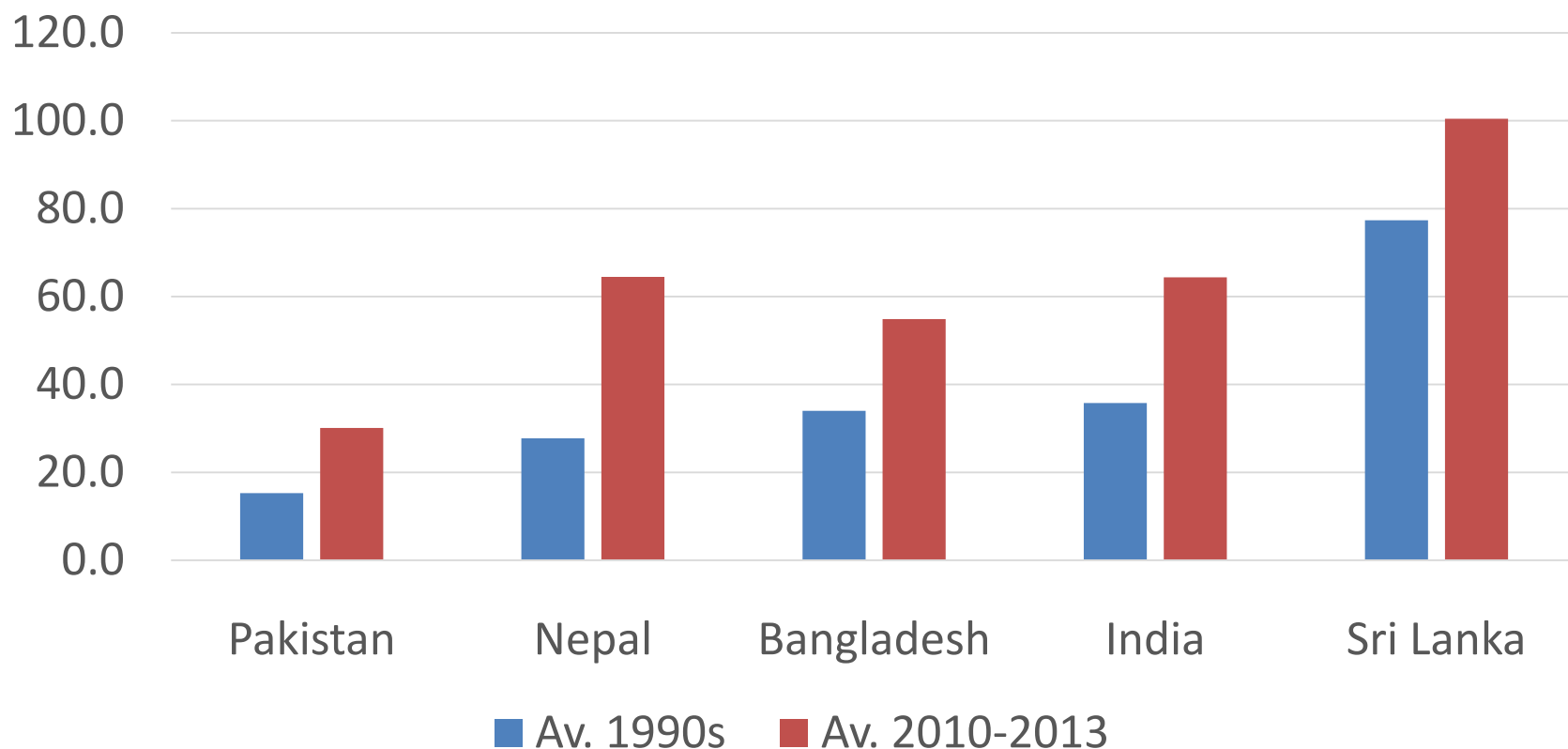
- Increased **education enrolment**
 - 2011-12: 36.7% of young women (15-24) engaged in education
 - 1993-94: 16.1%
 - U-shape relationship between education and FLFPR
- **Income effect** – change in preferences
 - Participation rate are highest for the poorest women but has fallen the most for this group
- **Measurement**
 - Women classified in CFW versus domestic duties
 - But they are not hiding in wage and salaried work...
- **Lack of job opportunities**
 - Occupational segregation
- **Mechanization of agriculture** in poorer states?

