
UNIT 9 LABOUR MARKET SEGMENTATION

Structure

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9.1 INTRODUCTION: THE CONCEPT OF LABOUR MARKET SEGMENTATION

Labour market analysts are broadly classified into three groups- classical, neo-classical and segmented. The segmented labour market theorists point out that the labour market is neither perfectly competitive nor homogeneous; rather there exists considerable heterogeneity and stratification in the labour market. It is not one whole but divided into distinct submarkets. Entrance to each is controlled by a network of patronage that gives privileged access to certain categories of people and denies it to others (Gilbert and Gugler, 1981). Segmentation in the

labour market occurs on account of differences in caste, gender and human capital acquirements. It results in one group or individual being relegated to the secondary labour market and the other getting entry into the primary labour market. L.K.Deshpande (1970) defines labour market segmentation “as a historical process whereby political and economic forces encourage division of labour market into separate submarkets possessing different characteristic and behavioral rules”. According to V.N. Kothari (1999), labour market segmentation refers to the distinctions in the nature of employment opportunities emanating from different sectors of the labour market. Different sectors of the economy generate jobs of varying qualities in terms of stability and security of employment. In a developing country like India vast majority of the labour force, say 92 percent (NCL, 2002) are employed in the informal sector and the informal sector is highly heterogeneous.

The theoretical foundations of labour market segmentation dates back several decades and these have been a topic of analysis in several different ideological strains. The analysis of labour market segmentation originated as a criticism of the neoclassical apparatus. It was argued that the neoclassical theory could not provide adequate explanations for the existence of several labor-market flaws, especially wage inequality and discrimination (Taubman and Wachter, 1986). The LMS theory states that segmentation in the labor market is a main cause of these problems.

The neo-classical theory puts forward that there is a single competitive labour market, where information is free and individuals maximize their real income. The Segmented Labour Market (SLM) theorists Doeringer et al (1969) argued that we do not come across a single competitive labour market with homogeneous units of labour. The SLM concept of labour market functioning is different from the Neo-classical one as it emphasizes institutional constraints. SLM theorists point out that labour market is neither perfectly competitive nor homogeneous; rather there exists considerable homogeneity and stratification in the labour market. Entrance to each is controlled by a network of patronages that gives privileged access to certain categories of people and denies it to others (Gilbert and Gugler, 1981). The two segments of the labour market which can be easily seen are the formal and informal ones. Labour market segmentation refers to the distinctions in the nature of employment opportunities emanating in

different sectors of the labour market. Different sectors of the economy generate jobs of varying qualities.

The radical theories view segmentation as a device of the monopoly capital to keep labour divided Michael Piore, David M Gordon (1971).

9.2 OBJECTIVES

After studying this Unit, You should be able to:

- define labour market segmentation;
- discuss labour market segmentation with help of Mumbai labour market; and
- explain different labour market approaches and theories.

9.3 DUAL LABOUR MARKET MODELS/ APPROACHES

Theories of a dual labour market first emerged from a series of casual quantitative impressions of local markets (Gordon, 1972). Four different research groups in the United States were engaged simultaneously in similar studies. The first group (Doeringer et al, 1969) studied the Boston ghetto labour market. The others based their investigations in Chicago (Baron and Hymer, 1968), Detroit (Fusfield, 1968, Blustone 1970) and Harlem (Vietorisz and Harrison, 1970). Some of these researchers attempted to highlight the worker characteristics of the ghetto workers. Many of the jobs were menial and instability among the workers was prevalent and encouraged by the system. The working conditions were poor, with low wages and there was no upward mobility for the working poor. Bibb and Form (1977) asserted that jobs in the primary labour market are ‘good’ jobs with high remuneration and jobs in the secondary labour market were ‘bad’ with low rewards and poor working conditions. Piore (1969) argued that each market had its own distinct characteristics. In the formal analysis of the dichotomy between primary and secondary labour markets, Doeringer and Piore (1969) showed that the mobility between the two sectors is minimal. According to them the critical distinction between the primary and secondary labour market is the extent of employment stability.

In its original form, labour market segmentation (LMS) theory argued that the labor market could be divided into a secondary and a primary segment (dual labor market theory, see Doeringer and Piore, 1971). The primary segment is composed of a series of well-developed, so-called Internal Labor Markets (ILM), characterized by high-wage jobs, returns to human capital, large firms and job security. The secondary segment, on the other hand, is characterized by low-wage jobs, no returns to human capital, and a high degree of job insecurity. Furthermore, mobility between the segments is severely restricted and jobs in the primary segment are rationed. According to the LMS theory there are a number of reasons why segmentation may occur, the main one being that the primary market substitutes market processes with institutional rules. Firms introduce such structures in order to shelter their workers from uncertainty in a market containing an idiosyncratic factor of production. Stated somewhat differently, competitive market forces are replaced by corporate rules. Thus, one implication of LMS is that the price mechanism does not function well in the primary segment, at least not as well as in the secondary segment. The main difficulty in the application of dual labour market approach is its exclusive analytical focus on labour markets located in the organized sector, centered in urban areas. In developing countries like India, 92 per cent of the labour force (NCL, 2002) has been in the unorganized sector both in rural and in urban areas.

Check Your Progress Exercise 1

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit

1. How labour market could be divided? explain

9.4 ANALYSIS OF MUMBAI LABOUR MARKET

The Labour market is much less homogeneous and integrated in developing countries like India. As a matter of fact, it is fragmented into several segments and entry to certain segments is restricted. The Labour market seldom operates under the conditions of a perfect market. Labour market segmentation in India has been discussed in the dualistic framework of the economy. L.K. Deshpande, Gerry Rodgers and John Harris have analysed segmentation in the urban labour

market. L.K.Deshpande (1970), in his case study of the Mumbai Labour Market, views the labour market as a replacement for the old caste system in the allocative functions and considers it more flexible. To quote him, “Labour market segmentation is defined as a historical process where by political and economic forces encourage and behavioral rules and leads to the division of the labour market into separate sub-markets possessing different sub-markets possessing different characteristics.” L.K.Deshpande (1970), in his ‘Mumbai Labour Market analysis’ classifies the labour market into three parts: the factory sector, small establishment sector and casual labour sector. Deshpande’s empirical analysis reveals that rural stratification is carried over to urban market segmentation. According to him, the labour force gets differentiated due to the ownership of tangible and intangible assets. As a result, those lacking in human capital join the secondary labour market as marginal workers and others get better opportunities in the primary segment of the urban labour market. The earning differentials between the two sectors and between males and females within the same sector were considerable. The study by Deshpande notes the gender based segmentation in the labour market. Wages in the female segments are usually lower than in comparable male jobs. Deshpande (1970) attributes such gender based discrimination in the labour market to the preconceived roles of males and females in the society. Females workers are relegated thus to the secondary job market because of the presumed low levels of human endowment base and their relatively lower skill acquisition.

9.5 GENDER BASED DISCRIMINATION IN LABOUR MARKET: EMPIRICAL OBSERVATIONS

Gender based discrimination exists the world over. It predates capitalism. Gender based discrimination implies that women are paid less and their service conditions are worse even though their skill, qualifications and productivity may not be different from those of men. Economists attribute women’s low wages to their lower labour productivity and overcrowding in inferior jobs. The sociological perspective attributes women’s subordination to the patriarchal system.

Women are discriminated against in the labour market. Gender based discrimination is universal and enduring. Economists, while explaining pure discrimination, attribute overcrowding of women in low paid, dead end, insecure or bad jobs to their lower productivity relative to men. They try to index this lower productivity to factors like lower investment in

human capital, lower educational attainments of women and the role of homemakers assigned to them as against bread winners assigned to men. In comparison to male counterparts, women's employment has grown rapidly, as shown by NSS as well as census data (Kundu, 1996). Urban labour markets are segmented and the process of segmentation begins in the villages where access to land and education is limited by poverty (Acharya, 1991).

Increasing female participation has been a major characteristic of the global labour market. The post reform period in India is marked by increasing feminization of labour. Sex discrimination in the labour market reveals that sex discrimination contributes to an unexplained gender gap and a continuing bias in the labour market on the basis of gender. Research studies on gender based segmentation examine the sources of this disparity and factors that contribute to this gap. Many researchers question the role of discrimination and attribute it to differences in preference with respect to balancing work with family responsibilities.

Several theories from different ideological backgrounds have also been offered for the widely-cited observation that men earn more than women, even after controlling of differences in human-capital endowments (i.e., potential discrimination exists). In the neoclassical literature, one encounters theoretical models which assume both competitive and noncompetitive market structures. The neoclassical models which assume competitive markets are strongly based on Becker's concept of "tastes for discrimination", which, in essence, assumes that employers or consumers have different "tastes" for the service of certain groups of workers (e.g., women), or for the goods produced by these workers (Becker, 1971). These different tastes give rise to different wages, despite otherwise identically productive workers. Neoclassical economists have also argued that discrimination may arise due to the existence of monopoly firms in labor markets (i.e., in less-competitive markets). Some attention has also been given to neoclassical models of statistical discrimination. These models are based on the notion that asymmetric information on an individual's labor-market related properties will lead an employer to form expectations of these properties based on a group's average characteristics (see also Thurow, 1975). Thus, women may earn less than men simply because they have a higher probability of leaving the firm (e.g., in order to rear children). By applying probabilities for the whole population to specific individuals, discrimination may arise. Institutionalists argue that labor

markets are segmented according to workers' gender and, as pointed out above, these labor markets function quite differently from each other. Furthermore, there is a strong mobility restriction between gender-specific segments. Certain segments are also more exposed to competitive forces than others. There is therefore no apparent reason why, according to this Institutionalist perspective, equally productive male and female workers will receive equal pay.⁴ Thus, the lack of competition may (in both neoclassical and institutional models) influence the degree of discrimination, and, thus, possibly, the magnitude of the gender wage gap. There is a relationship between segmentation and the gender wage differential.

Check Your Progress Exercise 2

Note: i. Use this space given below to answer the question.

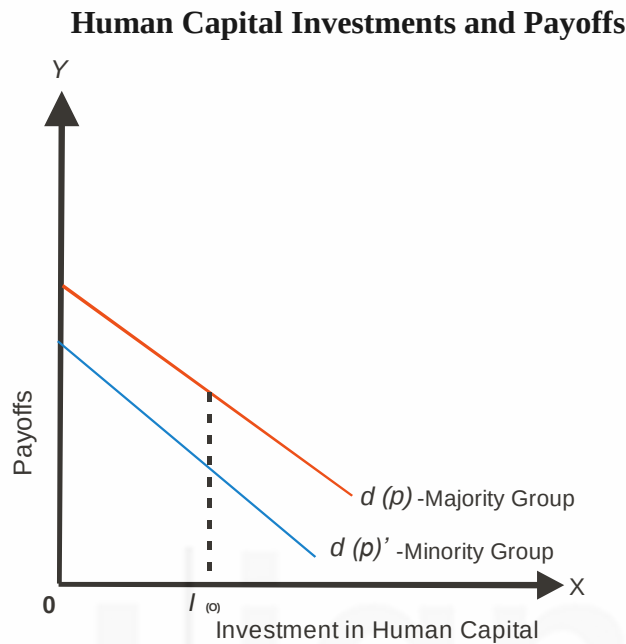
ii. Compare your answer with the one given at the end of this unit

1. Write short note on Institutionalist view on Labour market.

9.6 THEORIES RELATED TO LABOUR MARKET DISCRIMINATION AND EXPLOITATION

Labour market discrimination arises when at any given amount of investment in human capital the majority group has a greater payoff. Demand curves for human capital may vary because of inter-personal differences in characteristics that determine productivity such as strength, intelligence or ability. Figure 9.1 shows that at any given amount of human capital investment, the majority group (men) has a greater payoff. Their demand curve for investment in human capital lies above that of the minority group (women).

Figure 9.1



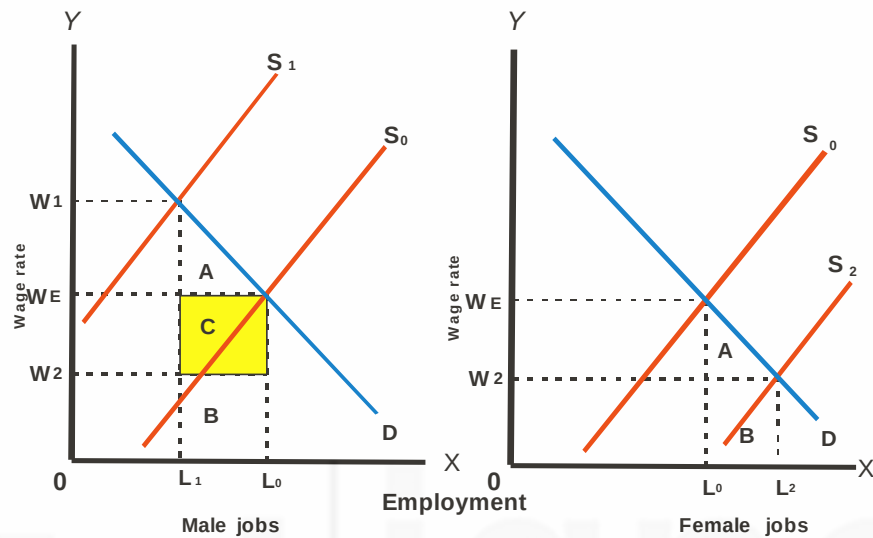
Source: Deshpande L.K. (1983): 'Segmentation of Labour Market', Kunda Datar Lectures, Gokhale Institute of Politics and Economics, Orient Longman Ltd, Pune.

This could be explained by Smith's contention that the minority workers are prepared to accept a low paying job which is pleasant and light as against a high status job which is well paid and prestigious but tiresome and time-consuming. The cheapness associated with its learning, some autonomy and independence in delivering the service and compatibility with the job leads to greater chances of success in the profession. Differences in time-preferences could also be a factor which relegates women to lower positions. Some of the professionals are highly present-oriented, that is they discount the future heavily or ignore it entirely while a few of them have a greater willingness to sacrifice the present satisfaction to obtain greater future rewards. Taussig calls the market for such professional groups as the market for non-competing groups as the supply of labour is limited because all and sundry cannot enter them. Cairness too developed his theory of non-competing groups in 1874 to show how such workers access to occupation is in practice always limited.

Mill (1885, p. 397), explained situations where despite equal efficiency of workers their pay is unequal mainly on account of custom grounded "either in prejudice or in the present conditions of society, which makes almost every woman specially speaking an appendage of man, enables man to take systematically a lions share of whatever belongs to both". Female

professionals in the labour market are seen to be belonging to a segmented market structure where the primary or the good jobs are the privilege of the more skilled and privileged class, generally the males while the secondary or the bad jobs are seen to be held by the minority or the female workers. Sex discrimination which seems to prevail in such jobs and which presumably keep women confined to lower positions can be explained by variants of the 'Segmented Market Approach' including the 'Dual Labour Market Hypothesis' which identifies primary and secondary markets for employment. The 'Job Crowding Hypothesis' (Fawcett, 1918 and Edgeworth, 1922), identifies predominantly male and female occupations in the context of sex discrimination. It has its roots in the pre neo-classical analysis of discrimination which are clear examples of an analysis that suggested women were over represented in certain occupational categories and therefore it depressed wages in those occupations. In a compact summary of the economics of sex discrimination Pike (1984), suggested that discrimination could equally well result if females were excluded from jobs which they have the ability to do. If such jobs are high paid jobs then it would create wage differentials between males and females. Her analysis sees job segregation occurring as a result of women being faced with difficult access to certain jobs, especially the white collared professions and it would need not take the form of reactionary trade union or a crude veto on hiring women but the entry criteria would take the form of lengthy training or an employment history which inadvertently excludes access to a disproportionately large number of women. Women are therefore crowded into the remaining more easily accessible jobs. As shown in Figure 9.2, in a perfect world both sets of occupations are open to males and females, where the labour market is such that supply and demand conditions establish equilibrium wages (W_E) in both sets of jobs. If discriminatory access criteria in the Male job market are introduced, labour supply is restricted to (S_1). As the number of female entrants falls, employment falls to (L_1) and wage rates rise to (W_1). Female workers crowd into the more easily accessible Female jobs increasing the labour supply to (S_2), thus reducing wage rates to (W_2) in such jobs (Fawcett, 1918).

Figure 9.2
Dual Labour Market Structure

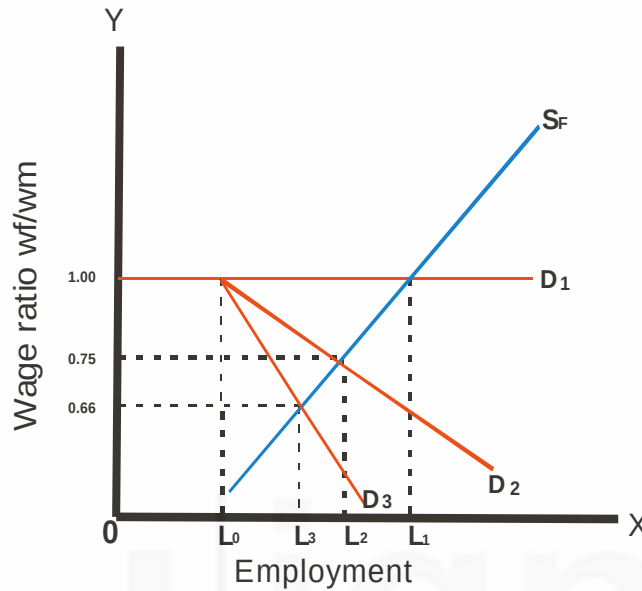


Source: Stephen Smith (1994): 'Labour Economics', Routledge Publications, New York.

The Dual Labour Market hypothesis defined by (Doeringer and Piore, 1969), explained male-female wage differentials by highlighting the fact that male workers are by and large involved in the primary market (well paid and with good work conditions) whereas females tend to dominate the secondary market. Such differentials will persist over time because of the limited and imperfect interactions between these two segments of the labour market. They see internal labour markets as a logical development in a competitive market in which three factors may be present namely, enterprise-specific skills, on the-job training and custom. Custom and administrative rules determine employment and pay decisions in internal labour markets rather than the outcomes of competitive market processes. Such rules governing the internal appointments which trade unions help to negotiate and enforce may entail the firm hiring at low levels and filling higher vacancies by internal promotions. More labour market interruptions and shorter work experience are significant factors which depress female earnings and career progression.

According to the neo-classical theory of 'taste model', employers have a taste for discrimination in the sense that their utility from the work is adversely affected by the employment of and wages paid to females as compared to males (Becker, 1971).

Figure 9.3
Becker's 'Taste Model' of Discrimination



Source: Stephen Smith (1994): 'Labour Economics', Routledge Publications, New York.

