

Sept
2011

DEV research briefing

Gender, Caste and Growth in India

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Economic growth is widely seen as a vital element in achieving positive development outcomes such as poverty reduction in developing countries. However research showing how women often neither share in nor are able to contribute to growth equally has led to a “new equity agenda” which shows that inequalities based on a number of background variables such as caste and gender are major obstacles to long-term equitable development and poverty alleviation.

This briefing explores the relationship between gender inequality and economic growth, and caste and growth, and how disadvantage may be reinforced by membership of different social groupings. It is based on research undertaken as part of a Gender, Caste and Growth Assessment (GCGA) of India, with carried out in two Indian states of West Bengal and Uttar Pradesh.

Background

The high rates of growth which have characterised the Indian economy over the last few years have surpassed all expectations; this has however also led to some genuine concerns about the inclusiveness of the growth process, especially on account of the near stagnation of the agricultural sector, and the exclusion from growth of the rural sector, still home to over 60 per cent of the Indian population.

In India, while disadvantage is multi-faceted, caste and gender are recognised as two key indicators of social stratification. Women and members of lower caste groups experience a range of inequalities: in health and nutrition, education, wages, occupation and ownership, control and access to assets and resources. Low entitlements, social barriers and discrimination combine to dampen capabilities and hinder market possibilities. As a result, these groups suffer disproportionate rates of poverty - a situation that is passed on from generation to generation

despite gender and caste-based affirmative action by formal institutions (Mehta & Shah 2003). In addition there is a growing recognition that gender inequality not only hampers pro-poor growth but hinders economic growth in general both in the short and long-term.

People are seen to participate in the growth process mainly through engagement in the labour force. Interestingly in India however, labour force participation rates have been virtually stagnant over the last two decades – a case of ‘jobless growth’. The GCGA on which this briefing is based therefore explored other pathways for shared growth, including education, followed by the distribution of assets and access to physical and social infrastructure, fertility decline, female work burdens that restrict their supply response and female autonomy and decision-making.

Key Research Findings

Women and lower castes excluded from the high-growth sectors

Growth in India started accelerating in the early 1980s, with GDP per capita growth greatly outstripping GDP growth, thanks in good part to a reduction in fertility, which in turn may be largely attributed to female empowerment. There is a clear trend in terms of sectoral growth, with services

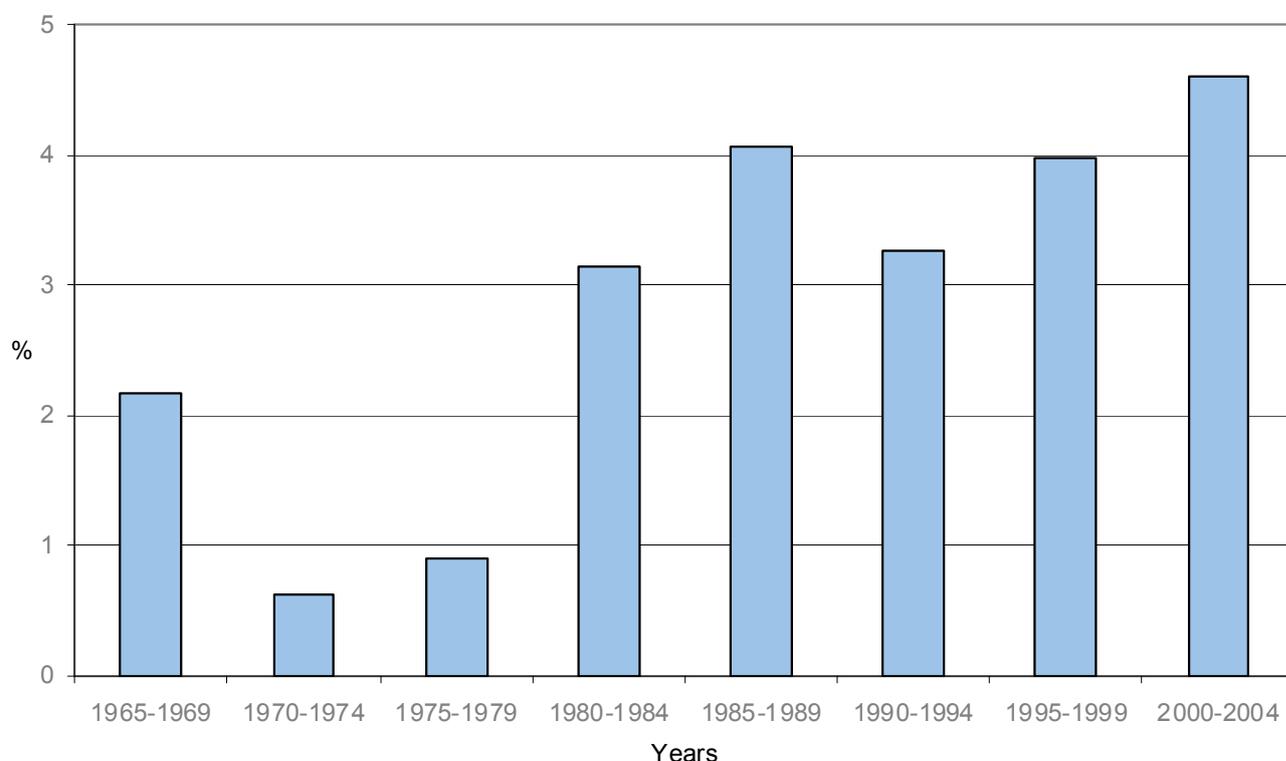
outdoing both agriculture and industry. However, the faster a sector grows, the less likely it is that women and marginalised social groups participate in it; women from marginalised groups are doubly disadvantaged in this respect.

