

## **A CRITICAL ANALYSIS OF TRENDS IN GENDER WAGE GAP – A CASE STUDY OF INDIA (2010-2018)**

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### Abstract

Evidence from across the country i.e. different states suggests that there exists gender disparity in the wages paid for a job of the same nature as well as in a job of different nature but amounting to equal value. This paper is an attempt to study the general difference in the wages of male and female in India. The paper tries to analyze the main reasons that lead to low wages for women in India. By combining the facts from the present scenario with the literature, paper studies the government policies which are helpful in reducing the gender wage gap in India. The research is done by using the secondary data from NSSo surveys, ILo surveys, gender gap reports, UNDP report etc.

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### *Keywords:*

Gender disparity

Discrimination

Wage gap

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## 1. Introduction

Evidence from across the country i.e. different states suggests that there exists gender disparity in the wages paid for a job of the same nature as well as in a job of different nature but amounting to equal value. In today's world in almost all the fields, men and women work together therefore the concern of fair and equal treatment in the working environment is of utmost importance. Gender inequality at work place is one of the issues that has often been raised and debated. There is a major violation of the principle of the decent works as the gender pay gap exists in the country and also violates the human rights. As in developing countries women are considered inferior to men and also lack access to similar economic opportunities therefore gender wage differentials become an important concern for the country. Not only different wage rates but women also suffer from unequal access to wage employment.

Women are continued to be treated as a source of cheap and secondary labour who are hired and fired to suit the requirements of the employer. The development of nation has been directly related to women development after independence as women play a very important role in the economic development of the country. Even after the formation of many important acts that guarantee women equal wages as that of men in the country like equal remuneration act women labour is still paid less than the male workers and this continues even for the similar work.

India ranks 142nd out of 149 countries as per the WEF's Global Gender Gap Report 2018 in the economic opportunity and participation sub-index while it has faced many challenges. So it is an important question that, can the country achieve the goal of becoming the next superpower without empowering half of its population?

Erin K. Fletcher, Rohini Pande, and Charity Troyer Moore (December 2017) in "Women and Work in India: Descriptive Evidence and a Review of Potential Policies" use nationally representative household survey and use five descriptive facts about female labor force participation in India that help in identifying constraints of higher participation. Focuses on five facts that there is demand for jobs by women but it is currently not in the labor force, females who want to work but are not getting job have some difficulty with matching to the jobs, getting vocational training is also correlated with the likelihood of working among women, women more

likely work in those sectors where the gender wage gap as well as unexplained gap is much higher and female-friendly policies are correlated with higher female participation in some key sectors.

Yaveline Aly (21, Dec, 2017) in “The Gender Wage Gap: Causes, Consequences, and Remedies”

tries to explain the main causes, consequences and remedies of the gender wage gap. This Research aims to explore perceptions of the employees working in industries about the gender wage gap. Paper explains that the gender wage gap is unadjusted difference between median earning of men and women relative to median earnings of men.

Meenal M and S Senthil Ganesh (2016) in “Gender based pay disparity – Myth or reality? Evidence from Indian IT Services firms” aim at analyzing if gender disparity exists in Indian IT firms. By using compensation disclosure practice it analyzes the various determinants of differentials in the Indian IT services firms. To analyze the various factors that lead to pay disparity across the IT industry and within the selected firms Linear Regression is used. The analysis concludes that there is no kind of gender based pay disparity within the Indian IT industry. However it states that it exists when we take a closer look to each gender.

## **2. Research Method**

For the given study secondary data has been used to analyze the extent of gender disparity in wages across the country and the time period selected is 2010-2018. The data has been collected from, NSSO surveys, ILO surveys, gender gap reports, UNDP report etc. The research done is purely descriptive.