Figure 9. 3 displays that although the monetary cost of employing males and females is given by their wages, the disutility experienced by hiring women affects the net cost such that discrimination creates a gap between the market wages of men and women. The wages paid to female would then be $W_f = W_m(1+d)$, where 'd' is what Becker termed as the 'discrimination coefficient'. The stronger the prejudice against women workers the greater would be the value of 'd'. However, employment discrimination may be more significant in the labour market due to prejudice. If employer offers a structured hierarchy of jobs at different wage levels reflecting different productivity levels, discrimination against women will ensure that women are employed in the job structures below their potential. Thus if females are employed on this basis, the discrimination they encounter will be,

$$W_f = MRP_f - df$$

where MRP_f is the Marginal Revenue Productivity and df is a discrimination factor, then at any level of the job structure, say at level i ,

$$W_f = W_i = MRP_f - df$$

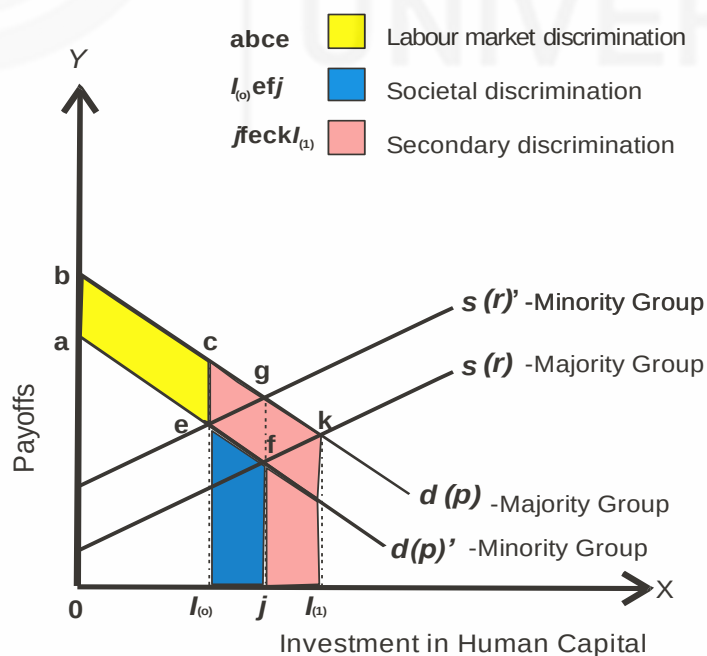
Therefore in order to obtain and maintain employment at level i in the job structure, females need to exhibit a productivity equal to $MRP_f = MRP_i + df$. In other words women must

always work to a higher standard in comparison to their male colleagues at any given level of the job hierarchy and to a higher standard than the job actually requires. As a consequence of employer discrimination, equally productive men and women occupy different jobs in the employment structure and receive different wage rates with the high status jobs always being dominated by men. Figure 9.3 shows a situation where the conventionally sloped female supply curve (S_F) encounters three different sets of demand conditions. The first set, (D_1) represents a situation where the lack of any discrimination identifies a maximum potential employment level (L_1) at wage rates which equal those of male workers, i.e., a wage ratio equal to unity. If a certain proportion of employers discriminate against women in their hiring practices, the demand curve assumes a kink at employment level (L_0), beyond (L_0) prejudiced employers require a wage differential to compensate for a loss of utility arising from hiring of female workers, which creates a gap between the market wages of men and women. In case of the wage ratio $W_f / W_m < 1$, females earn only a three quarters of what men would earn ($W_f / W_m = 0.75$). The actual female employment at (L_2) is less than its potential maximum due to discrimination in the labour market. If the intensity of discrimination increases the slopes of the demand curve becomes steeper, as shown by curves D_2 and D_3 respectively. This results in even lower levels of female employment at (L_3) and a wider sex earnings gap as the ratio of female to male wages falls to 0.66 from 0.75. If it is the case that female wages have increased over time relative to men's and the earning gap has narrowed, it would imply a change in the employer's tastes. Such a change could be brought about by competition from less discriminating firms or it could be due to a greater awareness of women's worth acquired from information, direct experience or enforced by equal pay and opportunities legislation. Genetic makeup also determines an individual's success as a worker via the capacity to benefit from investments in education and training. They are the avenues through which the family of orientation (parents and siblings) as well as the family of procreation (spouse and children) influence the earning capacity of the worker.

The quality of participation among these professionals too differed on account of differences in the nature and extent of investment in human capital. Lesser participation by females belonging to the minority groups as compared to the majority groups highlights the societal as well as secondary discriminations which deprive them of better work opportunities. Figure 9.4 reveals that in any type of labour market earnings are positively related to productive capabilities of the individuals. Productivity of labour in a particular undertaking may be

measured by dividing the output of that undertaking by the labour input in the undertaking. It ultimately depends upon the quality of the labour force. In the long run adequately skilled / trained labour force alone can bring about a higher level of productivity. Many institutions within the society influence an individual's collection of personal attributes determining labour market productivity. Possibilities of discriminations in the labour market arise as the minority group has lesser funds for investments in human capital at any given rate of interest and a lower rate of return for any given level of investment reflected in a supply and demand curves to the left of the demand of the majority groups. The total earning difference is the shaded area $abkl_{(1)}I_{(0)}e$. The area $abce$ illustrates labour market discrimination which takes place even if the majority group has invested no more than the minority groups, $I_{(0)}$, they would nonetheless earn more from investment. The area $I_{(0)}efj$ is the societal discrimination. It illustrates the difference in earning power that would result from the majority groups greater access to funds even if the minority and the majority groups both have the same rate of return schedule, $d(p)'$. The remaining difference in earning power, $jfeckl_{(1)}$ includes the most subtle component of total discrimination which is the secondary discrimination.

Figure 9.4
Societal and Secondary Discrimination

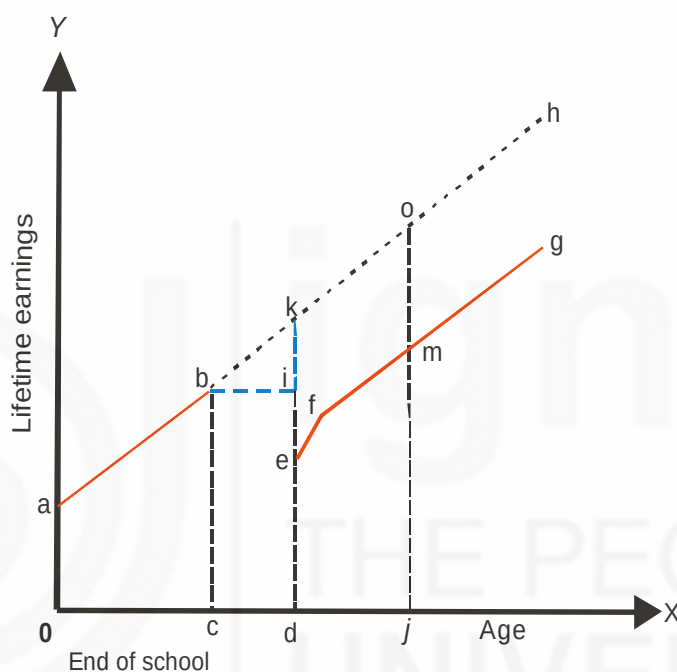


Source: Deshpande L.K. (1983): 'Segmentation of Labour Market', Kunda Datar Lectures, Gokhale Institute of Politics and Economics, Orient Longman Ltd, Pune.

Women are also seen to be discriminated of an equal status in work participation as compared to men, mainly due to discontinuity in labour force participation which arise in the case of females due to frequent short breaks taken on account of familial responsibilities.

Figure 9.5

Discontinuous Labour Force Participation



Source: Deshpande L.K. (1983): 'Segmentation of Labour market', Kunda Datar Lectures, Gokhale Institute of Politics and Economics, Orient Longman Ltd, Pune.

In the Figure 9.5, line above indicates a woman's life-time age-earnings power profile if she were a continuous labour force participant. If however, she interrupts her career between ages c and d, her earnings fall to zero for this period. Moreover, her earning power upon re-entry in the labour force is not the same as if she had not left the labour force k. Rather, it is lower by the amount ke. The difference ke can be divided into two parts ki and ie. Part ki is the opportunity cost of non participant in the form of foregone earnings growth as job experience accumulates. Part ie stems from the atrophy of skills due to its non utilization when out of the labour force. The diagram explains that we must account for the effect of time out of the labour force if we want to disentangle sex differences in earning power. Both men and women would

have the same age-earnings profile ah as shown in the diagram, when no time is spent out of the labour force by both of them. However, both have $abcdefg$ if there is non-participation by them during the ages cd . Now consider a situation when women dropout of labour force during the ages c and d while men do not. The sex difference in earnings at age j is equal to the vertical distance mo . If data are used for earnings in a range of ages reasonably close to age j , males will have estimated earnings functions kh and females will have lower but identically sloped estimated functions fg .

Check Your Progress Exercise 3

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit

1. Define 'Job crowding hypothesis'.

9.7 GOVERNMENT EMPLOYMENT POLICY TO BREAK SEGMENTATION

Market segmentation, to a great extent, has come about among other things by gender based segmentation (Ramesh Iyer, 1999). There is segmentation by gender where some jobs are classified as "male jobs" and some as "female jobs". Women have their own perception distinct from that of men about the choice of jobs and are less inclined to skill formation that involves going in for on the job training. According to Iyer (1999), wage discrimination takes place frequently as a result of the perception of employers that on an average, women have a higher probability of having lower productivity than men of equal qualifications. Job differentials get reflected into earning differentials which in turn get reflected differentials in the incidence of poverty. Thus, labour market segmentation will involve discrimination, leading to the perpetuation of poverty. Thus, gender/sex is one of the main factors which create non-competing groups in the society (crowding hypothesis) and the workers belonging to female group are paid at different wage rates. This will further depress wage rates for women's occupation and on the other hand, raise wages in male occupations that are protected from female competition (Iyer, 1999). Remesh Iyer (1999) suggests that the government must make necessary steps to break

labour market segmentation between female and male occupations. This is warranted because a segmented labour market usually does not allow entry into the primary labour market by those who are economically/socially discriminated against. In Iyer's view, the government must have an employment policy that makes it possible for women to enter the organized labour market in a big way.

Women workers are discriminated against in the labour market. Gender based discrimination is a universal phenomenon. Sudha Deshpande's (1997) contribution to this area is quite illuminating. In her view, gender based discrimination implies the unequal treatment of equals and is often attributed to patriarchy. Sudha Deshpande (1997) observes that there is a clear segmentation in industrial labour markets, both in Mumbai and in Coimbatore. According to her, the entry of a worker into some labour market depends on his or her endowments. Once the worker enters such labour markets there is hardly any mobility between labour markets.

According to Mackintosh (1984), feminists are divided on this issue on whether it is their subordination in the labour market or whether it is the latter that causes their subordination within the family. Esther Boserup (1981) is of the view that capitalism favors women workers and women workers face double discrimination due to their low human endowment base and the femaleness of the labour force.

9.8 ECONOMIC RATIONALE FOR GENDER BASED SEGMENTATION

What is the economic explanation for gender based segmentation in the labour market? Economists attribute overcrowding of women workers in low paid, dead-end, insecure or bad jobs to their lower productivity relative to men. It is attributed to the lower investment in human capital or educational attainments of women relative to men. It is considered the consequence of the role of home makers assigned to women and that of bread winners assigned to men by the society. Child bearing and rearing activities (Mincer and Polachek, 1974) form the root cause of women's lower investment in human capital. Sudha Deshpande says that the theory mentioned above fails to explain why equally energetic, educated, experienced and trained women end up getting lower wages than men in the same occupation. Sudha Deshpande (1997) attempted to provide evidence of gender based discrimination in the organized and unorganized sectors in

Indian economy. She draws on the data on women workers from the Labour Bureau of the Government of India (Government of India, 1993).

Maya Shah (1995) analyses an important form of discrimination labeled ‘waiting discrimination’ in the labour market. According to her, given the fact that education is expected to reduce labour market discrimination over a long period time, women having similar productivity related characteristics as men experience a longer waiting period and women experiencing similar waiting period as men having higher productivity related characteristics in comparison to men (Maya Shah, 1995). Maya Shah’s survey concentrated on only degree and diploma holders, both males and females. The study comes to the conclusion that women with a post graduate degree in science and technology and PhD or a post graduate degree in social sciences, arts, humanity and commerce experience a longer waiting period.

The Human development report (1995) evaluating women’s work, observes that much of women’s work remains unvalued. Women take more work than men and have greater burden. This is true of women’s work both in developed and developing countries. There is a certain lack of recognition for women’s unpaid work. Thus women’s work gets undervalued in the process of development. The UNDP (1995) report introduced two important new indices for measuring gender equality: Gender Development Index (GDI) and Gender Empowerment Measure (GEM). The Gender Empowerment Measure (GEM) combined national data on gender inequalities in income earned. If the rationale of HDI is extended to GDI, it endorses the view that a precondition for empowerment of women in any context is closing down disparities in return to labour efforts, the level of education attained and the level of experience.

9.9 DISPARITY IN WORK PARTICIPATION

Market segmentation to a great extent has come about by gender based segmentation among other things like skill, caste etc. There is segmentation by gender when some jobs are classified as “male jobs” and some as “female jobs”.

The problem of occupational segregation based on gender has been analyzed by Arti Nanavati and B.C.Patel (1999). The authors make use of different methods of segregation based on gender. The different methods employed in their research include: measures of segregation

like Marginal Matching, concentration ratio, Herfindahl Hirschman Index, index of dissimilarity, Sex Ratio Index.

The participation of women in the labour force has always been less than that of men in rural as well as urban areas. The work participation rate for women has increased significantly in the post reform phase. It has increased from 19.67 in 1981 to 22.73 in 1991 and to 26.68 in 2001. There is an increasing concentration of women in some occupations. Among rural women workers, a vast majority is employed in agriculture and some are employed in cottage industries. In urban areas, women workers are primarily engaged in the unorganized sector.

Check Your Progress Exercise 4

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit

1. Mention few methods for analyzing occupational segregation based on gender.

9.10 SEXUAL DIVISION OF LABOUR IN THE INFORMAL ECONOMY

Sexual division of labour in the informal economy has been researched by Nici Nelson (1988). The methods used in her research were participant observation, interviews, and surveys. The study was carried out in three of Mathare Valley's ten named villages. In her survey of 153 business establishments, she noted that there were only 38 women entrepreneurs as opposed to 153 men. She examined the question: How do Women and men get by in different ways? Men in Mathare are far less restricted compared to women in their choice of economic activity.

There are number of reasons for this difference. Some of them are structural and others cultural. Women are not only less educated than men in Kenya, they have fewer skills with commercial value. This obviously limits the choice of occupations open to any individual woman when she has to choose an economic activity. This is a structural constraint arising out of a cultural constraint, namely the Kenyan view of what is feminine and what economic role

women should and should not play. Women are also limited by the presence of young children who need care.

9.11 CONCENTRATION AND SEGREGATION

Labour market segmentation gets reflected in the concentration and segregation of labour in certain occupational structure. Segregation refers to separation of the two sexes; concentration refers to the representation of one sex within occupations (Maya Shah 153, 1999). The different methods of measuring gender based segregation are: 1) Index of Dissimilarity (ID), 2) Sex Ratio (SR), 3) Women and Employment (WE) Index, 4) Marginal Matching (Maya 1999). Maya Shah used all four measures for the district of Vadora using the data available in the District Census Handbook of 1991.

Despite the fact that women are active agents shaping the prospects for development of countries, consideration of their productive role in the informal economy is still lacking from development discourse, policy and practice. It is argued that that most women in India are participating in the labour market under precarious terms, irrespective of their rights as citizens and workers, during a heightened state of informalization that is unlikely to recede. Although the Government of India has attempted to examine employment relationships, the number of promising initiatives backed by the state is limited. Women's civil society has been effective in organizing workers to assert their social, political and economic rights. It is contended/argued that economic empowerment strategies may be the most conducive to enhancing women's overall empowerment, and surmised that greater political will in support of such groups will lead to citizen-centered change.

9.12 WOMEN IN THE INFORMAL ECONOMY

Women in the informal economy are more vulnerable due to their poor physical and human endowments and poor collateral base of the labour force. It has been established that impressive economic progress and technological progress has been made during the latter part of the last century and consequently many new economic opportunities have been created. But the pace of social progress has lagged behind the accelerated pace of the new global economy, as not everyone is able to reap the benefits of economic advancements. Women in the informal economy seem to be sidelined more than men as far as being beneficiaries of this progress. The

various global conferences and summits of the 1990s have placed gender equality on the priority agenda because, for economic efficiency and social efficiency to go hand in hand, all members of society- men and women alike, must realize their human potential to contribute to development and fully benefit from growth in this era of globalization.

9.13 GENDER BASED SEGMENTATION- POST REFORM PROFILE

Integration of World economies into a single World system and allowing an unrestricted flow of capital are the central features of globalization. However globalization does not offer such integration with regard to the labour market (Deshpande, 1984). Segmentation of labour force has become the prime strategy of this capitalist hegemony. Skills, gender, race and nationalities are important factors of segmentation by which some are denied the fruits of globalization. The most pervasive form of globalization is gender based. The employment department of ILO observed that there is considerable difference between the experience of men and women in the labour market and women continue to participate to a lesser degree than men.

The empirical evidence from Shivajinagar (Mathew, 2007) reveals that the neo-liberalist employment phase in India has become more uncertain and unstable for all workers, and consequently, an increasing number of women need to generate an independent income. Economic restructuring and flexibilisation of production process changes employment patterns. As a group, women are concentrated in low-paid and low skilled jobs and are more susceptible to poverty and social exclusion than their male counterparts. The post reform micro level empirical study reveals that women in Shivajinagar households in Mumbai have low levels of education and skills and this makes them more vulnerable in the labour market in terms of their human endowments. (Mathew.2007) Women in poor households in Shivajinagar have lower levels of education and training is seen from the cross tabulation between the variables education and sex. The cross tabulation of education by sex reveals the gender disparity in educational attainments between males and females in the sample households in Shivajinagar. The illiterate and below metric level education are concentrated among the females and people above metric level are concentrated among males.

A few post reform research studies show that economic role of women can also be critical in shaping household strategies of survival. Employment of women is yet another coping mechanism in the informal economy to face insecurity of income and vulnerability. Employment of women is yet another coping mechanism in the informal economy to face insecurity of income and vulnerability. Employment of women is yet another survival strategy followed by households in the informal economy at Shivajinagar. Besides being subjected to wage and occupational discrimination women are victims of limited access to education and employment (Deshpande and Deshpande, 1992). This is yet another indication of the informalisation of the urban economy. Feminization of the urban workforce therefore is yet another indirect manifestation of growth of poverty induced employment in the urban informal economy in recent years. Poor households in the informal sector households send their womenfolk to work in various low productive activities as part of their survival strategy. An interesting point that clearly emerges from the data is that poverty is the cause of a higher incidence of employment for poor households, because only by sending a larger number of family members to work are they able to survive in their trying circumstances. The field survey notes that the presence of young children and elderly persons in the household significantly reduces the probability of married women's employment in Shivajinagar. In Shivajinagar, the survey reveals that the traditional gender division of labour and gender roles and expectations are still maintained. The household obligations and responsibilities affect realization of their potential in the labour market. The monthly income of female workers in Shivajinagar differs from that of male workers. Gender based discrimination is an attribute of the informal labour market in Shivajinagar. Economists, while explaining "pure discrimination", attribute the overcrowding of women in low paid, dead end jobs; insecure or bad jobs to their lower productivity relative to men. This is attributed to the lower investment in human capital or education acquired by women compared to men. That women are able to invest less in human capital (education and training) due to planned interruptions in participation in the labour force for child-rearing activities (Mincer and Polachek, 1974; Becker, 1973) conversely suggests that women can devote less energy to market because they must devote more energy to household responsibilities.

An important aspect that is often highlighted in the context of economic reforms is the translation of labour market changes into defining and redefining gender relations and empowerment of women in India. The Post reform period reveals that new opportunities for women are opening up in the Indian economy. The paper analyses women's employment through a disaggregate analysis of the last three rounds of quinquennial NSSO Employment and Unemployment surveys, 1993-94, 1999-00 and 2004-05. The analysis provided in the paper suggests that the growing social and economic crisis is sending vast sections of women workers into a downward spiral resulting in a gender based inequality in employment. The sectoral distribution shows women mainly concentrating in the primary sector as against other liberalized economies.

9.14 SUMMING UP

In this Unit, one of the group of labour market called segmented is explained with the suitable examples drawn from different parts of the world. The segmented labour market theorists point out that the labour market is neither perfectly competitive nor homogeneous; rather there exists considerable heterogeneity and stratification in the labour market. Apart from that Dual labour market models/ approaches also explained. Along with that the unit analyzed the reasons for the Gender based discrimination in labour market with the Empirical evidences. Along with this Theories related to labour market discrimination and exploitation and government employment policy to break segmentation, Economic rationale for gender based segmentation, Disparity in work participation, Sexual division of labour in the informal economy, Concentration and segregation, Women in the informal economy and Gender based segmentation- post reform profile is elaboratively explained.

9.15 GLOSSARY

Herfindahl- Hirschman Index(HHI) : A commonly accepted measure of market concentration. It is calculated by squaring the market share of each firm competing in a market, and then summing the resulting numbers. The HHI number can range from close to zero to 10,000. The HHI is expressed as:

$HHI = s_1^2 + s_2^2 + s_3^2 + \dots + s_n^2$ (where s_n is the market share of the i th firm). The closer a market is to being a monopoly, the higher the market's concentration (and the lower its competition). If, for example, there were only one firm in an industry, that firm would have 100% market share, and the HHI would equal 10,000 (100^2), indicating a monopoly. Or, if there were thousands of firms competing, each would have nearly 0% market share, and the HHI would be close to zero, indicating nearly perfect competition.

Quinquennial: something that occurs every five years.

