
The Persistence Of Pay Inequality In India

Abstract

Interviews were conducted with a group of men, women and children, to know about their thoughts and views about the pay inequality. This concluded that pay inequality emerges from a culture that involves not particularly women. The persistence of pay inequality was found most in the rural areas and also where people earn wages. As per the reviews out of 50, 35 were women and 15 were men and reviews also said that this leads to increase in the poverty in especially countries like India where wage earners are more than salaried people and in villages or underdeveloped regions even people with high skills are paid less and that also leads to pay inequality.

Introduction

While the gender pay gap is essentially the average difference between the remuneration received by working men and women, there is more nuance here. There are two distinct numbers: the unadjusted pay gap and the adjusted pay gap. The former simply differentiates between mean and median wages of the two genders, the latter takes into account differences in factors such as occupation, education and job experience. So the difference is starker if you consider the unadjusted figure.

An often-cited number in this context is the unadjusted salary of the average female in the US, which is supposed to be 78% of the average male salary, whereas the adjusted figure is 80-98%.

The gender pay gap stems from the difference in the number of men versus women who work. It also arises from differences in work tenures and the need for sabbaticals. [1: <https://www.livemint.com/money/personal-finance>]

What contributes to the gap in India?

In a country like India, the reasons for gender pay gap are a little more complicated and can be linked to reasons ranging from the socioeconomic to the structural. Girl children are sometimes kept out of schools or made to drop out of school early. Even if they are educated, many women are not allowed to work by their families. Women who do join the workforce often need to take extended leaves for maternity and child care, and even the healthcare of other family members. All these factors lead up to women as a whole falling well behind men when it comes to their earnings over time. In India, therefore, the gender pay gap is still quite wide. According to the Monster Salary Index (MSI) published in March 2019, women in the country earn 19% less than men. The survey revealed that the median gross hourly salary for men in India in 2018 was ₹242.49, while ₹196.3 for women, meaning men earned ₹46.19 more than women.

According to the survey, the gender pay gap spans across key industries. IT services showed a sharp pay gap of 26% in favour of men, while in the manufacturing sector, men earn 24% more

than women. [2: <https://www.livemint.com/money/personal-finance>]

India ranks 108 in World Economic Forum's (WEF) gender gap index in 2018, which is the same rank it held in 2017. Apart from the gender pay gap, India is also facing a huge pay disparity among the categories of organized and unorganized sectors, rural and urban areas and regular and casual workers. [3: <https://economictimes.indiatimes.com/news/economy/indicators/india-ranks-108th-in-wef-gender-gap-index-2018/articleshow/67145220.cms?from=mdr>]

As per the Employment and Unemployment Survey conducted by the National Sample Survey Office (NSSO), average daily wages have almost doubled between 1993-94 and 2011-12, increasing more rapidly in rural areas than in urban areas and for casual workers than regular workers. The significant increase of wages in the rural areas can be attributed to the introduction of welfare policies by the government, such as the Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MGNREGA), while wage policies for the urban population remains the same. As per the WEF report on wage equality for similar work indicator, India has improved its rank to 72nd.

Laws governing pay disparity in India

As per Article 16 of the Constitution of India, all citizens have a right to equality of opportunity in relation to matters of public employment or appointment to any office under the state. Article 38(2) strives to minimize inequalities in income among individuals and Article 39 promises equal pay for equal work for both men and women.

The Equal Remuneration Act, 1976 of India (ERA) prohibits differential pay to men and women workers for performing the 'same work or work of similar nature'. The law defines 'same work or work of similar nature' to mean 'work in respect of which the skill, effort, experience and responsibility required are the same, when performed under similar working conditions by employees and the difference if any, between the skill, effort, experience and responsibility required for employees of any gender, are not of practical importance in relation to the terms and conditions of employment.' Additionally, the ERA prohibits any discrimination between men and women workers for the same work or work of similar nature on the grounds of recruitment including promotions, training, or transfer.

The Supreme Court of India has upheld the constitutional validity of the principle of equal pay for equal work. It ruled that temporary employees discharging similar duties and functions as discharged as that by permanent employees are entitled to draw equal wages as that of the similarly placed permanent employees. [4: State of Punjab and Ors. V. Jagjit Singh and Ors. (MANU/SC/1357/2016)]

In another landmark case, the Supreme Court held that men and women employees should be paid equally for same work. The employer's plea with respect to inability of the employer to pay similar wages [5: Mackinnon Mackenzie & Co. Ltd. v. Audrey D'costa and Ors. (AIR 1987 SC 1281)]

To female employees was not accepted by the Court, as it said that the applicability of the law does not depend upon the financial ability of the management to pay equal remuneration to the employees. To that extent, it ruled that the employer was in violation of the provisions of the

ERA.

The new Code on Wages

Recently, the Code on Wages, 2019 of India (Code on Wages) has been notified and it received the Presidential assent on August 8, 2019. The Code of Wages consolidates four national level labour laws on wages, being the ERA, Minimum Wages Act, 1948, Payment of Wages Act, 1936 and Payment of Bonus Act, 1965.

The first set of provisions of the Code of Wages relates to anti-discrimination, prohibiting discrimination against employees on the ground of gender in matters relating to payment of wages. The Code on Wages also prohibits discrimination while recruiting any employee and in the conditions of employment, except in cases where employment of women in such work is prohibited or restricted under any law.

The key points of differential between the ERA and Code on Wages are that while the ERA referred to discrimination against women and between men & women workers, the Code on Wages prohibits discrimination on the grounds of gender, thereby covering the LGBTIQ category as well.