### **Objectives of the study**

1. To study the general difference in the wages of male and female in India
2. To study main reasons that lead to low wages for women.
3. To study the government Initiatives to reduce gender wage gap in India

### 3. Results and Analysis

#### 3.1. Gender pay gap in India

Gender inequality when talked about in wages it means the difference in the wages of women and men in the paid employment as well as in the labor market. As per the World Economic Forum (WEF)s Global Gender Gap Report 2018 which was released on Tuesday reveals that India ranks 108 out of 149 countries in overall gender gap index as well as 142nd out of 149 countries in the economic opportunity and participation sub index.

The women's labour market participation is compared to that of male workers in order to understand or examine gender inequalities in wages and incomes. The widespread spectrum and nature of women's work is defined by the difficulties which are associated with recognising women's contribution to economic activities as well as their participation in labour market activities.

**Table- 1: Global gender gap score- Economic participation and opportunity**

YEAR	ECoNoMIC PARTICIPATION AND OPPORTUNITY
2010	0.403
2011	0.396
2012	0.459
2013	0.446
2014	0.410
2015	0.383
2016	0.408
2017	0.376
2018	0.385

0.00= Inequality, 1.00= Equality

Source- ILO Stat

From the year 2010 to 2018 and it can be easily seen that over the years Economic participation and opportunity has not improved as well as India ranks 142nd out of 149 countries in the economic opportunity and participation sub index.

**Table-2: Labour Force Participation (Age 15- 64) %**

YEAR	Female	Male	F/M
2010	35	85	0.42
2011	35	85	0.42
2012	35	85	0.42
2013	30	83	0.36
2014	30	84	0.36
2015	29	83	0.35
2016	28	82	0.34
2017	28.5	82	0.35
2018	28.7	81.7	0.35

(Doesn't include the workers employed abroad)

0.00= Inequality, 1.00= Equality

Source- ILo Stat

It increased from 2010 to 2012 but after 2012 it started decreasing. The female to male labour force participation was 0.42 in 2010 which decreased to 0.35 in 2018. Therefore it can easily be interpreted from the above table that inequality has increased that is male labour force is more than female labour force in India.

**Table-3: Estimated earned Income (PPP, US \$)**

	Female	Male
2010	1304	4102
2011	1518	4960
2012	1530	5635
2013	1628	5974
2014	1980	8087
2015	2257	9175
2016	2103	9045
2017	2424	10428
2018	2602	11195

Source- United Nations Development Programme (UNDP)s Human Development Report

It shows that income has increased both for men and women over years but the pace at which it is increasing for men is much higher than that for women.

**Table-4: % of Female Employment**

Year	Agriculture	Industry	Services
2010	66.74	15.677	17.574
2011	62.87	17.605	19.52
2012	59.701	18.96	21.339
2013	59.583	18.192	22.225
2014	58.725	18.14	23.135
2015	57.735	18.005	24.26
2016	56.916	17.7	25.384
2017	56.35	17.69	25.943
2018	55.38	17.67	26.952

The data shows that from 2010 to 2018 the female employment in agriculture has reduced over the years while in industries and services it has increased. Approximately in services it has increased by 9% while in industries only by 2%. This suggests that women are keen to work in the service sector and not in the industrial sector.

### 3.2. Factors that have an impact on wages

Gender pay gap, phenomena is not as simple as it looks to understand as it involves a lot of factors. The type of work has an important impact on the person who wishes to get it despite of the gender. Wages vary by the level of skill required and the educational attainment of the person seeking the job. Although there are many factors that have an impact on the wages of workers but in this paper we will be focusing on some of them-

- **Enrolment of Male and Female in primary, secondary and Tertiary education**

**Table-5: Enrolment in primary education**

YEAR	Primary Education		
	Male	Female	F/M
2010	91	88	0.96
2011	91	88	0.96
2012	93	92	0.99
2013	93	93	1.00
2014	87	84	0.97
2015	87	84	0.97
2016	92	93	1.01
2017	91.7	92.9	1.01
2018	91.7	92.9	1.01