Sex Ratio (SR): SR was used by Hakim in one of the first gender segregation analyses of the British labour force. Hakim (1981) described this measure as ‘the difference between the level of overrepresentation [of women] in typically female jobs and the level of under-representation in typically male jobs’. Thus SR may be thought of as the ratio given by the observed proportion of workers who are of women in female occupation (F_f/N_f) divided by the expected proportion of women in these occupations if there were no segregation (F/N) less the equivalent ratios (observed: expected) of women in male occupations. Thus, put formally

$$SR = F_f/N_f$$

$$F_m/N_m$$

$$F/N \quad F/N$$

$$= N/F(F_f/N_f$$

$$- F_m/N_m)$$

$$= N/F \times Dr$$

Where Dr is the difference of proportion between rows of the Basic Segregation Table (r indicating the rows of men and women in ‘male’ and ‘female’ occupations). Again we see this is a ‘female’ version, with a corresponding ‘male’ version

$$SR_m = N/M \times Dr$$

Here, however, the mean is not Dr but $N^2/2MF$

As with WE, the weighting terms are a distortion which is better omitted.

Segregation and Concentration: ‘**Segregation**’ concerns the tendency for men and women to be employed in different occupations from each other across the entire spectrum of occupations under analysis. It is a concept that is inherently symmetrical....**Concentration** is concerned with

the sex composition of the workforce in an occupation or set of occupations. Whereas segregation refers to the separation of the two sexes *across occupations*, concentration refers to the representation of one sex *within occupations*.' (italics in the original, Siltanen et al, 1995: 4-5)

9.16 ANSWERS TO CHECK YOUR PROGRESS EXERCISE

Check Your Progress Exercise 1

1. In its original form, labour market segmentation (LMS) theory argued that the labor market could be divided into a secondary and a primary segment (dual labor market theory, see Doeringer and Piore, 1971). The primary segment is composed of a series of well-developed, so-called Internal Labor Markets (ILM), characterized by high-wage jobs, returns to human capital, large firms and job security. The secondary segment, on the other hand, is characterized by low-wage jobs, no returns to human capital, and a high degree of job insecurity. Furthermore, mobility between the segments is severely restricted and jobs in the primary segment are rationed.

Check Your Progress Exercise 2

1. Institutionalists argue that labor markets are segmented according to workers' gender and, as pointed out above, these labor markets function quite differently from each other. Furthermore, there is a strong mobility restriction between gender-specific segments. Certain segments are also more exposed to competitive forces than others. There is therefore no apparent reason why, according to this Institutional perspective, equally productive male and female workers will receive equal pay. Thus, the lack of competition may (in both neoclassical and institutional models) influence the degree of discrimination, and, thus, possibly, the magnitude of the gender wage gap. There is a relationship between segmentation and the gender wage differential.

Check Your Progress Exercise 3

1. Job Crowding Hypothesis' (Fawcett, 1918 and Edgeworth, 1922), identifies predominantly male and female occupations in the context of sex discrimination. It has its roots in the pre neo-classical analysis of discrimination which are clear examples of an analysis that suggested women were over represented in certain occupational categories and therefore it depressed wages in those occupations.

Check Your Progress Exercise 4

1. Marginal Matching, Concentration Ratio, Herfindahl Hirschman Index, Index of Dissimilarity, Sex Ratio Index.

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9.18 QUESTIONS FOR REFLECTION AND PRACTICE

1. Write essay on theories of labour market discrimination and exploitation.
2. Discuss the reasons for the gender based discrimination in the labour market.

UNIT 10 GENDER DIFFERENTIAL IMPACT ON LABOUR MARKET

Structure

- 10.1 Introduction
- 10.2 Objectives
- 10.3 Gender in Labour market
- 10.4 Economic reform and gender differential impact
- 10.5 A Global commitment to gender equality and equity- from Women in Development to Gender and Development
- 10.6 Twelve critical areas of concern in the Beijing platform declaration and for platform for action
- 10.7 The Three pronged strategy
- 10.8 Gender equality in education
- 10.9 UNESCO's special projects
- 10.10 Causes of race and gender oppression
- 10.11 Differential impact of gender inequality on male and female international migration
- 10.12 Enhancing gender equality, equity and empowerment of women
- 10.13 Promoting Gender equality
- 10.14 Gender Development Index(GDI) : Inter state profiles
- 10.15 Summing Up
- 10.16 Glossary
- 10.17 Answers to Check Your Progress Exercises
- 10.18 References
- 10.19 Questions for reflection and practice

10.1 INTRODUCTION

CIDA, the OECD, USAID, the World Bank and thousands of other organizations and civil society groups around the world are discussing gender. Over the past twenty years, we have seen a significant progressive evolution of gender concepts from the initial ideas, to the more institutionalized 'Women in Development' (WID), to "Gender and Development" (GAD) and

beyond. Today, besides including gender into their projects, many organizations have initiated internal gender policies and offer their staff gender training. (www.genderequality.ca.htm)

10.2 OBJECTIVES

After studying this Unit, you should be able to:

- Discuss the gender based impact of economic reforms;
- Analyze different international agencies efforts to bring gender equality and equity;
- Discuss the reasons for gender inequality; and
- Explain strategies to promote gender equality and equity.

10.3 GENDER IN LABOUR MARKET

Gender is a social, not a biological concept that replaces the term ‘sex’, which refers to the biological differences between men and women; gender is related to the manner whereby men and women interact in society, at home, in the workplace, in politics, in different cultures and with regard to economic issues. ‘Adding women’ to project activities does not constitute gender. It in fact is a concept that refers to learned social behaviours, differences and relations between men and women in a given society, community or social group. These learnt variables condition people to perceive various roles, activities, tasks and responsibilities as male or female. Gender roles are affected by age, class, religion, ethnicity, and the social, economic and political environment.

A gender analysis involves considering the differences in the participation of men and women, gender responsibilities and gender contributions, as well as evolving projects that optimize the contribution and growth of both sexes (www.genderequality.ca.htm). These differences between men and women may also relate to specific activities, access to and control over available resources or developmental benefits, and decision-making abilities. Gender analysis is thus a tool, which studies the relations between these differential factors and other factors in the larger social, economic, cultural, environmental and political context. (*ABC of Women Worker's Rights and Gender Equality*, ILO, Geneva, 2000, pp.47-48) (www.unesco.org)

Additionally, gender analysis is useful in highlighting the variations prevalent within gender groups, or specifically, within the group 'men' and the group 'women', both of which display their own set of power relations and taboos. An example of this would be differences related to the access to education compared to other women in the same community. Women's services do not yet always recognize these differences and therefore give inadequate attention to marginalized sub-groups. (www.genderequality.ca.htm)

Women's empowerment is a key issue of the Gender and Development initiatives, and sometimes a sensitive one, depending on social and cultural contexts. While this empowerment may have gender equality as its ultimate goal, this does not necessarily imply gender equity. The aim is not to render both sexes the same, but allow equal opportunities to both and ensure that women have rights. (www.genderequality.ca.htm)

Gender is a necessary consideration of the workplace. This is because accounting for everyone's needs and giving equal opportunities for participation improves employee morale, decreases absenteeism and improves retention rates, leading in turn to superior overall results. As Brian Schwartz, CEO of Ernst and Young, Australia, opines, "Women are 50 percent of the equation. Choosing not to work with women is like trying to progress with one hand tied behind your back." Companies with the highest percentage of female executives delivered earnings far in excess of the median for other large firms in their industries (1998, Harvard Business Review). (www.genderequality.ca.htm)

Gender is also an important concern for project design, as it accentuates the project's overall impact, given that the entire community works to affect change. Projects incorporating gender promote ownership and sustainability. In fact the World Bank notes that "Countries that enact specific measures to protect women's rights and increase their access to resources and education have less corruption and achieve faster economic growth than countries that do not." (World Bank) (www.genderequality.ca.htm)

Gender analysis is the first step towards the promotion of gender equality and gender-sensitive planning in the workplace. It entails the collection of sex-disaggregated data and gender-

sensitive information about a given population (ABC of Women Worker's Rights and Gender Equality, ILO, Geneva, 2000, pp.47-48) (www.unesco.org). Gender equality, by itself, is a concept which emerges from a belief in the various forms of inequalities related to gender, and is variously known by terms such as gender equity, gender egalitarianism, or sexual equality. It is embodied by the idea that all human beings, both men and women, have the freedom to develop their personal abilities and make choices unencumbered by stereotypes, prejudice and water-tight gender roles. The different behaviours and aspirations of men and women are given equal consideration and value. Gender Equality does not imply that men and women must become the same, but that their rights, treatment, opportunities, benefits and obligations will not depend on whether they are male or female. (ABC of Women Worker's Rights and Gender Equality, ILO, Geneva, 2000, p.48.)

World bodies have defined gender equality as related to human rights, especially women's rights, and economic development. UNICEF defines gender equality as "leveling the playing field for girls and women by ensuring that all children have equal opportunity to develop their talents." The United Nations Population Fund declared gender equality "first and foremost, a human right. Gender equity" is one of the goals of the United Nations Millennium Project, to end world poverty by 2015; the project claims, "Every single Goal is directly related to women's rights and societies where women are not afforded equal rights as men can never achieve development in a sustainable manner." (www.wikipedia.org.htm)

Promoting gender equality then is a necessary prerequisite to greater economic prosperity. A 2008 UN sponsored report observed that nations of the Arab world, which decry equal opportunity to women, are greatly debilitated by this tendency in their efforts to return to former first ranks as global leaders in commerce, culture and learning. (www.wikipedia.org.htm)

10.4 ECONOMIC REFORMS AND GENDER DIFFERENTIAL IMPACT

Economic reforms have had a differential gender impact. The reforms have meant more openness in trade regimes and a gradual de-control of the domestic sector of production. There was a steady withdrawal of the state from business/production. This will leave the labour force more vulnerable, as a profit motive alone drives the market. As women are crowded towards the lower end of the labour market, they will be more adversely affected by the reforms (Chandra, 1999).

The 55th round of National Sample Survey Organization (1999-00) reports that in urban areas gender differences in the structure of industrial and occupational distributions seems to have lessened. There is a high demand for female labour in some sectors, which can be linked towards export orientation and the deregulation of the domestic production sector.

However, changes in the structure of job opportunities have not translated into overall reductions. Services in recent years may have benefited educated women. The HDR 2005 reports that women spend 457 minutes at work as compared to men's 391 per day. In Kerala, according to Bina Agarwal, women's risk of physical violence from husbands is 49 per cent among women without property, but 18 per cent among land owning women and 7 per cent among those who own land and a house (Chandra, 1999).

Check Your Progress Exercise 1

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit

1. State one observations related to labour market made in the NSSO 55th round

10.5 A GLOBAL COMMITMENT TO GENDER EQUALITY AND EQUITY-FROM "WOMEN IN DEVELOPMENT" TO "GENDER AND DEVELOPMENT"

The "Gender and Development" (GAD) paradigm (proposed in the process leading to the Beijing Conference), is perceived as an evolution from the hitherto dominant "Women in Development" (WID) approach. As explained in the 1995 Commonwealth Plan of Action, "the WID Approach focused on how women could be better integrated into the existing 'men/male made world' and corresponding development initiatives. Targeting women's productive work to the exclusion of their reproductive work, this approach was characterized by income-generating projects for

women that failed to address the systemic causes of gender inequality." (Commonwealth Plan of Action on Gender and Development, 1995)

The WID approach tended to regard women as passive recipients of development assistance, rather than as active agents in transforming their own economic, social, political and cultural realities. Consequently, women's concerns were viewed in isolation, as separate issues, leading to their further marginalization in the state system and other social structures, due to distortions such as the "tag on reflex" (i.e., it was deemed sufficient to allocate a part of programme resources for "women projects" in order to honour one's commitment to the WID requirements) and, further, the treatment of "women's issues" as basically unrelated to major development concerns such as human rights issues, democratic governance, protection of the environment, globalization, peace and disarmament.

The GAD approach, on the other hand, seeks to integrate gender awareness and competence into mainstream development, while recognizing that development activities may affect women and men differently and therefore emphasizing the need for gender-sensitive planning in order to assure that the resulting conditions and results are equitable to women and men. This approach acknowledges that:

- ◆ women and men have distinct and special needs;
- ◆ women cannot be considered as a homogeneous group because, while being of the female sex, each woman is also marked by various factors such as her race/ethnicity, class, age, sexual preference among other factors;
- ◆ women tend to be disadvantaged compared to men in terms of their general welfare, and their access to and control of the means of production;
- ◆ gender differences can, however, also result in men being disadvantaged in certain societies, although presently, in most parts of the world, it is above all women that are victims of discrimination. (www.unesco.org)

In 1994, an evaluation was carried out of UNESCO's action concerning women and gender equality covering the period from 1988 to 1993. The evaluation pointed out that the Organization had no gender policy framework and that therefore "Women's issues were not systematically

addressed in the planning and programming process. The Organization has not been able, either, to develop sectoral gender-based strategies in its fields of competence. Although there were important differences between the sectors in terms of mainstreaming and implementing women-specific programmes, the activities in support of women remained generally rather scattered and often based on individual initiatives notwithstanding the fact that in all sectors a number of successful programmes and projects were identified and analyzed by the evaluators". (Final report "Evaluation of UNESCO's Transverse Theme Women 1988-1993 (1995)" in compliance with 26 C/Resolution 11.1 and 27 C/Resolution 11.1 of UNESCO: The evaluation was carried out by Delawit Aklilu, Margareta de Goys and Geraldine Novelo.) (www.unesco.org)

The evaluation showed that:

- ◆ budget constraints had an adverse effect upon gender research;
- ◆ there was little intersectoral co-operation on activities benefiting women (e.g., no intersectoral project aimed at helping women to cope with the problems of environmental protection, although there were major activities in this area in several sectors);
- ◆ the individuals assigned as "focal points" were all women, with hardly any training in any "gender approach", with little influence and normally having the "gender responsibility" in addition to other professional assignments;
- ◆ weak collaboration with National Commissions;
- ◆ insufficient documentation, publications, etc on women and gender issues

The evaluation put forth the following recommendations (given here in abbreviated form):

- ◆ the need for a clear strategy with well-defined priorities and policies for each sector;
- ◆ the need for the monitoring and evaluation mechanisms to take fuller account of aspects relating to women;
- ◆ training activities in gender issues;
- ◆ the need for an intersectoral and co-ordinated approach in designing and execution of activities;
- ◆ action-oriented research work and studies in selected fields which reflect the international debate on gender issues and apply this to the needs of the field;
- ◆ recruitment of the "focal points" should be based on skills and ability, regardless of sex;

- ◆ the principal co-ordinator should have this as a full-time assignment and the unit should be strengthened;
- ◆ the need to develop an accessible and organised set of institutional records of activities on behalf of women, along with a documentation centre, data base, bibliography, etc.

UNESCO prepared a policy document, on the basis of the preliminary conclusions of this evaluation, entitled The UNESCO Agenda for Gender Equality that was submitted to the Beijing Conference and was subsequently integrated into UNESCO's Medium-Term Strategy for 1996-2001. What follows is a concise review of UNESCO's action on gender issues which was guided by the decisions of the Beijing Conference, and by the United Nations System-Wide Medium Term Plan for the Advancement of Women 1996-2001, which was adopted by the UN General Assembly in 1995, and subsequently, in the same year, by the General Conference of UNESCO. (www.unesco.org)

10.6 TWELVE CRITICAL AREAS OF CONCERN IN 'THE BEIJING DECLARATION AND PLATFORM FOR ACTION'

The Platform focuses on twelve areas of critical concern, all of which are relevant to UNESCO's work. These are:

- ◆ The persistent and increasing burden of poverty on women;
- ◆ Inequalities and inadequacies in and unequal access to education and training;
- ◆ Inequalities and inadequacies in and unequal access to health care and related services;
- ◆ Violence against women;
- ◆ The effects of armed or other kinds of conflict on women, including those living under foreign occupation;
- ◆ Inequality in economic structures and policies, in all forms of productive activities and in access to resources;
- ◆ Inequality between men and women in the sharing of power and decision-making at all levels;
- ◆ Insufficient mechanisms at all levels to promote the advancement of women;
- ◆ Lack of respect for and inadequate promotion and protection of the human rights of women;
- ◆ Stereotyping of women and inequality in women's access to and participation in all communication systems, especially in the media;

♦ Gender inequalities in the management of natural resources and in the safeguarding of the environment;

♦ Persistent discrimination against and violation of the rights of the girl-child

(www.unesco.org)

Check Your Progress Exercise 2

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit

1. What are the critical areas in Beijing Platform for action

10.7 THE THREE-PRONGED STRATEGY

UNESCO's three-pronged approach to women's empowerment and gender equality consists of:

-mainstreaming a gender perspective in all policy-planning, programming, implementation and evaluation activities;

-promoting the participation of women at all levels and fields of activity, giving particular attention to women's own priorities and perspectives in redefining both the goals and means of development; and

- developing specific programmes and activities for the benefit of girls and women, particularly those that promote equality, endogenous capacity-building and full citizenship
(www.unesco.org)

Enhancing participation and promoting the role of the women:

(a) Despite major progress made in enhancing the access of women to higher education, various socio-economic, cultural and political obstacles continue in many places in the world to impede their full access and effective integration; hence it remains an urgent priority to further the renewal process for an equitable and non-discriminatory system of higher education based on merit.

(b) Greater efforts are required to remove all gender stereotyping in higher education, to consider gender aspects, women's involvement in decision-making and women's participation in various disciplines and at all levels, especially those disciplines in which they are under-represented.

(c) Gender studies (Women's studies) should be promoted as a field of knowledge, strategic for the transformation of higher education and society.

(d) Efforts should be made to eliminate political and social barriers whereby women are under-represented and in particular to enhance their active involvement at policy and decision-making levels within higher education and society. (World Declaration on Higher Education for the Twenty-first Century: Vision and Action, Article 4) (www.unesco.org)

10.8 GENDER EQUALITY IN EDUCATION

Education universally benefits individuals and promotes national development, expanding the opportunities and life choices for both boys and girls. However, 60 million girls remain unschooled worldwide. USAID has been working to close the gap between boys and girls by evaluating the degree of educational disadvantage that girls face, identifying gender-related obstacles and implementing remedies to remove and overcome them.

Effective Strategies for Educating Girls

An effective strategy for educating girls needs to include attention to their access and enrollment, as well as to educational quality and academic achievement. Girls in developing countries are pitted against teaching practices, textbooks and other learning materials in schools that reinforce gender stereotypes that are debilitate and retard their academic achievement. Dangerous or harmful school environments also pose challenges to girls in completing their education. Keeping girls in school requires that parents, community members, educators, policymakers, and donors look beyond enrollment and address larger, contextual issues, such as the impact that inequities between girls and boys has on educational quality.

WID Office Approach to Gender Equality

The Office of Women in Development's approach to gender equality in education includes:

- Testing innovative pilot programs to reduce school-related gender-based violence;
- Developing practical tools for USAID staff and implementing partners to design, implement and evaluate education programs that address equitable access and quality with a gender perspective; and Bringing attention to the norms and behaviors that

perpetuate inequalities in schools and the effect gender dynamics have on educational success or failure for both girls and boys.

(www.usaid.gov.htm)

10.9 UNESCO'S SPECIAL PROJECTS

The following are the UNESCO special projects with regard to girls' education

- ◆ Promoting girls' and women's education in Africa
- ◆ Scientific, technical and vocational education of girls in Africa
- ◆ Women, higher education and development
- ◆ Women, science and technology
- ◆ Women and water resource supply and use
- ◆ Women speaking to women: Women's rural community radio in least-developed countries
- ◆ Women in the service of civil peace
- ◆ Empowering women: Community development programmes in rural areas
- ◆ Women on the Net
- ◆ Women and a Culture of Peace in Africa

(www.unesco.org)

Check Your Progress Exercise 3

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit

1. Discuss WID office approach to gender equality.

10.10 CAUSES OF RACE AND GENDER OPPRESSION

The debates on the causes of race/gender intersections in the labor market reflect the core debates within the area of social stratification and are particularly conducive to a discussion of the relation between social constructions of gender and race and systems of economic stratification. Scholars differ in their emphasis on ideology and systems of meaning as perpetuating intersections of gender and race inequality (Collins 1999b) versus material interests

and control over productive and political resources (Mullings 1997, Weber 2001). Most feminist scholars taking an intersectional approach acknowledge the importance of both ideological mechanisms and control of economic and political resources, particularly when examining labor market outcomes (Collins 1999b, Glenn 1999, Kibria 1990). Intersectional theories assume that dominant groups control productive resources and major social institutions, using those institutions to promulgate legitimizing ideologies that make social inequalities appear natural (see Sidanius & Pratto 2001 for a review).

