

Retraction of Female Labour Force in J&K Labour Market is a Rural Phenomenon

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Abstract: The sharp decline in the already low rate of female labour force participation rate in J&K labour market particularly when the economy was experiencing unprecedented improvement in human capital formation has raised concerns among policymakers and academicians. Female labour force participation has decreased from 39.86% to 31.61% while unemployment rate has increased from 1.47% to 8.76% during 1999-00 to 2017-18 (NSSO).

This decline is puzzling because large improvement has been observed in human development indicators among women during the reference period. The gender gap in participation has not only persisted but widened overtime due to sharp retraction of women from J&K rural labour market.

Keywords: Labour force, Human capital, Unemployment, Rural Labour Market

INTRODUCTION

Employment of women is an indispensable tool for poverty alleviation and a critical factor for inclusive growth (Desai, S and Joshi, 2019; Klasen and Pieters, 2015; Andres and Abraham, V, 2017). Increasing presence of women in labour market will not only ensure faster growth but also act as signal for declining gender disparity and empowering of women (Banerjee, M, 2019; Chatterjee and Desai, 2018). After the NSSO data for 2004-05 and 2017-18 were released, there was a lot of discussion about why the female LFPR has been declining since 2004-05, and several scholars have shed light on why this decline has occurred at national level (Fletcher et al., 2017; Mehrotra, S and Parida, 2017; Mazumdar, R, 2012; Mazumdar and Neetha, 2015).

In Jammu and Kashmir context labor force participation is reported to be considerably low and has been on consistent decline. It has decreased from 62.09% in 1999-00 to 55.68% in 2017-18. The overall decline in labor force has been mainly because of the sharp decline in female labor force participation rate, which has declined from 39.86% to 31.61% during 1999-00 to 2017-18.

There is barely any endeavor from the researchers in J&K to understand the paradox of declining female participation by way of rural/ urban disaggregation. Therefore, it is in the above background that the present paper proposes to analyze the dynamics female labour force participation in J&K labour market.

DATA AND METHODOLOGY

We use quinquennial 68th (2011 - 12), 61st (2004 - 05) and 55th (1999 - 2000) rounds of Employment and Unemployment unit level data of the National Sample Survey Organization (NSSO). Since, 2011-12 NSS has discontinued the quinquennial employment rounds. However, of late the Periodic Labor Force Survey (PLFS) has been made available by NSSO in 2017 - 18.

In order to capture the recent dynamics of J&K labor market, we employ PLFS 2017-18 annual surveys. The different participation rates reported here are based on Usual Principal and Subsidiary Status (UPSS).

Table1: LFPR and UR (1999-00, 2004-05, 2011-12 & 2017-18) UPSS

1999-00	Rural			Urban			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
LFPR	83.44	46.98	66.00	78.51	10.28	46.00	82.48	39.86	62.09
UR	1.03	1.06	1.04	4.75	9.06	5.23	1.72	1.47	1.64
2004-05									
LFPR	81.29	40.75	62.01	77.83	15.66	48.57	80.36	34.13	34.13
UR	1.79	1.35	1.65	3.84	12.90	5.21	2.32	2.75	2.75
2011-12									
LFPR	78.36	38.35	59.14	76.78	20.69	50.00	77.98	34.14	56.95
UR	2.30	3.10	2.55	4.32	19.01	7.23	2.78	5.40	3.53
2017-18									
LFPR	78.42	33.71	56.97	77.22	24.33	51.08	78.16	31.61	55.68
UR	3.94	5.70	4.44	6.22	23.39	10.27	4.42	8.76	5.61

Source: Author's own calculations based on unit level data of NSSO 55th, 61st, 68th and 2017-18, PLFS

The labor force participation in J&K is reported to be considerably low. It has decreased from 62.09% in 1999-00 to 55.68% in 2017-18. The overall decline in labor force has been mainly because of the sharp decline in female labor force participation rate, which has declined from 39.86% to 31.61% during 1999-00 to 2017-18.

Across the time periods under study (1999 – 2017 -18) decline in LFPR has been non – linear. The participation rate has decreased by 4 percentage points during 1999-00 to 2004-2005. From 2004 – 2005 to 2011 - 12 it has declined by 2 percentage points from 58.43% to 56.95%. Between 2011 - 12 and 2017 - 18 rate of decline in LFPR in J&K is about to 1 percent. For the entire reference period we report a decline of 7 percent in the LFPR from 62.09 % in 1999-00 to 55.68% in 2017-18 (See table 1)

Decline in LFPR although gender neutral is skewed towards a rapid decline in women participation in J&K. Women participation in labor market has decreased by about 8 percentage points in aggregate during 1999-00 to 2017-18 as against a 4 percent decline exhibited by men. In urban J&K LFPR has increased by 5 percent (from 46% to 51%) corresponding to a 10% decline registered in the rural participation. Rural LFPR has declined from 66 percent (1999) to 56% ((2017-18). During 1999-00 to 2004-05 LFPR in rural J&K has decreased by 4 percentage points from 66 to 62%. During 2004-05 to 2011-12 it has declined by 3 percentage points from 62.01 to 59.14%. LFPR further declined by 3 percentage points from 59.14 to 56.97% during 2011-12 to 2017-18.

