

Chapter 6:

Inequalities in Indian Business Space and Industry

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I: Introduction – The Inequalities

The participation of Indian women and persons from disadvantaged communities like scheduled castes (SC) and scheduled tribes (ST) and Muslims in the professional workforce has reduced drastically in the past 20 years and so has their wage ratio, showing a glaring inequality that exists within our eco system. The participation of disadvantaged sections in governance and other decision-making spaces is also abysmal. The above is due to a persistently discriminatory environment at work spaces for these marginalised communities.

Development hasn't been spread evenly in India. The United Nations Human Development Index 2017 projects our income inequality at 18.8 per cent — the highest — compared with 15.7 per cent for neighbouring Bangladesh and 11.6 per cent for Pakistan. Factoring in the inequalities, India's development value has practically not changed in the past 17 years.

This article intends to look at inequality issues in Indian industries with two main discrimination dimensions:

- i) Gender gap
 - ii) Exclusion (with focus on other disadvantaged groups)
- (i) Gender participation gap in overall work force participation**

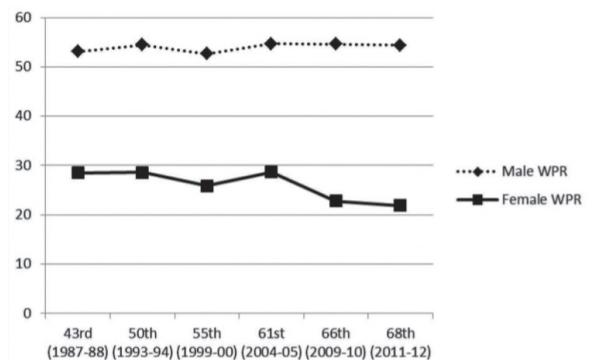
Women contribute to one-sixth of India's economic output — among the lowest in the world and half the global average. The low contribution of women and the unrealised potential of women of our country is one big reason why India remains so poor¹³⁷.

Yet, far from joining the labour force, women have been falling away at an alarming pace from formal

work opportunities. The female employment rate in India, counting both the formal and the informal economies, has tumbled from an already low 35 per cent in 2005 to only 26 per cent now¹³⁷.

In the same period, the economy has more than doubled in size and the number of working-age women has grown by 25 per cent, numbering 470 million. Yet, nearly 10 million fewer women are in jobs in India. It has been projected by many that a rise in female employment rates to male levels would provide India with an extra 235 million workers, which will be more than the total number of male and female workers the European Union has. Hypothetically, if these 235 million join work then our available workforce would be more than enough to fill all the factories in the rest of Asia, excluding China¹³⁷.

Figure 6.1: Male-Female Workforce Participation Rates



Source: Employment and Unemployment Surveys of NSS

- (ii) Wage differentials on social and gender parameters**

According to the current India Wage Report by the International Labour Organisation (ILO)¹³⁸,

the following analysis can be drawn.

ILO's India wage report has looked at various survey rounds of the National Sample Survey Organisation (1993-94, 2004-05 and 2011-12) and concludes that for elite-dominated white-collar jobs such as legislators, senior officials and managers real wages have gone up by 98 per cent on an average. Even "professionals" have seen a 90 per cent jump in their salaries during the periods analysed. On the other end of this spectrum, the lowly paid blue collar jobs of plant and machine operators, shop-floor operators and helpers in manufacturing sectors have received a much lower hike of 44 per cent in average real wages over the (nearly) two decade-long analysed period. In the same period, daily wages for low-skilled informal occupations have only grown at a mere 3.7 per cent¹³⁸. This clearly points to the growing inequalities within our eco system and as society. There further isn't enough data / evidence about the situation of women-dominant informal sectors like domestic work and other informal low-paying jobs to look at the actual and real wage growth for women in these sectors.

The report notes that "the ratio between the best-paid occupation and the lowest-ranked ones was 7.2 in 1993-94, this increased to 10.7 in 2004-05 and then declined back to 7.6 in 2011-12," resulting practically in no ratio growth¹³⁸.

The ILO report highlights that salaries in organised work spaces in urban India rose steadily during the period of high economic growth (1993-94 to 2004-05) and this was especially so for those working in the professional and administrative categories. The Government of India's Pay Commissions contributed not just to

higher government and public sector wages but also had an impact on wages in the private sector, particularly in the upper levels of wages¹³⁸.