A related theoretical debate concerns the underlying motivation for differential treatment of groups based on their gender and race. Some writers assert that the dominant group—of heterosexual elite White men—consciously procures resources for itself and excludes the “outgroup” (Collins 1999b, Weber 2001). Other explanations posit that social hierarchies are created through perceptual, cognitive, and behavioral processes about which participants are oftentimes quite unaware (Reskin 2002b, Ridgeway 1997). Thus, intersectional approaches to labor market processes draw on an array of existing theories of social stratification to explain how and why “ascribed statuses” influence labor market processes. Intersectional approaches have not resolved the issue of relating processes at the level of social interaction to the distribution of resources and political power. This problem is at the core of the larger debates on labor market inequality. For instance, human capital theorists might argue that even if race and gender are mutually constructed social categories, these categories have little influence on labor market outcomes in the long run. An employer’s chief concern is to hire and promote the most productive worker to generate the most profit. In the labor market literature, human capital arguments are usually countered by theories of discrimination, in which perceptions, biases, and interests based on race and gender are translated into unequal outcomes.

These mechanisms suggested by intersectional approaches are not fundamentally new concepts in the debates on stratification. Among those who agree that gender and race do affect labor market experiences and outcomes, the proposition that these statuses are interrelated, raises novel questions regarding the interrelationship between multiple stratification hierarchies in the economy (Ransford 1980).

(www.arjournals.annualreviews.org.htm).

10.11 THE DIFFERENTIAL IMPACT OF GENDER INEQUALITY ON MALE AND FEMALE INTERNATIONAL MIGRATION

The impact of gender inequality and political institutions on international migration and the sex differential in migration to the United States: Firstly, according to the analyses involving interaction variables, both women and men are more likely to emigrate from countries with high levels of gender inequality in economic and political rights. And, there is a nonlinear relationship between winning coalition size and emigration. Secondly, involving the ratio of female to male immigration as the dependent variable, women migrate at a higher rate than men in response to gender inequality in education as well as economic and political rights. And, there is a nonlinear relationship between winning coalition size and the ratio of female to male immigration to the U.S. I believe these findings provide needed insight into the forces that affect female migration that will hopefully provide a basis from which future policies can be created that will better safeguard and protect female migrants to the United States. (Natalie Kaminsky and Anna Harvey Senior Honors Thesis 27 February, 2006) (www.politics.as.nyu.edu)

Table 1 Gendering Dimensions of Women

Dimension	Breadwinner model	Individual model
Familial ideology	Strict division of labour Husband=earner Wife=carer	Shared roles Husband=earner/carers Wife=earner/carers
Entitlement	Differentiated among spouses	Uniform
Basis of entitlement	Breadwinner	Other
Recipient of benefits	Head of household	Individual
Unit of benefits	Household or family	Individual
Unit of contributions	Household	Individual
Taxation	Joint taxation Deductions for dependants	Separate taxation
Employment and wage	Priority to men	Aimed at both sexes

policies		
Caring work	Unpaid	Paid component

The implications of the preceding analysis, for the original models outlined above, suggests the need to revise the original models in two respects:

1. the breadwinner model strongly influenced the policies of the Netherlands, UK and US, the differences in policy constructions between the Netherlands with the family as the unit of benefit and obligations and the other two countries with benefits and obligations tied to the individual suggest two variants of the breadwinner model. The fact that benefits have been attached to the individual has had important consequences for married women. Even if their entitlement was based on their husband's rights, pensions have been paid to women, providing them with a source of income which Dutch wives did not receive. On the other hand, the Dutch policy construction may be more amenable to change through gender equality reforms and 'individualization' changes in legislation making the individual the unit of entitlement and obligations
2. Swedish policies in the 1960's deviated from the breadwinner model but did not fit the individual model either. Swedish women did have more individual social rights but several of these entitlements were rooted in a traditional familial ideology and a strongly gendered division of labour which is the antithesis of the individual model. To accommodate the Swedish case we can conceive of a traditional family model of social policy encompassing the breadwinner variant and the traditional roles variant. Both variants share a familial ideology which prescribes a strict division of labour between husband and wife and entitlement is differentiated. (Gendering welfare states, Women's and Men's social rights: Gendering Dimensions of welfare Stated, Diane Sainsbury)

Check Your Progress Exercise 4

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit

1. Explain Bread Winner and Individual model for gendering dimensions of women

10.12 ENHANCING GENDER EQUALITY, EQUITY AND EMPOWERMENT OF WOMEN

Background

The Principle of the ICPD (International Conference on Population and Development) Programme of Action establishes the essential linkage between the advancement of gender equality, equity and empowerment of women and the elimination of all forms of violence against women, and women's ability to control their own fertility as cornerstones of population and development programmes. In this respect, the Programme of Action provides strong linkages to many human rights instruments, such as CEDAW and the Vienna Conference on Human Rights, and also creates a practical basis for operational integration of the critical concerns stated in the Beijing Platform for Action. The fundamental role that the ICPD Programme of Action plays in transforming population and development programmes and particularly in changing the quality of women's lives, is confirmed by the continued validity, relevance and increasing importance of these premises. Despite major progress, the five-year review of the implementation of the Programme of Action has identified several areas that need strengthening.

Progress made

The five-year review has found that progress has been made in the following areas:

1. The momentum created by the Cairo Conference has been used to establish or reinforce initiatives that promote the integration of a gender perspective into policies, programmes and activities.
2. Many countries have reviewed their legal systems and instituted reforms in accordance with international mandates to remove laws that discriminate against women and girls and enact those that protect them.
3. Initiatives have been taken to promote the participation of women at policy- and decision-making levels.
4. Institutions, both governmental and non-governmental, have taken measures for institution-building and strengthening, including capacity-building for staff, which are compatible with gender equality.
5. Much work has been undertaken to eradicate violence against women, including the enactment of laws, legal awareness creation, and advocacy.

6. Progress has been made in advocating for the protection of the girl child and the promotion of her well-being.
7. Efforts have been made to encourage men to take responsibility for their reproductive and sexual behaviour and health and to support women's health and promote gender equality and equity in general.

Constraints and issues

Some of the constraints and issues are:

1. Incorporation of a gender perspective. The adoption and institutionalization of a gender perspective in population and development programmes is a long-term process, which requires the application of gender analysis in the formulation of policies and in the development and implementation of programmes as well as in international cooperation. The adoption of this approach has been hindered by the absence of a proper understanding of how to interpret concepts related to gender issues in different social and cultural contexts. The globalization of the economy has contributed to deepening the feminization of poverty, while privatization of social and health sectors has increased the proportion of women without access to adequate social services and health care. In many countries, gender inequity is accentuated and accompanied by race and ethnic discrimination.
2. Legal context. In many countries women are still unable to exercise their rights because of legal provisions, such as those that deny them access to land and credit. Even where legal reform has been undertaken, women often continue to suffer from the lack of legal protection for exercising their human rights. Legal mechanisms to monitor gender equality and equity are still weak.
3. Violence against women. Women continue to face intolerable levels of violence at all stages of their life cycle, and in both their private and public lives. Feminization of poverty has increased new forms of violence, such as trafficking and forced prostitution. Women are also the major victims of wars and civil conflict.
4. Women in leadership, and policy and decision-making levels. Women continue to be grossly under-represented in positions of power and decision-making, because of obstacles such as poverty, illiteracy, a limited access to education, inadequate financial resources, patriarchal mentality and the dual burden of domestic tasks and occupational

obligations, besides being discouraged to assume decision-making positions such as electoral politics by a non-supportive and discriminatory environment.

5. Women's participation in the labour market. Regardless of their occupations, women with the same qualifications normally earn less than men for work of equal value. Their disproportionately higher share of social and family responsibilities negatively impacts their opportunities for training and promotion.
6. Vulnerable groups. The continued economic, social and health vulnerability of certain groups of women, such as those who are older, widowed, displaced, indigenous, rural poor, migrant, adolescent, refugee, or slum-dweller makes them susceptible to marginalization in policy and programme efforts. Often such groups are not consulted or engaged in dialogue to develop strategies that meet their needs.
7. Protection of the girl child. The existence of cultural attitudes that promote the low value of girls, harmful traditional practices such as female genital mutilation (FGM), the use of sex-selection technologies and sexual servitude endanger the sexual and reproductive health of girls and women, among other noxious cultural practices and belief systems.
8. Gender-disaggregated data. Many national information and data systems do not yet collect gender-disaggregated data or include such data for a limited number of variables.
9. Institutional strengthening and capacity building: The Staff in many institutions lack the requisite technical capacity to undertake gender analysis and to design, implement and monitor programmes from a gender perspective.
10. Promoting male responsibility and partnership between men and women: The persistence of social and cultural attitudes restrains men from sharing in family responsibilities, as they are not conversant in the discourse on gender equality and empowerment of women, both at the community and at the policy levels. Various initiatives have already been taken to address the sexual and reproductive health needs of men, and promote greater responsibility for their sexual and reproductive behaviour. These should continue without sacrificing the reproductive health services for women.

Proposed actions

In the last half-decade, many countries have successfully implemented various elements of the ICPD Programme of Action to promote the advancement of women. Gender equality is becoming a guiding light in population and development programmes, even in differing social,

cultural, economic and political contexts. Nonetheless, there is need to reinforce action in the areas listed in the section that follows.

Incorporating a gender perspective into policy, programmes and activities

Some of the actions proposed to incorporate a gender perspective into policy, programmes and activities are:

1. Developing and strengthening the ICPD reproductive rights approach to population and development policies and programmes, and to additionally include mechanisms for consultations with women's organizations and other equity seeking groups;
2. Incorporating a Human rights education into both formal and informal education processes;
3. Making operational essential linkages between the various elements of the ICPD Programme of Action, the Beijing Platform for Action and other international instruments in order to systematically and comprehensively promote gender equality;
4. Taking action to eliminate existing negative traditional, religious and cultural attitudes and practices that subjugate women and reinforce gender inequalities;
5. Adopting the gender perspective in all policy formulation and implementation processes and in the delivery of services and specifically monitoring the gender-differentiated impact of globalization of the economy and of the privatization of social and health sectors, so that specific mitigating measures may be adopted, especially for the poor;
6. Ensuring that all data and information systems make available gender-disaggregated data, which is crucial to translate policy into strategies that address gender concerns and to develop appropriate gender impact indicators for monitoring progress;
7. Addressing the needs of ageing women through the development of special programmes, services and institutional mechanisms to safeguard their health and well-being, as well as monitoring and articulating the needs of other vulnerable groups;
8. Removing all gender gaps and inequalities pertaining to women's participation in the labour market both by Governments and the private sector and initiating as well as enforcing policies or legislation for equal pay for work of equal value.

10.13 PROMOTING GENDER EQUALITY

Some of the actions proposed to promote gender equality are:

1. Strengthening the institutional capacity and technical expertise of staff in the Government and civil society, especially NGOs, to ensure gender mainstreaming;
2. Promoting gender awareness through children's education, as a crucial step in eliminating discrimination against women, and enforcing enrollment in school, for girls, as a necessary step towards the empowerment of women in future generations;
3. Accelerating the participation of women at political and at all policy and decision-making levels, including those for financial reforms and conflict prevention and resolution;
4. Developing strategies to promote gender equality at family level and recognizing that is also important to focus on the family as a unit of analysis to monitor progress;
5. Establishing legal frameworks to protect women's human rights and implementing and enforcing laws for the same;
6. Undertaking widespread advocacy to enable women to recognize and claim their rights;
7. Ratifying the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) in all countries and removing reservations where they exist;
8. Making the media, parliamentarians and other similar groups adopt and strengthen their strategies to tackle negative attitudes about women and assist in enhancing the value that society places on women.

Addressing violence against women

Actions proposed to address violence against women include:

1. A promotion of Zero-tolerance for all forms of violence, including rape, incest and sex trafficking of women and children, which involves developing an integrated holistic and multi-disciplinary approach from a life-cycle perspective, which includes social, cultural and economic change, in addition to legal reforms;
2. Implementing the Stockholm Inter-governmental agreement against trafficking;
3. Protection of the girl-child, particularly from harmful traditional practices, and promoting her access to health, education and life opportunities, while safeguarding the well-being of girls by supporting and enhancing the role of the family, and especially of fathers;
4. Promotion of a positive self-image and self-esteem among girls and women through information, education and communication strategies, such as (especially) curricula reform, to ensure that gender stereotypes are removed from all educational and training materials;

Promoting male responsibility and partnership with women

Actions proposed to promote male responsibility and partnership with women include:

1. Men's involvement in defining positive male role models that enable them to play a more pro-active role in supporting and safeguarding women's reproductive health and rights, and the facilitation of the socialization of boys to become gender-sensitive adults;
2. An addressing of men's own needs for reproductive and sexual health, and support towards their taking responsibility for their own sexual behavior;
3. Development and implementation of capacity-building strategies that help men and other stakeholders to understand all concepts related to gender in their work and in their homes;
4. Open and Verbal support of gender equality, the empowerment of women and the protection of the girl child by all leaders, especially men at the apex of policy and decision-making. (www.unfpa.org.htm)

10.14 GENDER DEVELOPMENT INDEX (GDI): INTERSTATE PROFILES

Women's empowerment has now become critical to a human rights based approach to development. The UNDP 1995 report was devoted to women's empowerment. The Human development report since 1999 revealed that no country treats its women as well as men in terms of measures like life expectancy, wealth and education. The virtues of the GDI spurred efforts to rank states in India by calculating their GDI. The findings reveal that in Punjab, Haryana, Bihar and Rajasthan development has been iniquitous and women did not get equal share in development (Seeta Prabhu 1996).

The impact of trade in services on gender employment: The extent to which women participate in the trading sector is an important indicator of the extent to which trade may empower women economically. They estimated the direct and indirect impact of trade in services on gender employment. The major findings of their estimation are the following:

- 1) As the literacy levels of females increases the wage disparity declines.
- 2) Even for graduates and above, the salaries earned by females is 70-75 % of that earned by males with similar educational levels.

This implies that with higher growth in services even if employment opportunities for women grow at the same rate, the benefits of growth are enjoyed more by males as compared to females.

They constructed the Social Accounting Method (SAM) for the financial year 2003-4 and consists of 64 sectors. The results of 20% increase in exports of services on gender employment in services leads to:

The Employment multiplier is highest for males in communication services followed by tourism and other transport services. For females, the employment multiplier is highest for other services service (residual sector) followed by communication services and tourism. The Gender differential in the employment multiplier is high in communication services. This is mainly due to the lower access of women to education, training, technology and knowledge as compared to men. For most of the services, out of the total employment created by a unit rise in exports, only 30 to 40 per cent of employment goes to females. The paper reveals that though trade in services creates additional employment for women, the gender inequality increases in terms of work participation. Female employment is high in agriculture and animal husbandry. In high technology sectors female employment multiplier is low. The policy intervention is needed to build capacity of women in identified sectors. The Trade-growth gender nexus needs in depth research.

Check Your Progress Exercise 5

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit

1. Give few strategies to promote gender equality

10.15 SUMMING UP

The starts with explaining the efforts of international Organizations to bring approaches like WID and GAD to integrate gender approaches into the programmes and policies. Along with that the Unit also explained CEDAW, international Women Conferences and efforts of organization like UNESCO. Finally the Unit provides few strategies to promote gender equality.

10.16 GLOSSARY

National Sample Survey Organization: The National Sample Survey Organization (NSSO), now known as National Sample Survey Office, is an organization under the [Ministry of Statistics](#) of the [Government of India](#). It is the largest organization in [India](#) conducting regular socio-economic surveys. It was established in 1950.

NSSO has four divisions:

1. Survey Design and Research Division (SDRD)
2. Field Operations Division (FOD)
3. Data Processing Division (DPD)
4. Co-ordination and Publication Division (CPD)

10.17 ANSWERS TO CHECK YOUR PROGRESS EXERCISE

Check your Progress Exercise 1

1. The 55th round of National Sample Survey Organization (1999-00) reports that in urban areas gender differences in the structure of industrial and occupational distributions seems to have lessened. There is a high demand for female labour in some sectors, which can be linked towards export orientation and the deregulation of the domestic production sector.

Check Your Progress Exercise 2

1. The Platform focuses on twelve areas of critical concern, all of which are relevant to UNESCO's work. These are: The persistent and increasing burden of poverty on women; Inequalities and inadequacies in and unequal access to education and training; Inequalities and inadequacies in and unequal access to health care and related services; Violence against women; The effects of armed or other kinds of conflict on women, including those living under foreign occupation; Inequality in economic structures and policies, in all forms of productive activities and in access to resources; Inequality between men and women in the sharing of power and decision-making at all levels; Insufficient mechanisms at all levels to promote the advancement of women; Lack of respect for and inadequate promotion and protection of the human rights of women; Stereotyping of women and inequality in women's access to and participation in all communication systems, especially in the media; Gender inequalities in the management

of natural resources and in the safeguarding of the environment; Persistent discrimination against and violation of the rights of the girl-child

Check Your Progress Exercise 3

1. The Office of Women in Development's approach to gender equality in education includes:

- Testing innovative pilot programs to reduce school-related gender-based violence;
- Developing practical tools for USAID staff and implementing partners to design, implement and evaluate education programs that address equitable access and quality with a gender perspective; and Bringing attention to the norms and behaviors that perpetuate inequalities in schools and the effect gender dynamics have on educational success or failure for both girls and boys.

Check Your Progress Exercise 4

1. The breadwinner model strongly influenced the policies of the Netherlands, UK and US, the differences in policy constructions between the Netherlands with the family as the unit of benefit and obligations and the other two countries with benefits and obligations tied to the individual suggest two variants of the breadwinner model. The fact that benefits have been attached to the individual has had important consequences for married women. Even if their entitlement was based on their husband's rights, pensions have been paid to women, providing them with a source of income which Dutch wives did not receive. On the other hand, the Dutch policy construction may be more amenable to change through gender equality reforms and 'individualization' changes in legislation making the individual the unit of entitlement and obligations Swedish policies in the 1960's deviated from the breadwinner model but did not fit the individual model either. Swedish women did have more individual social rights but several of these entitlements were rooted in a traditional familial ideology and a strongly gendered division of labour which is the antithesis of the individual model. To accommodate the Swedish case we can conceive of a traditional family model of social policy encompassing the breadwinner variant and the traditional roles variant. Both variants share a familial ideology which prescribes a strict division of labour between husband and wife and entitlement is differentiated. (Gendering welfare states, Women's and Men's social rights: Gendering Dimensions of welfare Stated, Diane Sainsbury).

Check Your Progress Exercise 5

1. Strengthening the institutional capacity and technical expertise of staff in the Government and civil society, especially NGOs, to ensure gender mainstreaming; Promoting gender awareness through children's education, as a crucial step in eliminating discrimination against women, and enforcing enrollment in school, for girls, as a necessary step towards the empowerment of women in future generations; Accelerating the participation of women at political and at all policy and decision-making levels, including those for financial reforms and conflict prevention and resolution; Developing strategies to promote gender equality at family level and recognizing that is also important to focus on the family as a unit of analysis to monitor progress; and Establishing legal frameworks to protect women's human rights and implementing and enforcing laws for the same.

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10.19 QUESTIONS FOR REFLECTION AND PRACTICE

1. Trace the history of different approaches to integrate gender issues at all levels.

UNIT 11 WAGE DIFFERENTIALS

Structure

- 11.1 Introduction
- 11.2 Objectives
- 11.3 Components of wages
- 11.4 Determinants of wage differentials
- 11.5 The traditionalist approach related to wage differential
- 11.6 Views of modern economists
- 11.7 Further categorization
 - 11.7.1 By type of economic activity
 - 11.7.2 By Organization type
 - 11.7.3 By the way of ownership type
- 11.8 Geographical distribution
- 11.9 The growth paradox
- 11.10 Four types of differentials
- 11.11 The shrinking model and wage differentials
- 11.12 The turnover model and wage differentials
- 11.13 Other job or employer heterogeneities
- 11.14 Summing up
- 11.15 Glossary
- 11.16 Answers to Check Your Progress Exercises
- 11.17 References
- 11.18 Questions for reflection and practice

11.1 INTRODUCTION

Wage differentials due to market imperfections seem to be wider in developing countries than in developed countries. The Marginal Productivity Theory of Wages explains how the local characteristics of labour markets and variations in value productivity result in wage differentials. Geographical or regional differences would exist due to the purely local characteristics of labour.