During a women's football championship match in Brazil, the scoreboard displayed 0.8 instead of 1 after the first goal by one of the teams, to highlight research proving women earn 20 per cent less than men for the same work. The US Women's Soccer Team has incidentally filed a lawsuit that seeks equal pay and employment conditions as compared to the US Men's Soccer Team. [6: <https://sportstar.thehindu.com/football/women-football-score-reads-08-after-goal-to-show-pay-gap/article29998971.ece>]

As per the International Labour Organisation (ILO), gender pay gap refers to the difference in average wages between all women and all men who are engaged in paid employment. Based on its analysis, gender pay gap is used as a common indicator of gender inequality in the world of work and is also used to monitor progress towards gender equality at the national or international level. [7: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_650553.pdf] [8: Ibid.]

Wage inequality remains a serious challenge not just globally, but also to India's path to achieving decent working conditions and inclusive growth, states the India Wage Report prepared by the ILO in 2018. The IBA Global Employment Institute's Eighth Annual Global Report, which provides national regulatory trends in human resources law, states that gender-related developments in discrimination laws and practices are most prevalent. [9: https://www.ilo.org/wcmsp5/groups/public/---Asia/---ro-bangkok/---sro-new_delhi/documents/publication/wcms_638305.pdf]

Although overall wage inequality has narrowed through the years, gender pay gap is still high based on international standards. Based on news reports, gender pay gap has percolated into almost all sectors including technology, outsourcing, manufacturing, healthcare, caring services and social work. In country like India the pay gap inequality is mostly seen in the rural areas and where people are paid wages because of the lack of knowledge of people they also agreed to be paid less and they can't even argue as they have the threat of losing the job and they don't

even get any other job so if they are removed they will not even have money to eat. This is not just for people who earn wages but also to the people who are in the rural areas even though they are engineers but they are paid less just because they live in villages and that's why there is no equality for them and because of the problem of pay inequality continues the problem of poverty will also increase.

In India people are selfish they never respect the persons work and pay according to that they just think about themselves and pay less to even engineers or many other sectors. But in urban sector the pay inequality is quite less because women and men are counted equal and even in villages women are not allowed to work and they are considered at a lower level than man just because man think that they work and women just does household work and they are not even allowed to put their views in the issues and that is inequality. In jobs also the owner thinks if a women gets married they will leave and will also have lot of problems so they don't choose them. And there is an old mentality that women should do household work and take care of children and the man have to work to earn a living but it is now changed in the urban areas even women are considered equal in every field be it sports or job. And the persistence of pay inequality is not only seen to women even because of caste discrimination which is pertaining in the country like India the workers like watchman are paid less but they work more than an employee in a company, even a cleaner is paid less so if we come to a conclusion in a country like India people are not paid according to the work but they are paid according to the work they do but they are paid according to the caste also.

India is facing a lot of problems like caste discrimination, rapes against women, poverty but they are all national issue but not many of them of the payment issue which is also pertaining in India since a long time and which also needs to be given equality. And under section 14 of the constitution of India it is called right to equality so it a right of every individual and it means that any race, color , gender, sex there should be no discrimination so according to that every women should be counted equal to men and must be paid the same as men are been paid in and not only that the only difference which is been observed is that people who earn wage and people who earn salary they both work on same purposes it's just because they are counted laborers and not been given that respect and paid less In terms of money and it's all because of lack of education in rural areas and just mindset that makes them laborers and too others it makes them employees. [11: Constitution of India]

In India from the early 1800 women were not considered equal be in ruling like there should always be a king and not a queen who rules the kingdom very less queen have come to throne and in today's world if we relate this just there is a change that people don't want a girl child most of the family wants boy child because they consider girl as a weight to them and like they believe that if girls comes to the house the problems increase and not only that few parents still believe that girl should not study much and just do household works at last so they are even not allowed to work for e.g. – the place where I live my neighbors are not allowed to work because they think that girl should not work still at this time and that concludes that because girls are not given that freedom that boys are given the amount of money that should be paid is also reduced and this leads to inequality in today's world where there is a right given to the citizens to be equal.

Conclusion

Based on the research and statistics, it is pertinent to note that pay disparity is one of the major indicators of the issue on social injustice, which needs immediate attention. India has also taken certain steps to curb the pay disparity. India has previously ratified the Equal Remuneration Convention, 1951 which was adopted by the ILO.

Although India has certainly come a long way in addressing the issue of pay equity, there is lots more to do. The principle of equal pay for equal work needs to be strongly advocated and promoted by the government, starting with itself! This should further be supported by strong wage policies and strict implementation of the existing anti-disparity laws. Since pay disparity is also noticed in India's massive unorganized sector, it is imperative to conduct regular awareness programs among the workers enlightening them about their rights. Additionally, efforts need to be made by the government to formalize the unorganized / informal sector by framing of effective wage policies applicable to them and implementation of the same.

On an international front, India has been a part of G20 (Group of Twenty), which has adopted certain sustainable wage policies to address the wage gap which have been identified as the key objectives of the United Nations 2030 Agenda for Sustainable Development. While India may be party to various international treaties and conventions working towards eliminating wage gap, it requires active participation as well as a collective intent and steps to achieve the agenda.

Time is running out if India truly would like to project itself as a progressive nation. India can certainly learn from smaller but more progressive countries such as Iceland, which has topped the WEF ranking by closing more than 85.8% of its overall gender pay gap. Hopefully, we will see it included in the government's agenda sooner rather than later. [12: <https://www.shrm.org/shrm>]