The relative absence of women from fast-growing sectors is related to their need to balance productive

and reproductive responsibilities, the prohibitive requirements of high-productivity jobs, and the inadequate implementation of equal-opportunity legislation (of which there is plenty); all these factors are compounded for women from Scheduled Castes (SCs) and Scheduled Tribes

(STs). Strongly gendered informal institutions constrain women from realising their legal entitlements, the more so when they are from marginalised social groups, and ultimately explain why women seek security in the realm of the familial, rather than the public.

Figure ES.1 GDP per Capita Growth, 1965-2005



Source: authors' calculations using data from Development Data Group, World Bank, World Development Indicators, Various Issues. Note: Figures are in real terms based on local constant price data.

Female education and investments are crucial for growth

There is evidence for a persistent, but generally declining, gender gap in education, both in urban and in rural areas, but with a much larger gap in rural areas, and considerable variation across states. Surprisingly, the gender gap is larger for lower levels of education: e.g in rural areas, the gender gap in the category literate upto primary was 8 in 2004/5 (down from 16 in 1983/4); for graduates this gap is only two. However, for SCs and STs school dropouts for girls is, for a variety of reasons, a much more serious concern. Female education has larger effects on household income growth at all levels of education, albeit through its impacts on fertility and child wellbeing outcomes. While explaining a sizable part of the growth difference between North and South India, it does not however explain the differences between social groups.

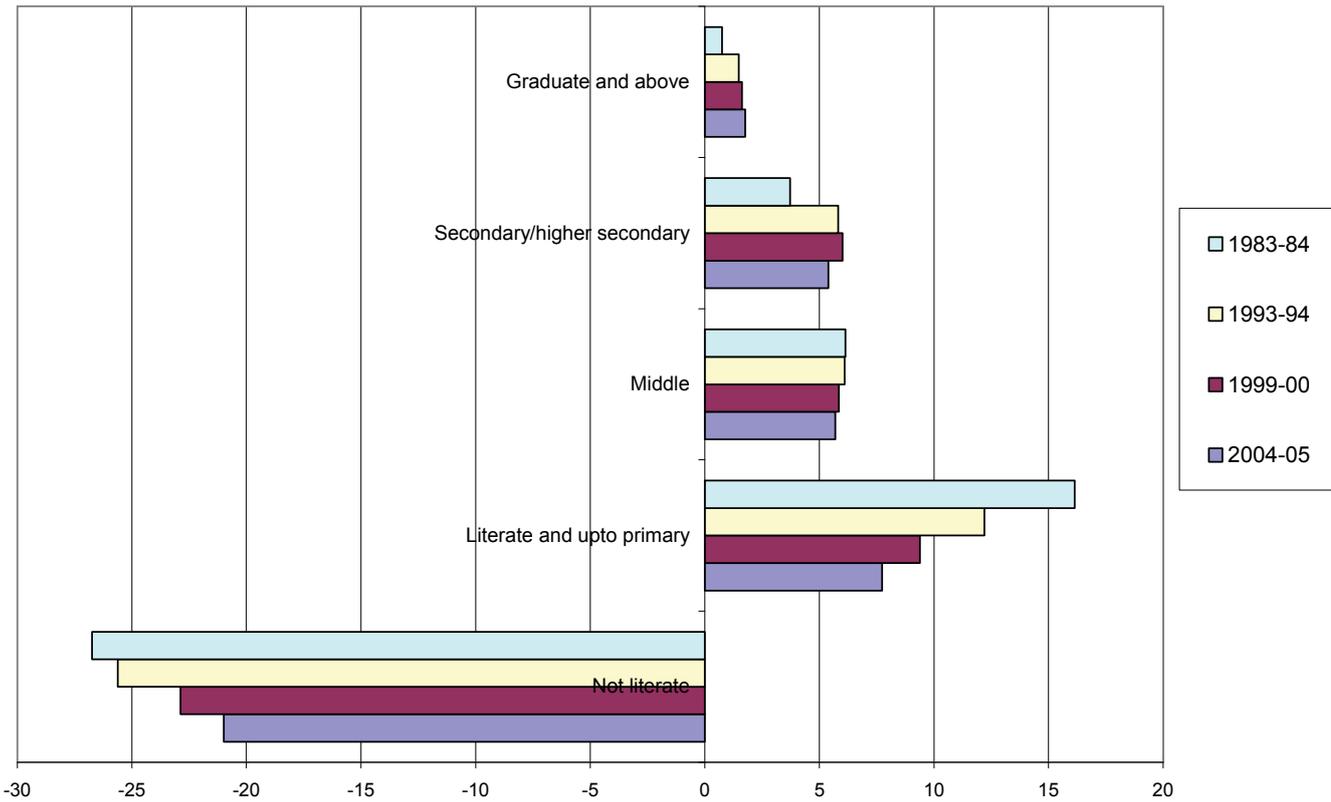
Promoting female employment can be good for growth but requires complementary policy