However, these would tend to equalize over a period of time, as the mobile labour would tend to have searched out the areas with the maximum-pay levels and capital, as well as searched out the areas with minimum pay levels. Occupational or skill differentials would arise due to varying productivity of different classes or types of work and the supply of qualified workers in each class. Variations in the productivity and in the supply of workers, industry by industry and firm by firm, explain industrial and firm differentials respectively. It may be emphasized, however, that wage differentials primarily reflect differences in physical and mental abilities of the workers – abilities that are inborn or acquired. The wage patterns would also in all likelihood be closely aligned with the differences in marginal productivity. The equilibrium situation would however be achieved when the employers seeking lower costs would find the employees seeking higher incomes. To summarise, traditional theory considers wage differentials as being compensatory. A compensating difference is a difference in earnings created by giving due weightage to advantages and disadvantages associated with a job.

Woytinsky et al (1953) opined that trade unionism and the age differential of the labour may influence wage differentials. Neo-classical theory suggests that women earn less than men because they have lower levels of human capital such as education, training, on the job experience, and therefore lower productivity (Woytinsky, 1953; Mincer and Polacheck, 1984). Wage differentials could also exist due to other structural conditions prevailing in the economy. These could be generally classified as market imperfections and could be along the dimensions of immobility of labour due to geographical (Pearson, 1953), occupational (Dunlop, 1948) and social factors, monopolistic trends and government intervention. However, Bhagoliwal (1985), taking representative high wage and low wage industries (basic metals and textiles respectively) and showing rates of average earnings between these industries in 11 countries including India, revealed, albeit to a limited extent, that inter-industry wage differentials are not particularly related to a country's stage of development. It may be noted however, that wage differentials serve a very important economic function – in that they provide an important incentive for labour mobility and bring about a reallocation of labour force under changed conditions, howsoever imperfect the market mechanism may be. One of the major problems of wages of industrial workers is the lack of standardization. The differences in wages, which are often not based on any scientific principles, are responsible for a number of evils in modern industry. As a result of

such differences, for wage maximizing, workers keep moving from industry to industry, due to which the stability of wages is difficult to achieve.

The process of institutionalization of economic activities is slowing down, so that sub-contracting is on the increase to decline the wage cost. As a result, the rigid wage structure which existed then in India gradually made way for more flexibility in the labour market. However, regarding the rigidity of wage rates prevailing in Indian labour market, IMF and ILO recommended the 'hire and fire' policy for efficiency. Flexibility cannot be applicable to a country with a lot of unemployment. Scholars feel that substantial reforms in the labour market are required, before flexibility is attempted. The wage policy in all countries is a complex and sensitive area of public policy.

11.2 OBJECTIVES

After studying this Unit, you should be able to:

- state the components of wage;
- mention the determinants of wage differentials;
- explain the different approaches of wage differentials both traditional and modern economists;
- explain few models related to wage differentials; and
- impact of gender and race in the wage differentials.

11.3 COMPONENTS OF WAGES

Wages may comprehend various reference periods, namely daily, weekly or monthly, but the basic components are as follows: firstly, a Consumer Price Index (CPI); a linked Dearness Allowance (DA) and finally, other factors, such as the Employer's contribution to the Provident Fund, Bonuses and benefits, all of which cumulate to the emoluments employees procure. The normal operations of an employee are covered by the basic salary structure; nevertheless an incentive scheme is also implemented to improve a unit's efficiency levels. Additionally, fringe benefits, i.e. non-wage or non-financial incentives such as acknowledgement of a well-done job, recognition and prestige, all could prove important in a crisis period.

11.4 DETERMINANTS OF WAGE DIFFERENTIALS

There are two kinds of wage differentials: 1) Compensating or equalizing, 2) Non-compensating differentials. The compensating wage differentials arise due to the following set of factors:

1. Hours of Leisure

Longer leisure hours compensate for wage differentials.

2. Cost of living

The cost of living varies from place to place. Labour placed in costly cities is paid a city compensation allowance.

3. Degree of Risk

The degree of risk involved in some jobs also leads to wage differentials. Higher payments are given for compensating the risk of jobs.

4. Cost of Training

Another factor responsible for wage differentials includes the cost of training. Some jobs like medical and engineering jobs requires heavy financial investment in human capital while some others require less investment.

5. The other factors leading to wage differentials include: job security, duration of service, working conditions and contract, nature of employment, sectoral distribution of workforce into formal and informal, skill base of the worker, etc.

The non-compensating wage differentials arise on account of the following factors:

1. Market Imperfections

When market imperfections prevail workers lack information regarding the employment opportunities open to them. Information is the key to success in today's labour market.

2. Differences in Prices of products

The prices of commodities that the labour produces also differ and it is one of the major causes leading to wage differentials. Factories producing low priced goods tend to

remunerate labor with lower wages. Industries producing high priced goods tend to pay higher wages to their employees.

3. Individual Differences

Individual differences in terms of physical abilities and mental abilities create wage differentials. Such differences in individual abilities create wage differentials as differences in their productivity levels arise.

An interesting research study on wage differentials across gender is done by Ether Bosrerup. According to Boserup's analysis, the women workers are paid less than their male counterparts due to low educational attainments and the femaleness of the labour force i.e. Women are more docile and are not unionized like men. Several empirical studies on informal labour markets reveal that women are earning less than men in the urban informal economy. Women are also doing a great deal of unpaid work in both agriculture and in their homes.

Gender based discrimination is an attribute of the informal labour market. Economists, while explaining the "pure discrimination", attribute overcrowding of women in low paid, dead-end jobs or insecure or bad jobs to their lower productivity relative to men. This is attributed to the lower investment in human capital or education acquired by women compared to men. Women are able to invest less in human capital (education and training) due to planned interruptions in their participation in the labour force for child-rearing activities (Mincer and Polachek, 1974; Becker, 1973) on the other hand, which suggests that women can devote less energy to the market because they must devote more energy to household responsibilities.

The consequences of women's poverty are easy to see. The causes of women's poverty result both from belonging to poor families as also women's subordinate role within the family, community, and the larger economic and political arena. All of these factors add up to a lack of access to economic resources, which limits their ability to take control of their lives. We may also note that the interplay of economic and cultural factors acts as a determinant of women's employment. Women shoulder most of the family responsibilities: child rearing, care of the elderly and care for other family members. Women's strategies for balancing work and family have profound economic and psychological consequences. The presence of young

children and elderly persons in the households significantly reduces the probability of married women's employment in the informal occupations. Studies undertaken by UN agencies and others have shown that while women on an average work for longer hours than men, most of this work is classified as housework and unpaid.

The difference in the monthly earning levels of men and women is due to the low human capital endowments of women in slum households.

Check Your Progress Exercise 1

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit

1. Which are the factors responsible for the non-compensating wage differentials arise on account of the following factors?

11.5 THE TRADITIONALIST APPROACH RELATED TO WAGE DIFFERENTIAL

Smith, Ricardo and Marx believed in the Iron Law of wages, which propagated that in the long run, wages would settle at the subsistence level. Marx's exploitation theory of wages (1918) brings to light that wages are related to the value of the product that labour produces. According to the Wage Fund Theory of Mill, wages differ according to size of the wages fund i.e. high wages are derived from a high wage fund. As per Walker's Residual Claimant Theory, workers are paid what is left over after making payments to the other factors of production such as rent, interest and profit. Neo-classicals put forward the Marginal Productivity Theory, also known as the Orthodox Theory of Wages, owing to lack of importance given to trade unions (Clarke, 1899). In short, traces of wage differentials are reflected in the traditional view, according to which, wages evolve out of a single labour market, which is competitive.

11.6 VIEWS OF MODERN ECONOMISTS

Union models of wages argue that the share of wages increases due to collective bargaining. These union models can be explained in the context of perfect competition and in the case of the monopoly market, which will have lesser wages. The Institutionalized view of labour markets was evolved during 1940s, a time of rapid union growth, along with the spread of centralized collective bargaining (Rose, 1948; Kerr, 1950; McNulty, 1980). According to the above institutionalists, the evolution of collective bargaining has had the effect of making the wage rate an administered rate, rather than a market rate. Wages are determined by the conscious human decisions made by the representatives of the union and management around the bargaining table rather than by the market forces of supply and demand. The Bargaining Theory of Wages was propounded by Thornton, Davidson, Dobb and Web and also supported by Keynes. According to this theory, wages are determined by bargaining between employers and workers.

The Dual Labour Market Theory, based on the concept of primary and secondary labour markets, was put forward by Reich et al (1973), Vietrosz and Harrison (1973), Gordon, Edwards et al (1975) and Gordon et al (1982). The institutional theories of labor market segmentation have, on the other hand, related to the structure of labour market and gender based discriminatory treatment in terms of remuneration.

Deb (2004) has reported that there is no evidence of much change in total factor productivity growth following liberalization of the regime initiated in the early 1990s. His study brought out that factor accumulation rather than growth of productivity accounts for most of the output during this period. Mazumdar and Sikdar (2004) have identified three periods which showed enormous variation in employment elasticity in Indian manufacturing. In the first period (1974-80) the elasticity was unity, the second period (1980-86) had a negative elasticity (the period of 'jobless growth') and in the third (1990-96), employment started to recover along with an enhanced rate of growth of output, although employment elasticity did not reach the levels of the first period. Subramanian (2001), has argued that while the government has striven to adopt wage fixation policies with regard to public sector organized labour, the attempts to impose wage standardization and salary restraints has been by and large ineffectual, except for a brief period during emergency. Due to market imperfections, wages came down and the post-liberalized trend is towards non-institutionalization of labour.

Contrary to the traditional version, the modern view brings out the fact that there are markets within markets. It highlights the role of segmented labour market in the determination of wages resulting into wage differentials.

Check Your Progress Exercise 2

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit

1. What is the traditionalist approach to wage differentials?

11.7 FURTHER CATEGORIZATION

11.7.1 By type of economic activity

By economic activity, the entire data set is divided amongst manufacturing (M), electricity, gas and water supply (E) and services (S). It has been found that M has the lion's share of the entire statistics.

- (a) The number of factories in Manufacturing has hovered around 95 percent while Electricity, gas and water supply and Services have been almost equally divided amongst the remaining 5 percent. However, since 1995-96, the share of S has marginally risen, at the cost of Manufacturing, while Electricity, gas and water supply has been almost constant.
- (b) The number of workers has also almost followed the trend, though the share of Manufacturing has declined from about 90 percent to 85 percent, whereas the share of Electricity, gas and water supply and Services has increased in the same percentage.
- (c) Wages paid to workers in Manufacturing has declined from about 90 percent to 80 percent, while the share of Electricity, gas and water supply has increased from about 6 percent to 15 during the period. This may be partly due to the increase in private

sector attention to various infrastructure projects that have been commissioned in the country during the last decade or so. S has never had more than 5 percent of the entire wage bill.

- (d) The Total emoluments paid to employees has also demonstrated a similar trend compared to wages to workers, though the emoluments paid has registered beyond 15 percent in case of Electricity, gas and water supply. This may again be partly due to higher emoluments paid to employees performing ‘higher-end’ jobs such as value added services including finance and marketing related job profiles.
- (e) In terms of value of input, Manufacturing has had its share of decline from about 95 percent to about 88 percent. Manufacturing has increased from about 3 percent to about 9 percent. In this case however, Services which had been steady throughout the time period, has increased in recent years marginally. This is perhaps due to the recent focus on various service providers, which are able to attract some market share. Being at the higher end of input seeking, their share of value of input has also risen. The value of gross output has declined for Manufacturing from about 92 percent to about 86 percent while the share of Electricity, gas and water supply has increased from about 6 percent to about 12 percent. The share of Services has also marginally increased, again, partly reflecting the trend of the value of inputs.

11.7.2 By organization type

The database is divided amongst Unincorporated Enterprises (U), Corporate Sector (C) and Others (O).

- (a) The number of factories in the Unincorporated Enterprises has declined from about 68 percent to about 60 percent during the period of study, after registering a small increase during 1975-76 and again during 1983-84. The Corporate Sector has however shown a steady increase in figures from 20 percent to about 37 percent. Others has declined from about 11 percent to about 4 percent, after registering a small increase during 1979-80 till 1981-82.
- (b) The number of workers in Unincorporated Enterprises has remained almost stable at about 27 percent. The Corporate Sector on the other hand has had a lion’s share of the number of workers – rising from about 60 percent to about 70 percent during the period,

after a major jump around 1987-88. Others, on the other hand has decreased from about 10 percent to about 5 percent after registering a steep fall during 1988-89. The increase in the number of workers in the Corporate Sector partly reflects the increase in the number of companies in the corporate sector; the same is also reflected in the increased number of incorporated companies in the corporate sector.

- (c) Wages paid to workers in Unincorporated Enterprises remained almost stagnant during the period of the study. In the case of the Corporate Sector, the wages declined marginally up to 72 percent during 1987-88 and then rose sharply while stabilizing at about 85 percent till 1996-97. However, in the last year of the period of study, there was a sudden decline. In the case of others, the wages rose to about 16 percent in 1987-88, from 13 percent in 1979-80 and then had a fall subsequent to it, and later stabilized at about 4 percent.
- (d) Total emoluments paid to employees in Unincorporated Enterprises remained virtually stagnant during the entire period of study, at about 10 percent. As expected, the Corporate Sector had a large share of the total emoluments. The total emoluments of the Corporate Sector declined marginally from about 78 percent to about 74 percent till about 1987-88 and then increased and finally stabilized at about 87 percent in the last year of the observation. In case of Others, the total emoluments increased from about 13 percent to about 16 percent and in the year 1987-88, it registered a fall and has been decreasing since then, when it finally registered a figure of about 4 percent. It appears that 1987-88 was a watershed year in the Indian corporate sector, as witnessed by sharp kinks in the trends of the variables, relating to wages and emoluments based on an ownership pattern.
- (e) In terms of value of input, Unincorporated Enterprises showed a decline from about 21 percent to about 14 percent, except for a brief jump during 1988-89, and a quick reversal. The Corporate Sector showed a healthy and steady increase from about 71 percent to about 82 percent during the period of the study.
- (f) In terms of the gross value of the output, Unincorporated Enterprises, the Corporate Sector and Others registered a similar movement in their respective shares over the period as the value of the input.

11.7.3 By way of ownership type

The data is classified into Public Sector (P), Joint Sector (J), Wholly Private Sector (WP) and Unspecified (U).

- (a) The number of factories in P increased marginally from about 5 percent to about 7 percent during the period of observation. The number of companies in J also remained stable at a very small percentage: close to 2 percent. WP had the largest share in the number of factories, which rose from about 87 percent to about 91 percent after registering a decline in 1981-82 to about 81 percent and a kink was observed in the year 1994-95. U rose from about 6 percent to a high of about 13 percent during 1980-81 and declined later to a miniscule number - about 0.15 percent, during the last 10 years or so. The kink observed in W during 1994-95 may have been due to the impact of the capital market boom in the same year, which witnessed many companies raising finance from the capital markets and disappearing thereafter.
- (b) In terms of the number of workers, P had a relatively stable share, commencing from about 25 percent and ending at about 23 percent, after registering 30 percent in 1984-85. This may have been due to the sudden change in the industrial pattern of the country and with the incorporation of entities like Maruti Udyog Ltd, which were classified as P, and had huge worker components. J registered a very small increase from about 5 percent to about 6 percent during the period, after registering a high value of 8.66 percent in 1988-89. WP has remained at the level of about 70 percent throughout the period, after registering small dips in the values in 1984-85, 1988-89 and 1994-95. These may be partly explained by the effect of setting up of companies in the public sector and joint sectors, thereby attracting a substantial workforce. U registered a miniscule share of the entire workforce, though in 1995-96, a sharp rise and subsequent fall was witnessed.
- (c) Wages paid to workers in P grew from 27 percent to 40 percent in 1991-92 and fell and then again touched 39.47 percent in 1995-96. There has been a decline to 34.2 percent since then. J registered a steady increase in wages from 4.24 percent to 10.2 after a peak of 11.2 percent in 1995-96. WP registered a decline to 50 percent in 1988-89 from 60 percent and then an increase to a peak of 63.45 percent in 1993-94, followed by a sharp

fall in 1995-96 to 50 percent and a rise and fall after that in the subsequent two years. U registered a miniscule percentage of wages; however, it witnessed an increase to 2.60 percent in 1995-96 and fell thereafter.

- (d) Total emoluments paid to employees also followed a more or less similar pattern to that shown by wages to workers. As such, this has not been elaborated any further.
- (e) Value of gross output of P registered a gradual increase from 16.45 percent to 21.2 percent after registering a stable 28 percent from 1982-83 to 1988-89. This was coupled with slight reversals in the year since 1988-89. J registered an increase from 4.56 percent to 10.56 percent after touching a peak of 12.6 percent in 1988-89, followed with reversals and alternate movements of the variable. WP registered a monotonous decline from about 79 percent to the lowest level of 57.49 percent in 1988-89. This was followed with a gradual increase in 1994-95 to 71.5 percent and a reversal thereafter.

11.8 GEOGRAPHICAL DISTRIBUTION

Using all India aggregates, the data for all states and union territories was analyzed. Several key ratios were worked out and after a process of elimination - of states, which had a performance below all India aggregate figures for each ratio, it was observed that the states of Maharashtra, Goa, Bihar and Madhya Pradesh were the best states, considering the following ratios: total output to input, value added per employee, wages to workers, emoluments to employees and profit per employee. Different weights were assigned to each of the above ratios.

11.9 THE GROWTH PARADOX

4.1 The recent trends have indicated that despite the large scale efforts to control the unemployment situation, the employment generation has not been at a satisfactory pace. The level of employment opportunities created has currently reached a level of about 9 percent i.e. about 35 million jobs (Tenth Plan Document, Academic Foundation, New Delhi, 2002).

4.2 By identifying the potential areas for employment generation, specific major work programmes for that purpose should be devised. In this context, supportive policies, to arrive at the targeted growth rate and the desired patterns of the growth in selective priority areas,

by emphasizing the creation of employment opportunities with appropriate technology backup, should be spelt out.

4.3 It has been broadly estimated that the attainment of an eight per cent growth per annum per se over the Tenth Plan, assuming the past sectoral break up and employment elasticity, will be able to provide nearly 30 million additional employment opportunities, which is slightly more than half of what is needed to absorb the backlog in the labour force over this period, and to eliminate unemployment over a decade. For the rest (nearly 20 million employment opportunities), policies and programmes need to be identified so that the patterns of sectoral growth can move in favour of labour intensive areas, thereby improving overall employment elasticity.

5.1 As can be measured by various indicators, even if the economy is growing at a reasonable pace, the growth rate of employment is not keeping pace with the same. It has also been observed that there exist significant disparities amongst the various parts of the country and the economy. The analysis of data of thirty years, related to productivity and total emoluments paid to the workers, brings out the fact that emoluments are not paid in accordance with their productivity. So an effective system of wage payment by gauging the productivity of worker should be evolved.

5.2 Further, India has good infrastructure for industrial education. There are approximately 5,000 science and technology related institutions providing industrial training. India has a very large skilled and technical manpower that have to be trained to take up work in the industry. Along with the practical training, measures should be ensured for skill development also.

5.3 It is a non-disputable fact that in terms of global standing, India has very low ranking. With regard to government efficiency, business efficiency and infrastructure ratings, India has been ranked at the 43rd, 40th and 47th position (Academic Foundation, 2003). So these are the three important areas to act upon so as to enhance India's competitiveness in industrial production and to bring down wage differentials.

Wage Differentials occur because of

1. Jobs are heterogeneous
2. Workers are heterogeneous

3. Labour markets are imperfect

As opposed to being homogeneous, jobs tend to be heterogeneous. Heterogeneous jobs have differing skill requirements, variable efficacy levels with regard to efficiency wages that increase productivity and different non wage attributes. Another factor that contributes to heterogeneity is the employers' attitudes vis-à-vis the size of the firm, discriminatory attitudes within it and the union status.

11.10 FOUR TYPES OF DIFFERENTIALS

Four types of differentials are evinced in heterogeneous jobs, which are as follows:

1. *Compensating Differentials*

Compensating wage differentials arise due to the various non wage aspects of the job. These wage differentials or extra sums paid to workers provide a compensation for an unwanted job characteristic that distinguishes the job from another employment alternative. These differentials are therefore additionally equilibrium wage differentials as they prevent workers from switching to higher-paying jobs. Wage rates therefore move towards equality. Sources of such compensating differentials include the risk of injury and death, available fringe benefits, prospects of wage advancement, regularity of earnings, extent of control over job efficiency, job status and job location.

2. *Differing Skill Requirements*

Barring confounding factors, jobs which demand a greater extent of training and educational qualification have higher wage rates as compared to those that don't. The disparity in wages arises in part due to the vast array of skill requirements for different jobs. A 'skill differential' arises thereof, which is the difference in pay between skilled and unskilled workers. Such differentials can increase, decrease or even reverse the wage variances that differences in the non wage aspects of the job produce.