Currently, the Wage Report notes that the lowest-skilled occupations fetch salaries that are only 60 per cent of the overall average earnings across all sectors. While medium-skilled jobs provide wages varying from 0.7 to 1.8 times the average earnings, high-skilled occupations receive wages 1.9 to 4.3 times higher than the average¹³⁸.

However, the increase in average daily wages has not been the same for men and women. It can also be concluded after the analysis that even in the highest ranks of labour (legislators, senior officials and managers) the participation of women in India has remained low and that here the wage gap is the smallest among men and women. In 2011-12, women in this category earned 92 per cent of what the men earned. Among professional workers, women earned only 75 per cent of men's wages in 2011-12¹³⁸.

In low-skilled jobs, women receive only 69 per cent of men's average daily wages. This occupational segregation seems to have intensified during the period 1983 to 2011-12. Further, there is a higher propensity for those from scheduled castes and tribes to be stuck in occupations with lower wages¹³⁸.

Despite some reduction of the gender wage gap in most occupational categories over time, the difference between men's and women's average daily wage is still quite large as highlighted in the report. Also, women workers have a lower probability of getting social security benefits than their male counterparts as most of them are concentrated in low-skilled occupations¹³⁸.

Table 6.1 Urban and Rural Work Participation Rate: Male and Female

Round	Female WPR		Male WPR	
	Urban	Rural	Urban	Rural
43rd	15.2	32.3	50.6	53.9
50th	15.5	32.8	52.1	55.3
55th	13.9	29.9	51.8	53.1
61st	16.6	32.7	54.9	54.6
66th	13.8	26.1	54.3	54.7
68th	14.7	24.8	54.6	54.3

Source: Employment and Unemployment surveys of NSS 2011-12

(iii) Skill Gaps & Unemployment rates

The skill gap between men and women and advantaged and disadvantaged communities is very high. It is evident in enrolment rates in higher education and professional courses, including technical education, accounting and finance, and in other management courses, with higher participation by men than by women and also by general categories than by those from SC, ST and minority Muslim communities.

The percentage of those from disadvantaged communities who come under the employment-prepared category is very low. Indeed, the overall youth population of India prepared with market skills is one of the lowest in the world. Similarly, the employment rate in organised sectors by youth from SC, ST and Muslim communities is lower than the general community youth average.

II. Policy benefits and disadvantages

Here we look at the situation of women in relation to the special measures and benefits provisioned for female workers in various industry settings. It looks at this in light of the affirmative actions mandated in government employment processes and also the voluntary affirmative action policies adopted by the private sector to pursue positive discrimination towards women and towards members of the communities described as disadvantaged in different state and central government lists.

The focus here, then, allowing for constraints of scope, is on the gender perspective. The methodology followed has been to obtain responses through informal question and answer interviews with industry leaders. It is to our utter dismay that our findings show that the current India Inc leadership misconstrue and misread supportive measures as hindrances to business growth and even hold strong biases against these communities, stretching nearly to their marginalisation. All efforts to strengthen the provisions further under these protective legislations are being interpreted with further discriminatory internal policies to further exclude these communities. If one looks at the recent

amendments to laws governing the benefits to women and disadvantaged workers through the Scheduled Caste and Scheduled Tribe (Prevention of Atrocities Act) 1989, the Sexual Harassment At the Workplace (Prevention, Prohibition and Redressal) Act 2013 and others like the period of maternity leave which has now been increased to 26 weeks / six months and the provision of crèches for the early working mothers.

These equity measures provisioned to overcome disadvantages of women have not been welcomed by the Indian corporate sector, which has been resisting the implementation of these important equitable changes due to its discrimination towards women. The industry is not just unwelcoming but has been discouraging of women workers. This is adding another dimension of low employment of women in the current context.

The other dimension of the research has been on the challenges women face when returning back to work after their maternity leave. For this, we look at some of the findings of an Irish study 'How Companies Can Ensure Maternity Leave Doesn't Hurt Women's Careers' by David Collings, Yseult Freeny and Lisa van der Werff¹³⁹ and explores its relevance to the Indian context by speaking to men and women working in corporates in different parts of India.