There are stark differences between urban and rural, male and female, and (for women only) social groups' labour force participation rates (LFPRs), which have not changed during India's modern growth period – female LFPRs remain extremely low by international standards. LFPRs

between men and women predict to a significant degree intra-household gender inequality in educational achievements. Contrary to earlier literature, this research does not find evidence for a U-shaped relationship between female LFPRs and income; however there is one for education.

Female unemployment has risen during India's modern growth period, the more so for urban women; when they are employed, they are much more likely to be salaried employees than rural women, who continue to be confined to the agricultural sector. There is a substantial gender wage gap in urban and even more in rural areas. In rural areas this gap has been stagnant, in urban areas it has declined, which is largely due to rising female wages at the bottom rungs of the labour market, alongside relative stagnation of male wages. Consistent with the wage gap evidence, we find that male employment contributes more to household income growth than female employment. Only if barriers to female labour force participation (including labour market discrimination) are removed will promoting female employment have the disproportionately large growth effects that have been associated with it in the literature.

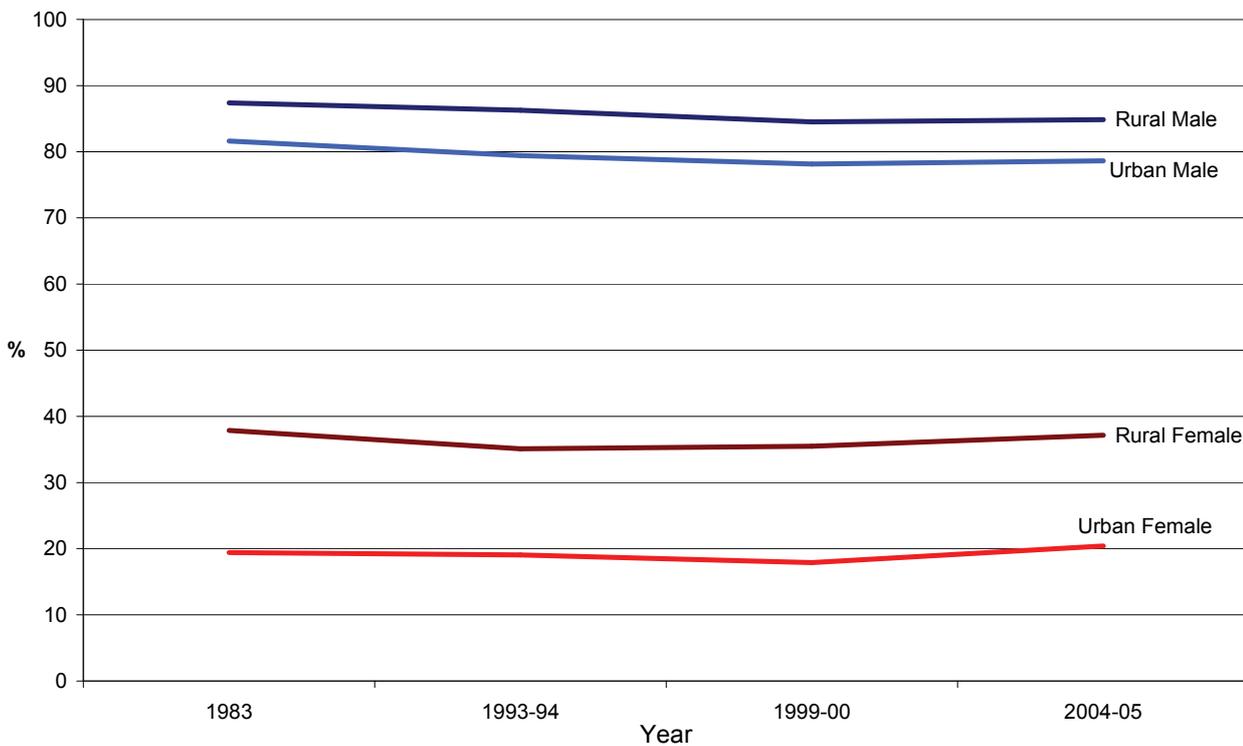
Figure ES.2 Gender Gap in Education, Rural