3. *Differences based on Efficiency Wage Payments*

These pay differentials are equilibrium differentials, resulting from efficiency wage payments, given that firms will have no incentive to lower their wages even if a qualified person offers to work for lower wages.

11.11 THE SHIRKING MODEL AND WAGE DIFFERENTIALS

As per this model, a firm is likely to pay efficiency wages in cases where the monitoring of the workers' performance tends to be expensive, or where, despite potential reduction in cost per effective unit of labour, the employer's cost of job loss to workers induces a more concerted, sincere effort. However, if it is inexpensive to monitor labour, or additionally, costs incurred by individual worker malfeasance are low, the cost per effective unit of labour will be minimized at a lower market-clearing wage. Wage differentials created in these differing situations are unrelated to skill differentials or differences in the non wage amenities.

11.12 THE TURNOVER MODEL AND WAGE DIFFERENTIALS

This version of the Efficiency Wage model suggests that in situations where costs of hiring and training are large, the firms pay higher than the Market-clearing wages. This wage increases the value of the job to the worker, thereby reducing the turnover or quitting rate. Thus, there is a consequent rise in the average level of both job experience and the firm's labour productivity. The basic point is that wages will differ across and within industries based on the efficiency gains, if any, which arise from pay strategies that intentionally elevate the job's value from a worker's perspective.

11.13 OTHER JOB OR EMPLOYER HETEROGENEITIES

Although the major heterogeneities of jobs that create wage differentials are differences in non wage amenities and dis-amenities, variations in skill requirements of alternative employment and efficiency wage payments, there are several other job or employer differences that are also responsible for the occurrence of these differentials.

Employers or jobs may differ, for instance, based on the union status, the discriminatory tendencies and the absolute and relative firm size.

Workers are heterogeneous as, in reality, people have both differing stocks of human capital and differing preferences related to the non wage aspects of the job. These constitute two types of differentials which will be considered below:

1. *Differing Human Capital: Non-competing Groups*

Based on native endowments as well as the type, amount and quality of education and training possessed, people differ in their stocks of human capital. Unsurprisingly, an enormous set of groups and sub-groups is created, as well as individuals who cannot be easily substituted for one another in the labour market. The varying productivity of workers resultant from these human capital heterogeneities may produce wage differentials in the short-run. In the long run, people can and do move towards the higher-paying positions, but the extent of movement may be curbed owing to differing abilities to finance human capital investment or inherent differences in the capacity to absorb and apply education and training. Wage differentials therefore remain.

2. *Differing Individual Preferences*

Besides possessing differing stocks of human capital, people also differ in terms of their preferences for non wage aspects of their jobs and attitudes related to the present versus future income.

The fact that both jobs and workers are heterogeneous is contained in the hedonic theory of wages (Sherwin Rosen, Hedonic Prices and Implicit Markets, Journal of Political Economy, January-February 1974, pp 34-55). The philosophical concept of hedonism is the source of the term 'hedonic'. Hedonism purports that individuals pursue pleasure (or utility, say wages) and avoid pain (or disutility, say jobs with unpleasant working conditions). As per this theory, workers would be interested in maximizing net utility and would therefore be amenable to an exchange of utility-producing entities for reductions in comparatively disutility-producing ones.

The imperfections of the Labour Market impede labour mobility, more or less explaining wage differentials on the basis of heterogeneous jobs, employers and workers, even if not completely.

The various barriers impeding labour mobility, contributing to as well as maintaining wage differentials, are discussed below:

1. Imperfect Labour Market information

In the real world, Labour Market information is imperfect and expensive to procure. Firms, in the knowledge of the heterogeneous nature of workers, scour the market for the most suitable workers for employment. Similarly, workers too acquire information about prospective jobs by various means: scanning classified recruitment advertisements, letter-writing, making inquiries at business concerns, etc. these search efforts, on the part of both the firms and prospective employees, involve direct costs and opportunity costs of time. This activity of information accumulation ultimately yields diminishing returns, which, in terms of costs, indicates that the marginal cost of procuring information will increase as more of it is sought-out. Given that information is imperfect and increasingly expensive to obtain, a range of wage rates may exist for any given occupation, independently of compensating differentials. Wage-rate distributions follow, and when changes in demand create wage-differentials, long-term supply adjustments are likely to be slow and therefore termed as lengthy adjustments periods.

Studies of wage inequality represent more allied approaches to inter-sectionality, seeking out prima facie evidence that race and gender intersect in the labor market to produce inequalities. Models of wage inequality, on the other hand, ignore the assumptions regarding socially constructed power hierarchies underlying multiracial feminist theory, as these assumptions need not be obtained for inter-sectionality to be evinced. Instead, investigators simply theorize that individuals are positioned uniquely in the labour market based on their race and gender, and economic processes will affect each race-gender group differently. Only a few researchers studying wage inequality directly question if the economic conditions affecting gender inequality are the same as those affecting race inequality, and how these two systems of inequality might be

connected. Reversing a growing Black-White parity in wages in the early 1970s, the Black-White wage gap increased in the 1980s, as did the Latino-White wage gap (McCall 2001a). Within each race/ethnic group, inequality also increased between low and high-skill workers (Levy & Murnane 1992). In sharp contrast, the male-female wage gap has decreased (McCall 2001a). Theories regarding these changes focus on the restructuring of the U.S. economy through processes such as deindustrialization, immigration, changes in the organization of work, globalized production, and trade policies (McCall 2001a, Sassen 1998). (www.arjournals.annualreviews.org)

The study of trends in wage inequality by Morris et al. (1994) from 1967 through 1987 tested two predominant theories of increasing wage inequality for White men, White women, Black men, and Black women. The skill mismatch thesis states that technological innovations have increased the need for highly skilled workers, thus increasing their wages. The polarization thesis, on the other hand, contends that the new economy produced both low-paying service jobs and high-paying jobs, removing opportunities for employment in the middle range of the wage distribution. They found that the polarization thesis fit trends for White men since 1967 but was only relevant to the experiences of Black men and White women in the 1980s. Astoundingly, neither theory can adequately explain the unique patterns for Black women. In the 1980s, Black women saw a rise in the proportion of low-paying jobs without the concomitant increase in high-paying jobs. Although this study provides strong support for the inter-sectionality thesis for trends over time, the evidence appears mixed in cross-sectional studies comparing wage gaps across local labor markets which are located in the metropolitan areas. Cotter et al. (1999) report that evidence for inter-sectionality appears negligible, concluding that race and gender represent two independent systems of inequality. When the gender wage gap is high in a metropolitan area, it is high for all racial/ethnic groups. This result is especially strong for those at the low end of the income distribution. (www.arjournals.annualreviews.org)

McCall's (2001 a, b) more detailed analyses of gender and race wage gaps across local labor markets shows that the race segregation system and gender stratification system are neither completely independent nor completely interacting. Some economic conditions have similar effects on race inequality regardless of gender. For both men and women, industrial structure (the unionization and/or casualization of work) is the predominant source of Black/White wage inequality, whereas the demographic mix of the local labor market (specifically, the percent

immigrant) influences Asian/White and Latino/White inequality the maximum. However, she also notes that there are certain economic conditions uniquely influencing a particular gender and race group. The “both independent/and intersecting” conceptualization of race and gender is consistent with the claims of multiracial feminist theory, which eschews a dualistic either/or approach to understanding gender, race, and class (Collins 2000). (www.arjournals.annualreviews.org)

Overall, studies of wage determination at the individual level reiterate McCall's findings that there are some distinct patterns for women of color, in addition to noting similarities to co-ethnic men which is under the race stratification system and to White women which is under the gender stratification system (Bound & Dresser 1999, Corcoran et al. 1999, England et al. 1999, Kilbourne et al. 1994). Using the National Longitudinal Survey for Youth, Kilbourne et al. (1994), and England et al. (1999) look specifically at the question of whether individual wage differences are the result of intersections of gender and race. Comparing Whites, African Americans, and Latinos, England et al. (1999) found that education and experience explain a large portion of the race gap in earnings for both men and women, although the size of the effect is larger for women than men. For each of the three ethnic groups, education and experience explain none of the gender gap in pay; instead, the male-female pay gap is produced by the gender segregation of occupations (England et al. 1999). Yet, the authors also uncover important intersections of race and gender. Compared to White women, Black women are more adversely affected by working in a predominantly female occupation (Kilbourne et al. 1994), and they receive less of a payoff for the wage-enhancing attributes of experience and seniority (England et al. 1999). As a result, experience and seniority explain much less of the gender gap in pay among African Americans than they do among Whites or Latinas (England et al. 1999). (www.arjournals.annualreviews.org)

In contrast to studies that aggregate diverse groups at the national level, the intersection of race and gender appears to have a greater reach in analyses of wage inequality for particular groups within specific locales. As compared with White women and co-ethnic men, women of colour are differentially situated in local labour markets, so that economic restructuring affects each group uniquely. For instance, studies of how the decline in manufacturing led to the deteriorating position of Black men in the United States relative to White men assume that women's concentration in services protected them from economic restructuring (Wilson 1996). Although

this generalization holds for all White women and Black women in some regions, young Black women living in the Midwest experienced a drop in wages when manufacturing jobs left the central cities of the rustbelt (Bound & Dresser 1999). Similarly, Puerto-Rican women in New York and New Jersey lost jobs and wages with economic restructuring, whereas recently arrived female Mexican immigrants in California were incorporated into low-wage factory jobs (Myers & Cranford 1998). Immigration and citizenship also add greater complexity to the race/class/gender nexus (Kibria 1990, Hondagneu-Sotelo 1994, Hondagneu-Sotelo & Avila 1997). Not only is there a difference in labor market position based on gender, ethnicity, place of residence, and citizenship status, but opportunities and modes of incorporation also vary within immigrant groups depending on their birth cohort and year of arrival (Cintron-Velez 1999, Myers & Cranford 1998). (www.arjournals.annualreviews.org)

Finally, there are some analyses of wages at the individual level, which consider potential statistical significance in the interaction of race and gender. Most quantitative studies of wages do not find a statistical interaction of gender and race. Differences in wages are explained by the typical effects of gender and race (Browne et al. 2001, Kilbourne et al. 1994, Spalter-Roth & Deitch 1999) which drop sharply with sufficient controls for industry and occupation (Altonji & Blank 1999, Browne et al. 2001). However, gender and race appear to intersect in important ways when one considers the sorting of individuals into jobs. (www.arjournals.annualreviews.org)

11.14 SUMMING UP

To summarize, despite a lot of evidence which indicates that there is some amount of race/gender intersection in wage inequality, the prevalence and degree of intersections depends on how wages are measured, which groups are compared, and how the relationships are modeled. To reconcile these mixed findings, better theories are needed to identify the circumstances under which race and gender will intersect to produce wage inequities (Brewer 1993, Cotter et al. 1999). (www.arjournals.annualreviews.org)

While differences exist in the prevalence and extent of an intersection of gender and race, most studies of wage inequality generally point to a consistent and strong pattern of the intersection of race and gender with social class. In effect, the processes affecting the shape and extent of inequality are different for high-skill and low-skill workers. This finding is consistent with the claims of many multiracial feminists: If gender and race intersect, then this could take different forms depending on social class. Intersections might occur along some parts of the wage distribution but not others. (www.arjournals.annualreviews.org)

11.15 GLOSSARY

1. **Immobilities:** Labor immobilities, defined simply as impediments to the movement of labor, may be another major reason why wage differentials occur and sometimes persist. These barriers are conveniently classified as geographic mobility, institutional mobility and sociological mobility.
2. **Wage Inequality:** Sociologists seeking to explain labor market inequality have focused heavily on wages (England 1992, England & Browne 1992). The wage-inequality between groups is such a ubiquitous summary measure of the extent of inequality, that 1970s feminist activists wore buttons that read “59c/.” (www.arjournals.annualreviews.org)

11.16 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress Exercise 1

1. Market imperfections, differences in price of product, individual differences.

Check your Progress Exercise 2

1. Smith, Ricardo and Marx believed in the Iron Law of wages, which propagated that in the long run, wages would settle at the subsistence level. Marx’s exploitation theory of wages (1918) brings to light that wages are related to the value of the product that labour

produces. According to the Wage Fund Theory of Mill, wages differ according to size of the wages fund i.e. high wages are derived from a high wage fund. As per Walker's Residual Claimant Theory, workers are paid what is left over after making payments to the other factors of production such as rent, interest and profit. Neo-classicals put forward the Marginal Productivity Theory, also known as the Orthodox Theory of Wages, owing to lack of importance given to trade unions (Clarke, 1899). In short, traces of wage differentials are reflected in the traditional view, according to which, wages evolve out of a single labour market, which is competitive.

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11.18 QUESTIONS FOR REFLECTION AND PRACTICE

1. Discuss the views of the modern economists on wage differentials and how it categorized?
2. explain any two types of models of wage differentials.

UNIT12 SOCIAL SECURITY

Structure

- 12.1 Introduction
- 12.2 Objectives
- 12.3 Evolution of social security
- 12.4 Need for social security
- 12.5 Purpose and contingencies of social security
- 12.6 Social Security measures of Government of India
- 12.7 Social security protection for informal sector workers
- 12.8 SEWA and social security protection
- 12.9 Summing Up
- 12.10 Glossary
- 12.11 Answers to check your progress exercises
- 12.12 References
- 12.13 Questions for reflection and practice

12.1 INTRODUCTION

The International Labour Organization (ILO) defines Social Security as "the security that society furnishes through appropriate organization against certain risks to which its members are perennially exposed. These risks are essentially contingencies against which an individual of small means cannot effectively provide by his own ability or foresight alone or even in private combination with his fellows. The mechanics of social security therefore consists in counteracting the blind injustice of nature and economic activities by rational planned justice with a touch of benevolence to temper it." This definition of ILO clears and centers on provision of support to an individual or to his/her family to protecting them falling into contingent poverty which is that the individual is not otherwise poor but for the contingency. These contingencies as per ILO are sickness, medical care for the worker, maternity,

unemployment, work injury, death of worker, invalidity and widowhood. (www.disabilityindia.org).

The contingencies however are the work related contingencies and the individual and his family will be protected only in the case the individual is working before becoming a subject of the contingency. Thus being employed is a precondition for becoming eligible for social security benefits. Ironically, this definition does not cover the protection that has to be provided for the people who are already poor and therefore the Social Assistance programmes cover them. (www.disabilityindia.org)

12.2 OBJECTIVES

After studying this Unit, you should be able to:

- trace the evolution of social security
- need for social security measures; and
- analyze the efforts of governments and the schemes, laws related to social security measures.

12.3 EVOLUTION OF SOCIAL SECURITY

The concept of social security is as old as the history of man. Stories of Bible tell us how, during the years of famine, Joseph tried to tide over the situation by making use of surplus stocks of grain which he had stocked during the earlier years of plenty. The oldest institution of social security is family that includes the extended family. Industrial revolution in the Europe has seen the growth of urban and industrial centers that affected the rural joint families thereby disturbing the institution of social security in the joint family system. (www.disabilityindia.org)

When individual was unable to take care of his own needs, the society realized the importance of protecting the individual and his family. In great Britain the poor laws were enacted to provide minimal food and shelter in a workhouse to the poor. Private savings, compensation by employers medieval guilds, mutual aid or mutual benefit societies, private insurance and life insurance are some of the evolutionary forms of social security efforts. (www.disabilityindia.org)

12.4 NEED FOR SOCIAL SECURITY

Modernization and urbanization have resulted in radical socio-economic changes and give rise to new conflicts and tensions consequent upon the erosion of age old family and fraternal security. The transition from agricultural economy to an industrial economy brought in special accompanied problems that called for social security. (www.disabilityindia.org)

12.5 PURPOSE AND CONTINGENCIES OF SOCIAL SECURITY

The purpose of any social security measure is to give individuals and families the confidence that their level of living and quality of life will not erode by social or economic eventuality; provide medical care and income security against the consequences of defined contingencies; facilitate the victims physical and vocational rehabilitation; prevent or reduce ill health and accidents in the occupations; protect against unemployment by maintenance and promotion of job creation and provide benefit for the maintenance of any children. (www.disabilityindia.org)

The contingencies of social security as delineated by ILO are medical care, sickness benefit, unemployment benefit, old age benefit, employment injury benefit, family benefit, maternity benefit, invalidity benefit and survivors benefit. (www.disabilityindia.org)

12.6 SOCIAL SECURITY MEASURES BY THE GOVERNMENT OF INDIA

The following section discusses some of the social security measures of government of India

1. Workmen Compensation Act, 1923

The earliest step in the field of social insurance in India was the passing of the Workmen's Compensation Act in 1923. It laid down scales of compensation to impart precision to the benefits provided under the act. The Act has been amended several times from 1924 onwards to 1976. This act does not apply in areas where the employees State Insurance Scheme operates.

2. Employees State Insurance Act, 1948

In March, 1943, Professor B.P. Adarkar, an officer on special duty was appointed to work out a scheme of health insurance for industrial workers. He submitted his report in August, 1944. He recommended a compulsory and contributory health insurance for workers in perennial factories, in three groups of industries, namely textile, engineering, minerals and metals. In 1945, Messers M. Stack and R. Rao, two experts of the ILO, reviewed the scheme recommended by Professor Adarkar and suggested that the scheme should be adopted after certain modifications. Taking these suggestions into consideration, the Government of India passed the Employees' State

Insurance Act in April 1948, which evolved out of the ideas originated in ILC (1927), RCL and LIC (1946). It was designed to provide cash benefits in the case of sickness, maternity and employment injury, payment in the form of pension of dependents of workers who died of employment injury and medical benefits to workers.

3. *Maternity Benefits Act, 1961*

When the Royal Commission on Labour submitted its report, the Maternity Benefit legislation in some states, to provide for grant of leave and payment of cash benefits for certain periods before and after confinement to women workers in factories, was operating. Several other states also passed Maternity Benefit Act subsequently. Besides, there have been three Central Acts, that is, the Aines Maternity Benefit Act, 1941, the Employees State Insurance Act, 1948 and the Plantation Labour Act, 1951, under which maternity benefits have also been granted to women workers. It should, however, be noted that with the passage of the Employees State Insurance Act, 1948 maternity became the responsibility of the Corporation (Employees' State Insurance Corporation) and the State Acts applied to residuary employment/ areas (not covered by ESI Act) till the Maternity Benefit Act, 1961, was passed.

4. *The Employees' Provident Fund and Miscellaneous Provisions Act, 1952*

The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 provides for the institution of compulsory provident funds for employees in factories and other establishments. The purpose is to make some provisions for the future of the industrial worker after he retires or for his dependants in case of his early death. The Act became operative with effect from 1st November, 1952, under the title Employees' Provident Fund Act, 1952. The act extends to the whole of India except the States of Jammu and Kashmir and Sikkim. It applies to all factories and other establishments of any notified industry if they employ 20 or more persons. The Act is not applicable to establishments registered under the Co-operative Societies Act, 1912, as well as to tea plantations and tea factories in the state of Assam, where the state government has a separate scheme for these establishments. The Central Provident Fund Commissioner is the Chief Executive officer of the Employees' Provident Fund.

5. *Employees' Family Pension Scheme, 1971*

The Employees' Provident Fund Act, 1952 as amended to provide for introduction of Employees' Family Pension Scheme, came into force on 1st March, 1971. The scheme provides

for a substantial long-term protection to the family of the worker member who dies prematurely in service. It is applicable compulsorily to all employees who became members of the Employees' Provident Fund Scheme. The fund is constituted by the transfer of a portion of Employee's share of provident fund representing 1-1/6 per cent of his pay with an equal amount out of the employer's share. The Central Government also contributes at the rate of 1-1/6 per cent of the pay of the member and also bears the expenditure on the administration scheme.

6. *The Employees' Deposit-Linked Insurance Scheme, 1976*

The Labour Provident Fund Laws (Amendment) Ordinance, 1976 was promulgated by the President to introduce a new social security scheme known as the Deposit-Linked Insurance Scheme to provide insurance cover to the members of the Coal Mines Provident Fund and the Employees' Provident Fund without payment of any premium by such members. The scheme which came into force from 1st august, 1976 provides that in the event of the death of an employee who subscribes to the provident fund, in an establishment covered under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, the person entitled to receive his provident fund accumulations would be entitled to an additional payment equivalent to 'the average balance' with the provident fund of the deceased during the preceding twelve months. As regards the contribution under this scheme, the same is to be made by the employers and the Central Government at the rate of 0.50 per cent and 0.25 per cent respectively of the wage bill of the employees every month.