Our study finds that while women find it tough when they go on maternity leave, they find it tougher still to join back after their maternity leave is over. In several companies, maternity leave is viewed as a major disruption in the senior leadership of the Industry. A few focused research studies on this aspect such as the one mentioned above has been that women's careers suffer when they get pregnant. After returning from the maternity leave, they get sidelined to less responsible roles. They experienced a significant decline in positive emotions once they return to work, reflecting the lived challenges of this transition. Their colleagues held unconscious biases against the returning women, and find that professional relationships also deteriorated after returning from leave. Another major gap with

the Indian industry has been the preparedness for the basic facilities that they are supposed to provide to these returning lactating and young mothers as mandated in the law discussed above. A 2015 dipstick survey¹⁴⁰ carried out by Partners in Change and Corporate Responsibility Watch found that while 19 out of 20 companies had measures in place for pregnant women and lactating mothers, only 15 per cent companies had maternity leave of more than six months and which could be availed of in a flexible manner. A majority of 60 per cent offered their employees 3-4 months leave. Additionally, only eight of the 20 companies had crèche facility.

Not all is lost though; one does hear positive stories too, from women who worked in companies where managers recognised maternity leave as no more than a brief interlude in a person's long-term career. In those supportive company cultures, returning women reported a renewed energy, supportive environment and focus for their work, a feeling of being valued, and an enhancement of professional relationships.

Takeaways of the research for Indian Industry

It is now a trend among India Inc to spend good amounts on programs and budget well the induction and orientation of the newcomers and fresh graduate recruits. It has also been found in many studies that almost none of the industries

Current evidence points to 26 weeks as optimal for some outcomes for mothers and their babies. However, policies that allow more than six months for mothers only, and do not permit the same to fathers, appear to exacerbate the gender divide in terms of career progression¹³⁹. As India does not have mandated paid leave for new fathers, India Inc staves gender discrimination in the face.

III. Rights-based approach: Not just leave but entitlement

We vetted key changes suggested by the study (Collings et al) that can significantly improve the experience of these mothers and lead to better outcomes for parents and organisations alike. Most of the changes we propose can be implemented without significant cost. A key point of departure is to reflect on the corporate culture around maternity and paternity leave and to educate managers about how they can best work with returning mothers to ensure a smooth transition, with a focus on open conversations around their preferences.

and companies, pay the same amount of attention for reintegrating employees going for their maternity leave. Our informal interview suggests a few additions to the points from the study by Collings et al.. These are listed below.

Recommendations for Industry based on various studies

- Organisational preparedness with policies, structures and infrastructure, mandated under various statutory provisions should be invested in.
- Position maternity leave as a brief interlude, rather than as a major disruption. Equitable organisational HR policies can focus on outputs over a larger time frame.
- “How the return is handled” is far more important than typically the actual length of leave. Phased returns could be offered, during which the employee works from home, before making a gradual return.
- Design and set up support programs for returning employees, which includes crèche support and mentor support.
- Design and create an open dialogue with returning women. This should begin before maternity leave and include how to approach this special leave. Make specific provision for handovers at the start and the end of the leave.
- Formulate policies that allow flexibility of changes to their work schedule¹⁴¹.

Conclusions

This paper shows that most of the improvements have flowed to the top of the social pyramid while those at the bottom have been left out. What has enabled countries to embark on a path of higher growth has been the increasing rates of women's participation. Data from NIPCCD (2010) also corroborates that a country's economic development crucially depends upon the participation rates of its women as they constitute around 50 per cent of its human resources. And, because among other things, women's employment is crucial for raising their living standards and well-being. In developing countries like India though, women's participation in the workforce has been much lower as compared to men. The added downside to this is that the lack of participation in the formal workforce also determines their social status¹⁴².

The wage and employment inequalities do not affect the wellbeing of only women but also

children and families at large. It is this aspect that needs greater research attention for proper evidence building on the larger multiple effects on various other dependents.

It's time that the existing development paradigm is challenged and that economic reforms are complemented by social reforms (of inclusion, equality and integrational approaches). In fact, it's not only by opening the economy but by including every section, especially the disadvantaged, that the required impetus can be provided to slogans like '*Sab ka Saath, Sab ka Vikas*' (With All, Development for All). It is imperative that all sections of society must grow with special measures being provided for the inclusion of the excluded into mainstream development and growth processes in order to realise India's true potential.

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