The importance of education

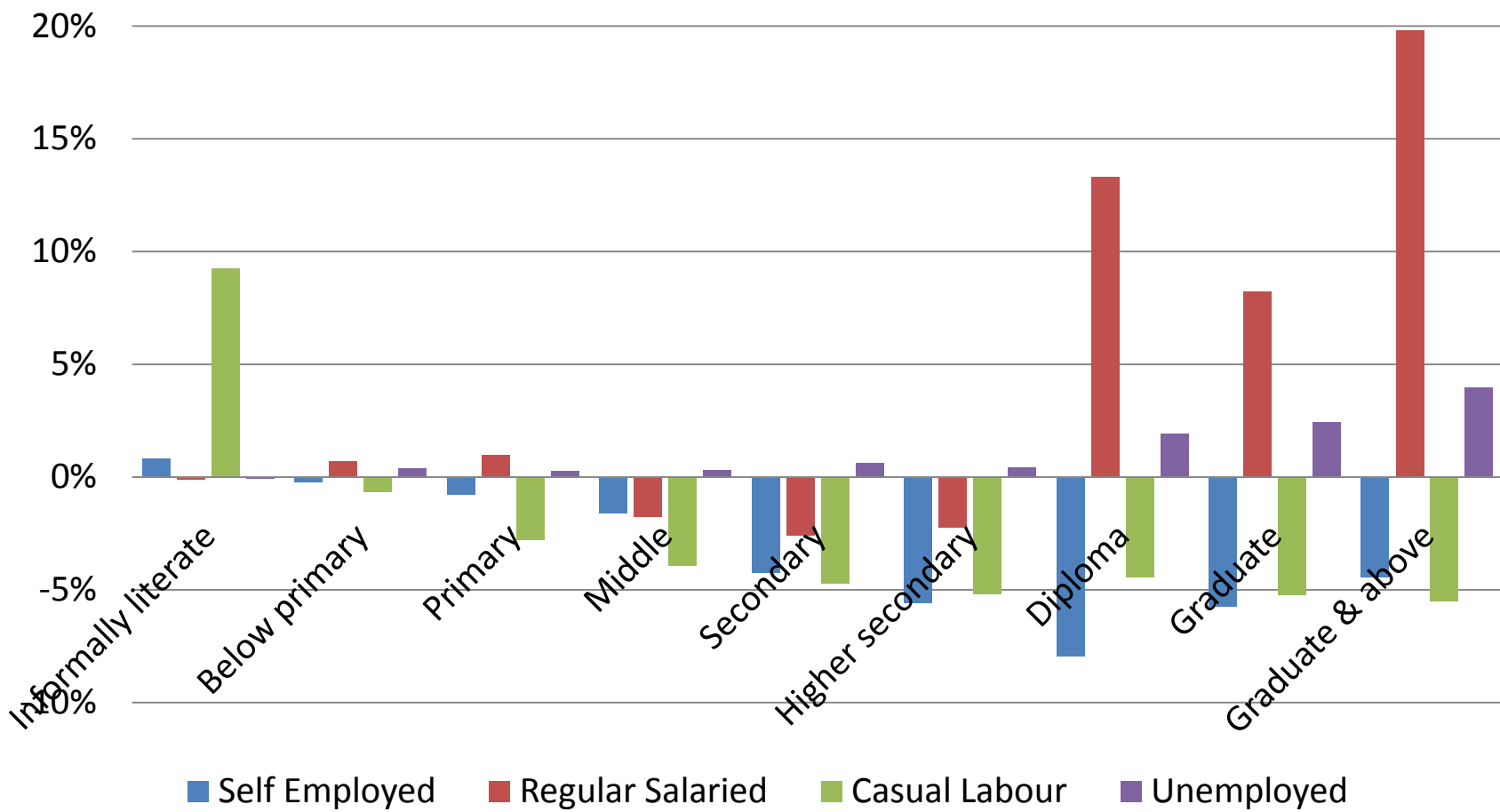
- Enrolment partially explains **decline in LFP** in India
 - 2011-12: 36.7% of young women (15-24) engaged in education c.f. 16.1% in 1993-94
- Education is also one of the **key factors driving better labour market outcomes**
 - For women, it raises opportunity cost (pull-factor) of not working but also increases reservation wage
 - Interacts with household income, status
- **U-shaped relationship** between education and LFP/employment – India
 - Poorly educated are pushed into employment (poverty) while highly educated are pulled into jobs

Improving female educational attainment in South Asia

School enrollment, secondary, female (% gross)



Importance of education in India: marginal effects (2011-12)



Final words

- Participation of women in the labour force is driven by a complex set of demand and supply-side factors
- Structural transformation (or the lack of it) hasn't driven higher participation of women in India but has been more important in other countries (e.g. Bangladesh)
 - India appears to be an outlier – low FLFP despite low level of urbanization and high share of GDP in services
 - Movement out of agriculture hasn't yet been followed by a movement into non-agriculture jobs except in urban areas
- Education remains a critical factor, along with access to jobs



THANK YOU