7. *The Payment of Gratuity Act, 1972.*

In the Labour Ministers' Conference held in 1971 and in the Indian Labour Conference held in 1971, general consensus was reached for enacting a Central Legislation on payment or gratuity. The Payment of Gratuity Act, 1972 was enacted. The Act extends to all of India, except Sikkim and the Plantations in the State of Jammu and Kashmir. Under the Act, gratuity shall be payable to an employee on the termination of his employment after rendering continuous service for not less than five years, on superannuation or retirement or registration or death or disablement provided that the completion of five year continuous service shall not be necessary in case of death or disablement and in case of death of the employee, gratuity payable shall be paid to the nominee or to the heirs.

8. *Coal Mines Bonus Scheme*

Coal Mines Bonus Schemes were framed under the Coal Mines Provident Fund and Bonus Scheme Act, 1948. It is applicable to all coal mines in the country except those in the State of Jammu and Kashmir. There are four coal mines bonus schemes namely, the Coal Mines Bonus Scheme, 1948, which applies to the Coal Mines in West Bengal, Bihar, Madhya Pradesh, Maharashtra and Orissa; the Andhra Pradesh Coal Mines Bonus Scheme, 1952 which applies to the Coal Mines in Andhra Pradesh; the Rajasthan Coal Mines Bonus Scheme, 1954 which applies to the only Colliery (Pilani) in Rajasthan and the Assam Coal Mines Bonus Scheme, 1955, which applies to Coal Mines in Assam excluding the tribal areas.

9. *The Assam Tea Plantation Provident Fund Act, 1955*

The Scheme framed under the Act initially covered only adult persons residing in a plantation and employed in any kind of work, manual or otherwise and getting wages directly or indirectly from the employers. The Act was amended in 1958 to cover non-resident workers as also the clerical, medical and other staff. By another amendment of the Act in 1960, children and adolescents were brought within the scope of the Act. The Act was again amended in 1967 to make provision for the pension fund. It covers now all categories of employees in tea plantations in Assam excluding those whose total emoluments exceed Rs. 500 pm.

10. *The Seamen's Provident Fund Act, 1966*

The Seamen's Provident Fund Act was passed in 1966. The Act generally follows the pattern of the Employees Provident Funds Act, 1952. Every Seaman engaged or employed as a member of the crew of a ship under the Merchant Shipping Act of 1958, but excluding certain categories of officers and other employees, was covered by the Schemes.

11. *Medical, Health, Maternity and other Benefits in Plantations*

Labour in plantation is entitled to medical, health, maternity and other benefits under the Plantation Labour Act, 1951. The Act provides for setting of garden, hospital, group hospitals and dispensaries for treatment of plantation workers and their families. Rules framed under the Act permit 14 days of sick leave to workers in plantations in case sickness is certified by a qualified medical practitioner. During the period of leave, the workers are paid at the rate of two-thirds of their earnings, subject to a maximum of 75 paise per day.

12. *Health, Safety and Welfare of Workers*

Generally, the health, safety and welfare of workers are looked after under Workmen Compensation Act, 1923 and Employees' State Insurance Act, 1948. These two acts apply to all

workers employed in factories, mines, plantations, transport and construction work, railways and certain specified hazardous occupations. It also includes workmen whose employment is of casual nature. However, benefits such as medical, health and maternity are provided to plantation workers under the Plantation Labour Act, 1951.

13. Safety, Health and Welfare of the Dock Workers

Safety, Health and Welfare of the Dock Workers are covered by the Indian Dock Workers' Regulations 1948, framed under the Indian Dock Labourers Act, 1934 and the Dock Workers' Safety, Health and Welfare Scheme, 1961, framed under the Dock Worker (Regulation and Employment) Act, 1948. The Dock Worker (Regulation and Employment) schemes framed under the Act are at present in operation in the major ports of Bombay, Calcutta, Madra, Visakhapatnam, Cochin, Mormugao and Kandla. The Dock Workers not covered by these regulations are covered by the Dock Workers' (safety, health and welfare) schemes.

14. Other Measures

The Survivorship Pension Scheme is an extension of Workmen Compensation Act, 1923 and Employees' State Insurance Act, 1948 wherein the family of the bread winner who dies suddenly has been supported.

Lay-off and Retrenchment Compensation is where compensation is provided to workers in the event of lay-off or retrenchment apart from the status, which are drawn solely to provide for different contingencies.

Retrenchment Compensation is payable at the rate of 15 days average pay for every completed year of service or any part thereof in excess of six months. In the case of bonafied closures, there is a transfer of undertakings retrenchment compensation. Workers are re-employed in case of change of ownership on terms and conditions which are not less favourable to them, but they may not be entitled to compensation.

Old Age Pension schemes are open to all and the primary object of the scheme is to provide some measures of social security and help to such needy persons who have no source of income.

Check Your Progress Exercise 1

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit

1. Explain any two schemes/acts related to social security measures for women.

12.7 SOCIAL SECURITY PROTECTION FOR INFORMAL SECTOR WORKERS

Absence of social security for the working poor is an indicator of informality. A crucial policy issue which is becoming a top priority for governments all over the world is how to provide adequate social protection for the vast majority of the labour force engaged in informal occupations. Available empirical evidence in the post reform period shows that more and more workers are being absorbed in informal sector activities. A crucial policy issue before the government of India is to design effective social protection measures for the informal workers. This is the context in which an attempt is made in this research to examine the issue of social protection in relation to informal workers in Shivajinagar.

While there are several studies on poverty in India there are very few studies on the social security system in the unorganized sector. All the available evidence relating to social security in the Indian context has been incorporated in recent work by Ginneken (1998). Some of the leading issues and problems relating to existing measures of social protection are revealed by these studies. Dev (1994) studies the existence of promotional and protective social security measures in the unorganized sector of Kerala and Tamilnadu. Pillai (1996) presented an empirical verification of the effectiveness of the welfare fund scheme in providing social security to the casual workers in the unorganized sector through a case study of the oldest welfare fund scheme, namely the Kerala head load welfare funds scheme. Guhan (1994) analyzed the problem of social security to the unorganized labouring poor in general.

Provision of social security protection for workers engaged in the informal sector is emerging as an important policy consideration throughout the world. It is in this context that an attempt is made in this section to examine the question of social security protection for informal workers in Shivajinagar through an analysis of factors like working conditions, security of

employment, health status and health security of workers, the nature of their relationship between employer and employee.

Several research studies confirm the strong results produced by most other field research on informal workers that their social security rights need enforcement. The Informal Sector Workers' Bill and Social Security Bill need to fast track towards implementation. Since the oral/unwritten contract characterizes much of the activity in Shivajinagar it does not stipulate the niceties of social security rights and obligations. As a result, the laboring poor have no alternative but to work without any kind of social protection. Social security of a limited kind is enjoyed by only 8 to 9 per cent the workforce in India. Overprotection of a small section of the workforce is not only ostensibly inimical to the growth of employment, but also goes against social justice as more and more workers are faced with deplorable working conditions. Labour cannot be treated like a commodity and measures like minimum wages, job security, social security and trade unions rights are socially and politically necessary even for sustaining the process of globalization as they increase labour productivity. Attempts to redress the balance of power between capital and labour can end up hurting the poor (Besley and Burgess, 2004). Today, a strong need to reaffirm security of unprotected labour is felt at all levels. The plight of the unprotected labour needs the immediate attention of both the Centre and State governments in institutionalizing welfare measures for them. The trade unions have been demanding the abolition of contract labour. At the same time, employers are demanding greater labour market flexibility to achieve international competitiveness. But the labour market flexibility has to be in consonance with the security of livelihood of workers. The informal workers in Shivajinagar are governed by looser contracts and obtain fewer or no benefits. The survey made a genuine attempt to capture this through the household survey in Shivajinagar. Conditions of work and benefits received may vary from worker to worker, even among regular employees. We asked a series of questions regarding their social security benefits. Receipts of social security benefits like pension, provident funds and medical facilities were reported by about 12 to 14 per cent of the sample. Thus a large proportion of the respondents are informally employed without enjoying the social security benefits due to formal workers.

12.8 SEWA AND SOCIAL SECURITY PROTECTION

The ILO definition of social security is inadequate for developing countries. It assumes that most persons are generally in a state of employment. A number of alternative definitions emerged as a result, to overcome the weaknesses of this ILO definition. In developing countries like India, the concept of social security implies a pro broad, pro poor approach which has three components; namely a promotional component, a protective component and a preventive component (Hirway, 1995). There are thus different dimensions of social security in developing countries. Social security has to be seen in the context of the overall needs of the workers and the attempt to maintain productivity of the workers. Economic security and social security are intimately connected. Social security is the means to increase productivity of the worker.

The unorganized sector today comprises of 92 per cent (NCL 2002) of India's workforce and contributes substantially to the country's GNP. Despite the size and importance of this sector there are few official schemes which provide social security to this workforce. Workers in the unorganized sector are forced to fend for themselves in times of sickness and uncertainty. There are various alternatives which can help extend social security coverage to workers in the unorganized sector. The section that follows will focus on social security protection for women, mainly in the unorganized sector. The ILO (1986), for the first time, recognized the need to address 'the question of how to better assist in all respects the masses of unorganized workers lacking in social security protection.'

The Self Employed Women's association (SEWA) is a trade union of seven lakh women workers engaged in the informal economy in India. SEWA members have no fixed employer-employee relationship nor are they covered by protective labour legislation. Being the poorest of workers, and usually living in environments without basic amenities like water and sanitation, SEWA members and their families are often sick. The high cost of health care often prevents an informal sector worker from seeking treatment, which may result in the worsening of her state of health. Poor health, resulting in loss of wages and/or health care expenditures, leads to indebtedness, loss of assets and further poverty. SEWA first became actively involved in the public health field in the early 1970s through health education and provision of maternity benefits.

SEWA negotiated with the government in the early 1980's for helping to distribute benefits to poor women. Today the SEWA team provides a wide range of primary health care services.

The main thrust is to provide a wide range of primary health care services like life saving health information with a focus on disease prevention and promotion of wellbeing. The approach also includes other goals like building capacity among local women, especially traditional mid-wives, so that they become bare-foot doctors of their communities and try to provide services to the very poor. They are covering areas not otherwise served by government facilities or non government organizations. SEWA believes that its members cannot have full employment without health security. From its early years SEWA has been trying to devise ways to reach affordable and sustainable health services to its members and their families. The Health care Programme is being implemented under the aegis of the Peoples Health Co-operative.

Check Your Progress Exercise 2

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit

1. Write short note on SEWA.

12.9 SUMMING UP

The most serious lacuna in the social security network in India is the almost total absence of social security measures for the unorganized sector workforce. As far as organized sector workers are concerned, the government has enacted various social security legislations like the Maternity Benefit Act, Employees State Insurance, Workers Compensation Act and other miscellaneous provisions. For the unorganized sector workers who form nearly 92 per cent (NCL, 2002) of the total labour force, there is a virtual absence of social security protection and only recently have some attempts been made to study this problem.

12.10 GLOSSARY

Gross National Product (GNP): Gross National Product (GNP) is the market value of all the products and services produced in one year by labour and property supplied by the residents of a country. Unlike **Gross Domestic Product (GDP)**, which defines production based on the

geographical location of production, GNP allocates production based on ownership. GNP does not distinguish between qualitative improvements in the state of the technical arts (e.g., increasing computer processing speeds), and quantitative increases in goods (e.g., number of computers produced), and considers both to be forms of "economic growth". Basically, GNP is the total value of all final goods and services produced within a nation in a particular year, plus income earned by its citizens (including income of those located abroad), minus income of non-residents located in that country. GNP measures the value of goods and services that the country's citizens produced regardless of their location. GNP is one measure of the economic condition of a country, under the assumption that a higher GNP leads to a higher quality of living, all other things being equal.

12.11 ANSWERS TO CHECK YOUR PROGRESS EXERCISE

Check Your Progress Exercise 1

1. *. Employees' Family Pension Scheme, 1971*

The Employees' Provident Fund Act, 1952 as amended to provide for introduction of Employees' Family Pension Scheme, came into force on 1st March, 1971. The scheme provides for a substantial long-term protection to the family of the worker member who dies prematurely in service. It is applicable compulsorily to all employees who became members of the Employees' Provident Fund Scheme. The fund is constituted by the transfer of a portion of Employee's share of provident fund representing 1-1/6 per cent of his pay with an equal amount out of the employer's share. The Central Government also contributes at the rate of 1-1/6 per cent of the pay of the member and also bears the expenditure on the administration scheme.

2. *The Employees' Deposit-Linked Insurance Scheme, 1976*

The Labour Provident Fund Laws (Amendment) Ordinance, 1976 was promulgated by the President to introduce a new social security scheme known as the Deposit-Linked Insurance Scheme to provide insurance cover to the members of the Coal Mines Provident Fund and the Employees' Provident Fund without payment of any premium by such members. The scheme which came into force from 1st august, 1976 provides that in the event of the death of an employee who subscribes to the provident fund, in an establishment covered under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, the person entitled to receive his provident fund accumulations would be entitled to an additional payment equivalent to 'the average balance' with the provident fund of the deceased during the preceding twelve months. As regards the contribution under this scheme, the same is to be made by the employers

and the Central Government at the rate of 0.50 per cent and 0.25 per cent respectively of the wage bill of the employees every month.

Check Your Progress Exercise 2

1. The Self Employed Women's association (SEWA) is a trade union of seven lakh women workers engaged in the informal economy in India. SEWA members have no fixed employer-employee relationship nor are they covered by protective labour legislation. Being the poorest of workers, and usually living in environments without basic amenities like water and sanitation, SEWA members and their families are often sick. The high cost of health care often prevents an informal sector worker from seeking treatment, which may result in the worsening of her state of health. Poor health, resulting in loss of wages and/or health care expenditures, leads to indebtedness, loss of assets and further poverty. SEWA first became actively involved in the public health field in the early 1970s through health education and provision of maternity benefits.

12.12 REFERENCES

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www.disabilityindia.org

12.13 QUESTIONS FOR REFLECTION AND PRACTICE

1. Examine any five schemes related to social security for women in India.
2. What is the need for providing social security to the women in informal sector? Explain
3. Write case study on SEWA.

UNIT 13 LEGAL RESPONSES TO WORK

Structure

- 13.1 Introduction
- 13.2 Objectives
- 13.3 Legal framework- constitution and labour laws
- 13.4 Sexual harassment at the workplace
- 13.5 Child Labour
- 13.6 Bonded Labour
- 13.7 Sex Work
- 13.8 Occupational health and Safety
- 13.9 Gender specific facilities at the workplace
- 13.10 Judicial responses to women at work
- 13.11 Obstacles to effective implementation of women-friendly laws & policies
- 13.12 Summing Up
- 13.13 Glossary
- 13.14 Answers to Check your Progress Exercises
- 13.15 References
- 13.16 Questions for reflection and Practice

13.1 INTRODUCTION

Women constitute an integral part of the total workforce in India. In 2004, women constituted 19% of the workforce. The participation of women at work has always been less than men, both in rural and urban India, due to a variety of reasons including the sociological roles assigned to women in the domestic sphere. However, according to the Registrar General of India, the rate of participation of women in the workforce has increased significantly, from 19.7% in 1981 to 22.7% in 1991 to 26.7% in 2001. It is a fact that more women are employed in the rural areas than in the urban areas, primarily in agriculture and cottage industries, while in urban areas, a majority of women are employed in the unorganized sector. Labour laws are difficult to implement in the unorganized sector, where workers are unable to organize themselves effectively.

The prevailing patriarchal mindset as well as the special needs of women at work, coupled with the increased participation of women in the workforce requires an

adequate response from the legal machinery. A positive legal response is warranted in order to protect and promote the rights of women, and to prevent working women from being vulnerable to discrimination, harassment and exploitation. Moreover, law also plays an important role in compelling employers to provide appropriate support systems / services and gender-inclusive / gender-friendly places of work, in order to enable them to work in a productive manner. In addition to investing more time and resources to boost the participation of women in the workforce, laws and policies that protect and promote working women's rights can also encourage more and more women to join the workforce. This unit focuses on the responses of the law to women at work.

13.2 OBJECTIVES

After studying this Unit, you should be able to:

- discuss the response of law and policy to women at work;
- evaluate and critique the implementation of such laws and policies;
- identify gender-specific facilities and services provided at the workplace through law;
- demonstrate barriers to effective implementation of such laws and policies; and
- highlight strategies used to address such barriers to effective implementation.

13.3 LEGAL FRAMEWORK – CONSTITUTION AND LABOUR LAWS

The Indian Constitution is a written legal, political and moral document. All our basic rights are written in and guaranteed by the Constitution. The Indian Constitution, being the most important law in India, sets certain standards with regard to women's rights in general and women at work in particular. These standards and principles were subsequently elaborated through other laws. The Preamble to the Constitution refers to securing all citizens social, economic and political justice and equality of status and of opportunity. The Constitution sets out a number of

fundamental rights, generally enforceable in the courts. These include equality before the law and equal protection under the law¹, and prohibition on discrimination by the State on a number of grounds, including sex,² in spheres including public employment.³ In addition, the State can make affirmative action in favour of women, including through reservation and special laws.⁴ The State is duty-bound to protect the life and personal liberty of all, including women.⁵ The Constitution also directs the state to provide equal pay for equal work,⁶ and Make provisions for ensuring just and humane conditions of work and maternity relief.⁷

Labour laws aim at protecting and promoting workers' rights at the work place. Provisions of labour laws on women's rights have focused on improving the safety, health and welfare of women in factories and other places of work, minimum wages, equal pay for equal work, maternity benefits, child care facilities, provisions for adequate rest and leisure, prevention of discrimination and sexual harassment at the work place. Many labour laws are an elaboration of principles and directives stated in the Constitution. For example, the equal pay for equal work clause led to the enactment of The Equal Remuneration Act, 1976. The emphasis on just and humane conditions of work led to provisions in Factories Act & other labour laws, prescribing for separate toilets for women and provision of crèches, and the prohibition of employment of women in dangerous or arduous jobs and night employment. The direction to the State to provide maternity relief's resulted in the enactment of The Maternity Benefits Act, 1961.

Under the Constitution of India, labour is a subject in the 'Concurrent List'. This means that both the central and state governments are competent to enact legislations pertaining to the same. Labour laws that protect women at the work place include:

- **The Equal Remuneration Act, 1976** – Provides for equal remuneration to men and women workers for same work or similar work, and prohibits discrimination is

¹ Article 14 of the Indian Constitution

² Article 15 of the Indian Constitution

³ Article 16 of the Indian Constitution

⁴ Article 15 (3) of the Indian Constitution

⁵ Article 21 of the Indian Constitution

⁶ Article 39(d) of the Indian Constitution

⁷ Article 42 of the Indian Constitution

permissible in recruitment and service conditions except where employment of women is prohibited or restricted by the law.

- **Maternity Benefit Act, 1961** – Provides for maternity leave and benefit in order to protect the dignity of motherhood and gender justice.
- **The Factories Act, 1948** - The Act has many provisions protecting women at the workplace, including issues pertaining to occupational safety, provision of sanitation and crèche facilities.⁸
- **The Mines Act, 1952** – It prohibits the employment of women underground, and provides for restricted timings of work for women employed above the ground.
- **Payment of Wages Act 1936 & the Minimum Wages Act 1948** provide for regular and timely payment of wages; industry wage boards are mandated to fix the wage structure for each industry. No payment below the minimum wages prescribed is allowed.
- **Workmen's Compensation Act 1923** – provides for compensation to workers for industrial accidents and occupational diseases leading to disability or death.
- **The Industrial Disputes Act 1947** – the law covers layoffs, compensation for retrenchments, labour-management disputes and unfair labour practices; labour courts and industrial tribunals deal with disputes covered by this law.
- **The Payment of Gratuity Act 1972** – requires employers to pay a gratuity to workers earning less than a certain limit upon their termination of service.
- **The Employees Provident Fund Act ---** - applies to most establishments that employ at least 20 workers. Employers and employees contribute 10-12% of the basic wage and dearness allowance of the employee. From the employer's contribution, a certain amount is diverted to the Pension Fund. Four main types of pension are offered: a monthly pension upon superannuation or disability; a monthly widows' pension for death while in service; a monthly children's pension; and a monthly orphan's pension.
- **Child Labour (Prohibition and Regulation) Act 1986** – prohibits child labour in hazardous occupations and regulates conditions of work in the non-hazardous ones.