Source: Authors' calculations using NSSO Employment and Unemployment Surveys, various rounds

Note: Gender gap defined as: # of males per 100 in that level of education minus # of females per 100 in that level of education

Figure ES.3 LFPR, by Sex and Urban/Rural over time



Source: Authors' calculations using NSSO Employment and Unemployment Surveys, various rounds

Rigidifying gender division of labour adversely affects growth

A broader shift in labour relations, reinforced by the poor work environment for women, is responsible for a rigidifying gender division of labour, which mutes the female supply response and thereby adversely affects growth. Women's reproductive work, in particular, continues to account for the time constraint faced by women, as well as affecting their labour productivity directly through a number of channels.

Fertility decline enhances per capita growth

Fertility declined at the national level and faster in urban areas, for the upper castes (classes), for those with higher education and in the Southern states, mainly because of an increase in female literacy and improved access to health services. SCs and STs continue to be at a disadvantage.

Access to assets and female autonomy supports growth

Substantial productivity gains derive from the control over landed assets and money, which continues to elude women, SC/ST women in particular. Indicators of female autonomy have worsened for SC women and improved for other women, with OBC (other backward castes) women continuing to do worst. Participation of women in local government has increased, with interesting pro-growth implications for the nature of local government public investment.

Links between caste, gender and growth are not linear

Gender and caste disparities have improved during India's modern growth period but are tapering off as growth is accelerating. Combined with inter-state variability this clearly shows that growth is not sufficient for ensuring equality outcomes.

Policy Implications

- Develop a better understanding of the working conditions and requirements of the high growth sectors of the economy to enable the provision of additional support to women and lower caste groups to overcome the barriers and participate in these sectors. These include the provision of child care, minimum wages and other employment benefits and assured access to a productive asset base, especially land and credit.
- Understanding the interactions between formal and informal institutions to build on complementary and accommodating institutions, ensuring better implementation of existing laws and policies. This is key to supporting 'Decent work' across all sectors – agriculture, industry and services – and types of employment – formal and informal.
- Improving quality of basic education and educational outcomes should be a priority. This would include ensuring manageable teacher-student ratios, classroom infrastructure and good quality curriculum and teaching-learning material, including skill training, as well as both material and non-tangible incentives.
- Improvement in basic services and infrastructure such as the provision of drinking water, electricity, grain mills and transport services, to address women's time poverty..
- Priority to provision of adequate public health services, including functional child-care facilities of good quality, both in rural and urban contexts.
- Alongside reforming inheritance laws to give women access to landed property, ensure access to a package of inputs and services that include credit, technology, information on agricultural methods, irrespective of and delinked from ownership of land.
- Provide support to women to participate in public decision-making processes in the form of training, honorariums, adequate equipment etc that can build upon their existing knowledge and experience.
- Need to ensure that budgets are gender sensitive and budgetary allocations made to relief policies (e.g. widow benefits) and equality-promoting policies (e.g. child care).

For more information

The full report 'Gender, Caste and Growth Assessment – India' by Rao, N., Verschoor, A., Deshpande, A. and Dubey, A. is available to download from www.uea.ac.uk/dev/publications/rpp

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