0.00= Inequality, 1.00= Equality,

Source- UNESCO

**Table-6: Enrolment in secondary Education**

YEAR	Secondary Education		
	Male	Female	F/M
2010	-	-	0.79
2011	-	-	0.79
2012	-	-	0.79
2013	-	-	0.79
2014	-	-	0.79
2015	54	46	0.86
2016	61	62	1.01
2017	61.4	62.2	1.01
2018	61.4	62.2	1.01

0.00= Inequality, 1.00= Equality,

**Table-7: Enrolment in Tertiary Education**

YEAR	Tertiary Education
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	Male	Female	F/M
2010	16	11	0.70
2011	16	11	0.70
2012	21	15	0.73
2013	21	15	0.73
2014	26	20	0.78
2015	26	24	0.92
2016	25	23	0.94
2017	27	26.7	0.99
2018	26.9	27	1.00

0.00= Inequality, 1.00= Equality,

There has been a noticeable increase which is the result of several policies and acts by the Indian government for the women empowerment which is a big concern for any developing country. The above data on Enrolment of Male and Female in primary, secondary and Tertiary education from UNESCO shows that in 2018 the enrolment of females was more in all the three which happened for the first time since 2010.

### **Educational Attainment- Literacy Rate**

The educational attainment of females is lower than that of males even after their enrolment rate is higher, the main reason can be early marriages which force women to leave the job and indulge in the household work and this is what they are expected to do in rural regions as well in some urban areas of the country.

The literacy rate of women increased from 2010 till 2015 i.e from 51 to 63 than it again started falling till 2018 to 59.3

**Table-8: Literacy Rate**

YEAR	Female	Male	F/M
2010	51	75	0.68
2011	51	75	0.68
2012	51	75	0.68



2013	51	75	0.68
2014	51	75	0.68
2015	64	81	0.75
2016	63	81	0.78
2017	59.3	78.9	0.75
2018	59.3	78.9	0.75

Source: UNDP HD Report

**Table-9: Women in parliament**

Year	Female	Male
2011	11	89
2012	11	89
2013	11	89
2014	11	89
2015	12	88
2016	12	88
2017	11.8	88.2
2018	11.8	88.2

Source: Intra Parliamentary Union, Women in national parliament database

Women participation in parliament has varied between 11 to 12% and there has not been any significant increase in it despite of so many policies and framework by the Indian government.

**Table-9: Women in ministerial positions**

Year	Female	Male
2010	10	90
2011	10	90
2012	10	90
2013	10	90
2014	9	91
2015	22	78

2016	22	78
2017	18.5	81.5
2018	18.5	81.5

Source: Intra Parliamentary Union, Women in national parliament database

Unlike Women participation in parliament, their participation in ministerial positions has increased. It was only 10% in 2010 and it has increased to 18.5% in 2018.

### **So the main reasons for this situation can be concluded as-**

1. Women are seen working in light industries as people think that they are unsuitable for work in heavy industries. Also, most of the women work in unorganized sector where the wages tend to be very low. About 94% of the total working women are seen working in the unorganized sector.
2. Physically women are seen weaker than male and thus people think that they will be unable to work for longer hours, which results in a decreased wage rate.
3. Male workers improve their productivity by undergoing long on the job trainings but women have many other priorities like looking after family and child care and thus are not able to undergo such trainings.
4. Vulnerability of women in the social arena extends to the premium laid on their chastity and security from violence and sexual harassment.
5. The weaker position of women within gender relations in society transmits into work spheres as well, where male bosses exercise superiority over female subordinates.
6. The difficulty in accepting women as superiors or bosses as it challenges the traditionally acceptable gender relations is often witnessed in the biased behavior of decision makers and employers during recruitment, promotion and so on.

### **3.3. Government Initiatives to reduce gender wage gap in India**

Government of India has taken several measures as well as policies for elimination of gender wage gap and inequality.

#### **a. Sarva Siksha Abhiyan (SSA)**

The programme was first started by the former Indian Prime Minister Atal Bihari Vajpayee and covered 272 districts and 18 states of the country.