On gender specific participation in rural J&K we report that women participation has decreased by about 13 percentage points from 1999 – 2000 to 2017-18. From 1999-00 to 2004-05 FLFPR has depleted by 6 percentage points from 46.98 to 40.75. From 2004 – 05 to 2011 -12 FLFPR exhibits a decrease of 2 percentage points. The rate of decline in FLFPR has been more rapid during 2011-12 to 2017-18. It has declined at the rate of 5 percentage points to the lowest recorded ratio of 33.71 percent in 2017-18. Male LFPR (in rural J&K) also exhibits a declining trend. It has decreased by 5 points during 1999-00 to 2017-18. The MLFPR has decreased by 2 points in the first phase (1999 – 2004-05). From 2004 – 05 to 2011 - 12 (the second time period) MLFPR has decreased by 3 points (from 81.29 to 78.36%) However, it has stabilized at 78.43% in rural J&K during 2011-12 to 2017-18 (See table1). Therefore male labor force retraction has supplemented the fall in FLFPR for the overall decline in rural LFPR. However, the sharp fall in women labor force participation has been the major reason for decline in overall LFPR in J&K. Therefore while male participation has declined slowly as compared to women participation in J&K the former exhibits a tendency to stabilize. Female retraction from labor market is persistent. The gender

gap which is still sizeable may widen further over time, as an outcome of male stabilization and continuous retraction of women from the labor market.

Urban labor force participation in J&K exhibits an increase over the period of time. Labor force participation in urban area has increased from 46 % in 1999 to 51.08% in 2017 - 18. This increase has been mainly because of entry of urban women in labor market.

Unemployment: The unemployment rate in Jammu and Kashmir has been on increasing trend during the reference period. The unemployment rate (UPSS based) has increased by 4 points from 1.64% in 1999-00 to 5.61% in 2017-18 for the working age population 15-64 years (see table 1). It has increased by 1 point from 1999-00 to 2004-05, then further by 1 more point from 2.44% to 3.53 during 2004-05 to 2011-12 and increased further at the rate greater than earlier increase by 2 points from 3.53% in 2011-12 to 5.61% in 2017-18. Therefore, unemployment has been the persistent problem in J&K labour market with a major increase in the last phase of reference period. While analyzing this increase gender wise the data figures infer that male unemployment rate has increased by 3 points from 1.72% in 1999-00 to 4.42% in 2017-18, while among women it has increased by 7 points from 1.47% in 1999-00 to 8.76% during the reference period.

While analyzing sector wise dynamics of unemployment rate, it has increased in both rural and urban labour market. The unemployment rate in urban labour market has increased by 5 points from 5.23 in 1999-00 to 10.27% in 2017-18. The increase in unemployment rate occurred among both urban men and women; however it has been more severe among urban women. The unemployment rate among urban women has increased by about 14 points from 9.06% in 1999-00 to 23.39% in 2017-18, while it has increased among men from 4.75% to 6.22% during the same time period. In rural labour market the employment conditions has also worsened over time in J&K labour market. The unemployment rate has increased by 3 points from 1.04% in 1999-00 to 4.44% in 2017-18. For rural women the unemployment rate has increase by 4 points from 1.06% in 1999-00 to 5.70% in 2017-18, while among men it has increase from 1.03% to 3.94% during 1999-00 to 2017-18.

CONCLUSION AND POLICY RECOMMENDATIONS

Labour force participation which measures the amount of man power available in economy for production of goods and services declined overtime. From the NSSO data we observe persistent decline in the amount of labour force available for work. Therefore we are missing the opportunity for taking the advantage of ever increasing population dividend, which otherwise would blink away. The two challenges for the J&K labour market are the consistent decline in labour market participation and an unprecedented increase in unemployment. This problem is common among both men and women; however it is more prevalent and severe among women.

We report an interesting pattern with respect to labor force participation in the labor market of Jammu and Kashmir. While an alarming decline in the rural labor force participation of women pulls down the overall LFPR, it is precisely an increase in women LFPR rate in the urban that pushes the overall labor force participation towards appreciation.

The policy makers should focus on improving the educational attainment among both male and female as education emerged as one of the strongest determinants for participation in the labour market. Vocational education and technical training is to be extended to all levels of education in-order to increase the probability of labour market participation.

Government must come up with gender friendly policies, which will address the issue of low economic participation for women. The cultural factors, domestic work pressure and security reasons discourage the female participation. Employment avenues within the vicinity which are easily accessed should be the prime focus for the policy makers. More so, skill augmentation programmes and self help groups should be strengthened both in rural as well as in urban areas.. Health facilities should be made accessible, affordable and at ease available for women, which can help to boost their economic participation.

Align initiative for creation and promotion of entrepreneurship among both men and women. An entrepreneurial ecosystem is likely to solve the problem of unemployment to a large extent. Besides the

friendly environment, skills necessary for success of business enterprises shall be imparted in general and women in particular.

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