**Padhe Bharat Badhe Bharat** sub-programme of Sarva Shiksha Abhiyan was launched in 2014. This programme was launched with the main aim of improving early writing, reading of the children. And for this ₹762 crore was approved to States. The gender concern here was not only to enable girls to keep pace with boys but also to bring change in the status of women in the country.

**b. Rashtriya Madhayamik Siksha Abhiyan (RMSA)**

Rashtriya Madhayamik Siksha Abhiyan (RMSA) was launched in March 2009.

Various achievements of RMSA which were listed in its 2015-2016 report include:

- Under the abhiyan 11,577 new secondary schools approved out of which 10,082 are functional.
- 52,750 additional classrooms were approved out of which 20,839 were completed and 16,774 still in progress.
- 21,864 computer rooms were approved out of which 6,920 completed and 6,297 in progress.
- 27,428 libraries were approved out of which 10,133 completed and 8,929 in progress.
- 31,453 art and craft rooms were approved out of which 12,062 completed and 9,686 in progress

The schemes were implemented with the main objective to universalize elementary and secondary education respectively with a strong focus on improving enrolment and retention ratio of girls in elementary as well as secondary education.

**c. Support to Training & Employment programme for Women (STEP)**

‘Support to Training and Employment Programme for Women (STEP) Scheme’ was launched in 1986-1987. The main objective of the scheme is to benefit the women of the age group 16 years and above across the country. The scheme provided employability skills to women as well as provided the competencies and skills which enable women to become self-employed/entrepreneurs. It aims to ensure income generation and sustainable employment for marginalized and asset-less rural as well as urban women.

#### d. The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)

**National Rural Employment Guarantee Act 2005** was later renamed as "Mahatma Gandhi National Rural Employment Guarantee Act", MGNREGA). The act was first taken up in 1991 by

Under Ministry of Rural Development 182 million beneficiaries which is 15 percent of the Indian population are provided security by MGNAREGS.

Since the implementation of MGNAREGS The total expenditure has amounted to over 3 lakh crore rupee and out of this 71 percent has been spent on the wage payment of the workers. The major achievement of the act is that the Women participation has risen to 57 percent which is above the 33 percent i.e. that of the statutory requirement.

The below graph shows the state-wise women person days out of total under MGNAREGA

State	2018-19	2017-19
Arunachal Pradesh	37.3	36.3
Bihar	48.9	46.6
Goa	76.4	78.7
Gujrat	45.9	41.7
Haryana	49.9	48.6
Himachal Pradesh	62.7	61.6
Karnataka	49.3	47.1
Kerala	90.2	90.8
Madhya Pradesh	36.4	37.4
Manipur	35.6	44.8
Meghalaya	48.9	46.8
Mizoram	35.2	33.7
odisha	43	41.9
Punjab	62.9	62.7
Rajasthan	66	65.3
Tamil Nadu	83.5	85.7
Tripura	45.4	47.1

Telangana	63	61.5
Uttar Pradesh	36.6	35.1
West Bengal	47.1	47.6

Source: Economic Survey 2017-18, Section: Social Infrastructure, Employment and Human Development, accessed as on 30th July 2018.

#### e. **Rajiv Gandhi National Crèche Scheme for Children of Working Mothers**

Rajiv Gandhi National Crèche Scheme for Children of Working Mothers was launched in 2006 central government (Ministry of Woman and Child Development) with the main aim to provide affordable daycare services to working women. The objective is to provide a crèche where young children of working women are cared during the working day and the day care facilities are given for children between 6 months and 6 years of working women in the community.

The main objectives of the providing the crèche are listed below-

- Improve nutrition and health status of children
- Sleeping facility for children
- Immunization facility and health check facilities
- Educate and empower the parents for better childcare
- Below 3 years children are provided early stimulation
- For the children between 3 to 6 years pre-school education is provided
- For better growth supplementary nutrition will be provided
- Also rich nutrients food to be provided to the children

Hence this scheme has helped by stopping women from quitting the job after the delivery of the child because mostly women do so because of the responsibility of the child

#### f. **Mahila E-Haat**

**Mahila E-Haat** was introduced in March 2016 and it gives a shout out to the entire community of women aspiring leaders as well as entrepreneurs. This plan mainly emphasizes on empowering women entrepreneurs, self-help groups, NGOs and small producers. Mahila E-Hat a bilingual portal presents an online marketing platform for women all over India to showcase the services and the products manufactured to attract the customers.

This portal acts as a catalyst for their work and it requires only a mobile number which can be accessed from anywhere and anytime. Mahila E- Hat is in line with social campaigns like Digital India and Stand up India to boost the Indian Economy.

**g. The Maternity Benefit Amendment Act, 2017**

The previous **Maternity Benefit Act** was passed in 1961. Under this act it is compulsory for any organization or company to give a leave period of 12 weeks to women who has adopted or given birth to a child younger than 3 months which means that women is qualified officially for 12 weeks leave.

The new amendment Maternity Benefit (Amendment) Act, 2017 was passed in April 7, 2017 with a view to expand the term of the leave and it has also prompted the presentation of numerous new provisions. Under this act interest paid maternity leave is provided to working women for 12 weeks to 26 weeks depending on the situation. This act has benefited 18 lakh women employees.

Also to motivate the employers in addition ministry has proposed to bear seven weeks of salary to motivate employers.

**h. The Factories Act, 1948 ("Factories Act")**

The Factories Act is a legislation which was passed in 1948. The main objective of the act was to secure the workers employed in factories secure working conditions. Also provide them with health safety, leaves, proper working hours so that they are not exploited as well as other benefits. It aims at protecting workers employed in factories from unfair exploitation by their employers. For empowering women the act says that no woman worker would be allowed to work in a factory except between 6 a.m. and 7 p.m. The Factories Act also made it compulsory for the organizations who are employing 30 or more women workers to provide for creches for their children aged 6 years and below.

**i. The Equal Remuneration Act, ("Equal Remuneration Act")**

The Equal Remuneration Act, ("Equal Remuneration Act") was passed in 1976 with the main of paying equal remuneration to male and female employees who are carrying out the same or

similar work. It is not allowed to discriminate between men and women while recruiting it is only possible if there is any restriction under the law to employ women in certain industries.

This is because this act aims at the prevention of any discrimination on the grounds of sex in the matter of employment.

**j. Employee's State Insurance Act 1948 read with The Employer's State Insurance (Central) Regulation, 1950**

This scheme provided the following benefits to women employees-

- Medical benefit
- sickness & extended sickness benefit
- maternity benefit of 26 weeks of paid leave which was given for upto 2 children
- additional month leave in case of sickness arising out of pregnancy and also medical bonus of Rs. 5000/- was given.

**k. National Mission for Empowerment of Women India**

The National Mission for Empowerment of Women (NMEW) was launched on International women's day to empower women economically, socially as well as educationally by the Government of India (GoI). The main aim of the mission is to empower women by securing them as well as by spreading the awareness.

Focus areas of the Mission are as following:

- Health, drinking water as well as sanitation facilities for women
- coverage of all girls especially those who belonging to vulnerable groups in schools from primary to class 12
- Professional education for girls/women
- Skill development, Vocational Training, Entrepreneurship, SHG development for women
- dissemination of information
- Taking steps to prevent crime against women
- Taking steps for a safe environment for women

#### 4. Conclusion

The major findings of the paper include that there have been many policies and acts put forward by the government and their better implementation is still required in the Indian economy to narrow down the wage gap in India. The study suggests that the main reason for low participation of women is stereotypical traditional notion of the country.. Since this kind of patriarchal role stereotyping precedes any deliberation on women's contribution to the economy, the space for unbiased consideration and gender based comparison becomes non-existent

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