⁸ See ss.19, 22(2), 27, 42(1)(b), 48, 66, 79(1) and 114

- **Other laws pertaining to rights of workers, which benefit women** – These include Bonded Labour System (Abolition) Act 1976, Plantation Labour Act 1951, Industrial Employment (Standing Orders) Act 1946, Trade Union Act 1926, Payment of Bonus Act 1955, Personal Injuries (Compensation Insurance) Act 1963, Employees State Insurance Act 1948, Interstate Migrant Workmen (Regulation of Employment) Conditions of Service Act 1979, and The Contract Labour (Prohibition and Regulation) Act 1970.⁹

In addition to the Constitutional provisions and labour laws, India has ratified a number of international conventions that focus directly or have provisions on women's rights at the workplace. Through ratification, such international standards become applicable to India. Such conventions include:

- ILO Underground Work (Women) Convention, 1935 (No. 45) (ratified on 25/03/1938)
- ILO Underground Work (Women) Convention, 1935 (No. 45) (ratified on 25/03/1938)
- ILO Night Work (Women) (Revised) Convention, 1948; and Protocol, 1990 (No. 89) (ratified on 27/02/1950)
- ILO Equal Remuneration Convention, 1951 (No. 100) (ratified on 25/09/1958)
- ILO Discrimination (Employment and Occupation) Convention, 1958 (No. 111) (ratified on 03/06/1960)
- ILO Employment Policy Convention, 1964 (No. 122) (ratified on 17/11/1998)
- ILO Benzene Convention, 1971 (No. 136) (ratified on 11/06/1991)
- ILO Rural Workers' Organisations Convention, 1975 (No. 141) (ratified on 18/08/1977)

⁹ For an elaboration of labour laws in general and those pertaining to women, please see Lalit Bhasin, *Labour and Employment Laws of India*, 24 August 2007, available at <http://www.mondaq.com/article.asp?articleid=50440> (accessed on 27 January 2009) and Parul Sharma, 'Split Legal Regime in India's Labour Laws', *Journal for Sustainable Development*, February – March 2007, available at <http://www.southasiaexperts.se/pdf/Indian%20Labour%20Law%20PDF.pdf> (accessed on 27 January 2009)

- UN Convention on the Elimination of All Forms of Discrimination Against Women, 1979 (ratified on 09/07/93)
- UN Covenant on Economic, Social and Cultural Rights, 1966 (ICESCR) (acceded to 10/04/1979)
- UN Covenant on Civil and Political Rights, 1966 (ICCPR) (acceded to 10/04/1979)
- UN Convention on the Political Rights of Women, 1953 (ratified on 01/11/1961)

Check Your Progress Exercise 1

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit.

1. Name some fundamental rights in the Indian Constitution dealing with women at work.

2. Name some laws that have specific provisions on women's rights at the workplace.

3. Name some general laws that also benefit women at the workplace.

13.4 SEXUAL HARASSMENT AT THE WORKPLACE

Sexual harassment at the workplace is an important issue related to the safety and dignity of women at workplaces. It is an expression of male power over women that sustain patriarchal relations, and is often an extension of violence against women in everyday life, targeting and exploiting the vulnerability of women at the workplace. Studies conducted by National Commission for Women indicate that about 47% of working women in India have experienced some form of sexual harassment over the course of their work.¹⁰ More publicized instances of this phenomenon are that of Shehnaz Mudbatkal - an airhostess who complained of sexual harassment by a senior, Sailaja Suman – a producer in Doordarshan (Hyderabad) who complained against her superior and Alisha Chinai – a playback singer who alleged sexual harassment by a music composer. One of the few success stories in sexual harassment cases is that of Rupan Deol Bajaj, who was slapped on her bottom by K P S Gill - the erstwhile Director General of Police, Punjab.

The Supreme Court pronounced a landmark judgment on sexual harassment of working women in 1997¹¹ in *Vishaka and Others vs. State of Rajasthan*. In this judgment, the court stated that sexual harassment of working women amounts to violation of rights of gender equality. As a consequence it also amounts to violation of the right to practice any profession, occupation, and trade. The Court laid down the definition of sexual harassment as “any unwelcome sexually determined behaviour such as physical contact, a demand or request for sexual favours, sexually-coloured remarks, showing pornography and any other unwelcome physical, verbal or non-verbal conduct of a sexual nature.” The judgment also provided guidelines for employers to redress and prevent sexual harassment at workplace, and to provide a discrimination-free working environment for women employees. The judgment said that it was the duty of the employer or other responsible persons in work places to provide women with a safe working atmosphere, to prevent sexual harassment as well as provide mechanisms for resolution of complaints through the establishment of complaints committees.

¹⁰ <http://www.ethicalcorp.com/content.asp?ContentID=6140&rss=ec-main.xml>. (accessed on 27 January 2009)

¹¹ *Vishaka & others vs. State of Rajasthan* AIR 1997 SC 3011: (1997) 6 SCC 341

The court further directed every workplace to constitute a committee for receiving and inquiring into complaints of sexual harassment. As per the directives of the court, every such committee should consist of members of whom at least 50% are women, a chairperson who is a woman and an external member from a social work / non-profit organization. It also outlined preventive steps that the employer ought to take, including discussing the issue affirmatively in workers' meetings and employer-employee meetings, prominent display of guidelines to create awareness of the right of women employees, and prominent display of members of the complaints committee and their contact details. The employers are also responsible for formulating an anti-sexual harassment policy, and for constituting a complaints committee to investigate, mediate, counsel and resolve cases of sexual harassment. A separate law on the issue is being drafted. In the absence of any written law, the judgment is legally binding and final on the issue.

Though the Supreme Court judgment has shifted the onus on the employers in public and private sectors to ensure women employees' safety at the workplace, formulating an anti-sexual harassment policy and setting up a complaints committee are not high on most companies' agenda. Hence the law is violated rampantly. In addition, as pointed out through a research by Sakshi – a women's organization – 58% of the women were not aware of the Supreme Court guidelines. Despite the law, many cases go unreported as women are reluctant to lodge complaints of sexual harassment against their colleagues, for fear of being labeled a "loose woman", the accompanying social stigma and protracted litigation in courts of law.

Check Your Progress Exercise 2

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit.

1. What has been the response of the law to sexual harassment at the workplace?

2. According to the Supreme Court guidelines, what should the constitution of the complaints committee be?

3. What preventive steps are the employers duty-bound to make?

13.5 CHILD LABOUR

Child labour is full time commercial work done by a child to sustain self or to add to the family income. Child labour is a human rights issue as children are exploited at work, which gravely affects the child's mental, physical, social, educational and emotional development. Children are compelled to work for low wages, long hours, without rest or leisure, in unhealthy, unhygienic and dangerous working environments, engaged often in hazardous work such as making glass and fire crackers. They are often subjected to physical, sexual and emotional abuse. Elimination of child labour continues to be one of the major focus areas of the Labour Ministry in India. According to government statistics, about 20 million child labourers exist in India; other agencies claim that the actual figure is not less than 50 million.¹² The causes of child labour include poverty, lack of education and exposure, poor access to education, suppression of workers rights, and partial prohibition of child labour and inadequate enforcement of child labour laws.

Among child labour, approximately 40 - 50% constitutes street children, who survive by begging, stealing, shoe polish, street performance, collecting scraps and street selling. Children migrate with their parents and as a result of worst economical condition of parents, get involved into odd jobs. Some percentage comes alone to urban cities due to bad environment in their own home such percentage is less.

¹² Quoted from 'Child Labour in India', available at <http://www.childlabor.in/child-labour-in-india.htm>, accessed on 5 December 2009

Employment of girl children is intricately linked to class and caste hierarchy, social attitude towards education of girls as well as gender discrimination. Education of girls is considered a waste while education of boys is considered an investment. Rural poor illiterate parents abandon girl children, who end up with a life in a brothel or street prostitution; some of them escape to streets and beg, collect scrap and finally end up as prostitutes. Sexual abuse of girl children employed in domestic work is rampant.

The Indian Constitution states, in the fundamental rights chapter, that no child below the age of 14 years shall be employed to work in any factory / mine / other hazardous employment.¹³ The right to primary education has been included as a fundamental right.¹⁴ The Constitution further directs the state to ensure that children are given opportunities and facilities to develop in a healthy manner and in conditions of freedom and dignity and that childhood and youth is protected against moral and material abandonment.¹⁵ The enactment of the Factories Act and the Child Labour (Prohibition and Regulation) Act 1986 further complement the constitutional provisions. The Factories Act prohibits employment of children below the age of 14 years in factories, and regulates the working conditions of children between the ages of 15 and 18 years. The latter law prohibits child labour in hazardous occupations and regulates the conditions of work in non-hazardous ones. Employment of children has been prohibited in at least 13 occupations and 51 processes in the country, with more and more hazardous occupations and processes added to the list from time to time. In 2006, the Central Government amended the Child Labour (Prohibition and Regulation) Act, 1986 prohibiting employment of children below 14 years of age even in non-hazardous industry like restaurants, motels and in domestic work. To further strengthen the process of elimination of child labour, the Ministry of Labour has signed a Memorandum of Understanding with the International Labour Organization on the same.

¹³ Article 24 of the Indian Constitution

¹⁴ The Government of India, through the 86th amendment Act of 2002, inserted Art. 21A to the Indian Constitution, which states that the state “shall provide free and compulsory education to all children of the age of 6 to 14 years as the state may, by law determine.”

¹⁵ Article 39(f) of the Indian Constitution

Check Your Progress Exercise 3

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit.

1. Why does child labour need to be abolished / regulated?

2. What is the situation of girl children who are child labourers?

13.6 BONDED LABOUR

Bonded labour is a system of forced, or partially forced, labour under which the debtor enters into an oral / written agreement with the creditor. According to this agreement, in consideration of an 'advance' obtained by the debtor or by any of his lineal ascendants and in consideration of the interest on such an advance, the debtor agrees to render, by himself or through any member of his family, labour for the creditor for a specified / unspecified period of time either without wages or for nominal wages. Through this agreement, the debtor is deprived of freedom of employment, freedom to sell at market value any product of the debtor's or his / her family members' labour and the right to move freely throughout India. The system is known by different names in different parts of the country, including *begar*, *sagri* / *hali* and *jeetham*. The causes of bonded labour include poverty, unemployment/under-employment, inequitable distribution of land and assets, low wages, distress migration and social customs. The system draws heavily upon traditional feudal social relations, the caste system, social hierarchy and discriminatory practices that are prevalent in society. Such systems thrive in agriculture, brick kilns,

stone quarries, crushers and mines, power looms and cotton handlooms, as well as in construction and other industries.

People considered ‘untouchables’, *adivasis*, women and children are among the main victims of the bonded labour system, as they have a lower social ascription and fewer perceived rights. In addition to other forms of exploitation and abuse, female bonded labourers are vulnerable to wage discrimination, physical abuse and sexual exploitation by the creditor and his family members / relatives. The malnutrition-related death of Katraju Lakshmi – a Chenchu tribal woman from Andhra Pradesh – who worked as a bonded labourer on construction sites in Meghalaya, is a case in point.¹⁶ Hard physical labour at construction sites, combined with denial and discrimination in wages and lack of food, caused Lakshmi’s death in 2006.

The Constitution, in the chapter on fundamental rights, prohibits traffic in human beings and forced labour.¹⁷ The Bonded Labour System (Abolition) Act 1976 was enacted to abolish the bonded labour system, as it is exploitative, violative of human dignity and is contrary to basic human values.¹⁸ The law unilaterally frees all bonded labourers from debt bondage, with simultaneous liquidation of their debts. The law lays down monitoring, enforcement and implementation modalities, which mainly rest on state governments. A series of progressive judgments of the Supreme Court has attempted to monitor the implementation of the law. For more details, please see sub-section VIII below. Pursuant to a 1997 directive of the Supreme Court, the National Human Rights Commission (NHRC) has been vested with the responsibility of monitoring the implementation of the law and making reports to the Court from time to time.¹⁹ Despite a formal abolition of the system by law, it continues to exist in practice. Experts say that despite the legal provisions, identification and release of bonded labourers is always challenging, as only a small number are identified, that too with the persistent efforts of

¹⁶ For more details, see <http://www.fian.org/cases/letter-campaigns/india-failure-of-state-social-programmes-leads-to-bonded-labour-of-600-chenchu-tribals-and-the-death-of-a-chenchu-woman>, accessed on 4 December 2009

¹⁷ Article 23 of the Indian Constitution

¹⁸ The words of the Supreme Court in the *Asiad Workers case - People’s Union for Democratic Rights vs. Union of India* AIR 1982 SC 1473

¹⁹ Order dated 11 November 1997 in *PUCL vs. State of Tamil Nadu and others*

non-profit organizations, and that the rehabilitation of migrant labourers is often neglected.²⁰

Check Your Progress Exercise 4

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit.

1. What is bonded labour?

2. Why has bonded labour been abolished?

3. What is the situation of female bonded labourers?

4. What laws exist in India on the issue of bonded labour?

13.7 SEX WORK

In 2007, the Ministry of Women and Child Development reported the presence of 2.8 million sex workers in India, with approximately 35% of them entering the trade before

²⁰ Ravi Srivastava (2005), Bonded Labour in India: Its Incidence and Pattern, Working paper, p. 45, available at http://www.ilo.org/sapfl/Informationresources/ILOPublications/lang--en/docName--WCMS_081967/index.htm, accessed on 3 December 2009

the age of 18. Other sources, such as Human Rights Watch, put the figure at 15 million, with Mumbai alone having more than 100,000 sex workers. In addition to sex workers in brothels, devadasi, jogini and such other traditional systems force girls into prostitution, particularly those from “lower” castes and classes.

Under Indian law, consisting of provisions of the Indian Penal Code, the Immoral Traffic (Prevention) Act (ITPA) and a gamut of state-level laws, prostitution / commercial sex work *per se* is not illegal; however trafficking women and children for the purpose of sex work, prostitution, operating brothels, living off the income of a sex worker and soliciting in public are illegal. There are three approaches to sex work – legalization, decriminalization and sex work as a human right. Decriminalization refers to removing the application of criminal law on sex work. However, violations such as coercion, violence and abuse by the brothel-keeper / pimp / client could continue to be addressed by criminal law. Legalization refers to an official recognition of sex work as a form of work (like all others) by the state, and issuing licenses and regulating conditions of work. A fear exists among concerned persons that legalization would lead to bureaucratizing the entire system of issuing licenses, and strengthen the hands of the state in general and police in particular. The human rights approach, advanced by sex workers themselves, argues that sex workers are entitled to basic and fundamental human rights as every other woman is, in addition to the right to solicit for sex work. The most contentious debate around sex work is whether women can consent to engage in sex work or whether all sex work is the result of force, coercion, threat and duress.

Sex work is often linked to trafficking in persons, under the erroneous presumption that all trafficked women are forced into sex work, and that if a woman is a sex worker, she must have been trafficked. Sex work is also linked often to HIV/AIDS under the presumption that sex workers are the source for spreading the disease and ought to be subjected to mandatory health check ups, in order to protect ‘good women’ / ‘chaste wives’ from families that the male clients come from. There have been two instances of collective resistance from sex workers that are grounded in a rights-based approach – the Durbar Mahila Samannaya Committee (DMSC) of Kolkata and Veshya Anyay Mukti Parishad (VAMP) of Sangli, Maharashtra. These collectives campaign for de-

criminalization and an end to police brutalities and harassment, and claim the right to better working conditions.

Check Your Progress Exercise 5

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit.

1. What aspects of sex work are illegal under Indian law?

2. What are the different approaches to law on sex work in India?

13.8 OCCUPATIONAL HEALTH AND SAFETY

The concept of occupational health and safety has arisen from injuries, impairments and diseases affecting a worker during the course of employment. It is reported that more than 125 million workers worldwide are victims of occupational accidents and diseases every year.²¹ In particular, the health and safety of workers in hazardous occupations and that of vulnerable persons including migrant workers, women and young persons is of prime importance. The workers in hazardous employment in India are exposed to substances such as asbestos, chromium and silica dust and are vulnerable to respiratory diseases and cancer.

Article 21 of the Indian Constitution guarantees the protection of life and personal liberty of a person. Various Supreme Court judgments have applied the guarantee of right to life

²¹ Kanhere, Vijay; "Occupational Health, Safety and Laws"; *Combat Law*, Nov.-Dec. 2005, Pgs. 84-87; see also Seetha Sriraman, "Occupational Health Laws in India: How Operational Are They?", available at <http://www.legalserviceindia.com/articles/occ.htm>., accessed on 3 December 2009

to the right to employees' health. For example, in *Consumer Education Research Center vs. Union Of India*, the Supreme Court stated as follows: "*Occupational accidents and diseases remain the most appalling human tragedy of modern industry and one of its most serious forms of economic waste...Therefore, we hold that right to health, medical aid to protect the health and vigour of a worker while in service or post-retirement is a fundamental right ... to make the life of the workman meaningful and purposeful with dignity of person.*"

The Constitution further directs the state to

- a) secure the health and strength of workers, men and women;
- b) ensure that the tender age of children is not abused;
- c) see that citizens are not forced by economic necessity to enter avocations unsuited to their age or strength;
- d) provide for just and humane conditions of work and maternity relief; and
- e) take steps, by suitable legislation or in any other way, to secure the participation of workers in the management of undertakings, establishments or other organizations engaged in any industry.

Some labour laws that contain provisions related to occupational health and safety include The Factories Act 1948, the Mines Act 1952, and The Dock Workers (Safety, Health & Welfare) Act 1986. **The Factories Act** states that employees should work in healthy and sanitary conditions and that precautions should be taken to prevent accidents and ensure their safety. The law also lays down in detail provisions relating to cleanliness, level of ventilation, diversion of dust and fumes, provision of artificial humidification, sanitation and fencing of machinery. There are also provisions that prohibit women and children from working in certain occupations. **The Employees State Insurance Act 1948** provides for various financial and medical benefits to those injured, and to families of persons who have died due to injury at the workplace. **Workmen's Compensation Act 1923** places the onus upon the employer to compensate the worker (in case of occupational injury / ill-health) and the family (in case of death of the worker during the course of employment). On one hand, in India, there is no comprehensive law

on occupational health and safety. On the other hand, the existing laws are rarely implemented, making the workers vulnerable.

CASE STUDY: IMPACT OF MINING ON WOMEN'S HEALTH IN INDIA²²

The bodies of urban and rural poor women, including tribal women, are often exploited for the extraction of minerals. Majority of the health problems in mining regions are caused due to unchecked pollution and high levels of toxicity. The lands, water bodies, air and environment are polluted due to constant release of chemical wastes, dust generated by blasting and excavation, and the dumping of mine wastes and over-burden in the surrounding lands and rivers. Even women who are not directly working in the mines but are residing in the area are constantly exposed to various respiratory illnesses due to inhalation of dust particles and become victims of skin diseases. They experience malfunctioning of various sensory organs, which has a long-term impact on their reproductive health. Noise and dust pollution affects women the most during pregnancy. The range of health hazards of women in mining varies from simple coughs to thalassemia, silicosis and other fatal ailments.

The effects of chemicals and radiation from the ores has direct impacts on the women's health. In Jaduguda (Jharkand), where uranium mining is carried out, radiation levels are scientifically proved to be above permissible limits. The radiation from uranium results in miscarriages, giving birth to physically and mentally deformed children, other problems related to reproductive health, in addition to deaths and terminal illnesses such as leukemia and thalassemia. Despite international pressure, there have been no substantial government interventions to safeguard the occupational health of women working in such mines.

In an environmental impact and health assessment undertaken in and around coal mines East Parej and North Karanpura in Jharkand, it was found that water and soil are polluted with toxic wastes, as a result of which the average life expectancy of women was found to be 45! Women are particularly exposed to contaminated water near mining areas, due

²² This is a summary of article titled 'Impact of Mining on Women's Health in India', available at <http://www.minesandcommunities.org/article.php?a=1817>., accessed on 5 December 2009

to domestic chores such as collecting water, washing clothes and utensils and bathing children. Similarly, in the chromite mines of Orissa, women complained of severe health problems including birth defects in fetuses, still births, reduced fertility, loss of eyesight, muscular and back pain and a general physical incapacity. Unmarried women and girls are also often sexually exploited by the contractors, other mineworkers and mining officials, but do not report the same, due to fear of loss of employment.

In accordance with provisions of The Mines Act, women are employed in secondary activities such as cutting, sorting, quarrying, loading and unloading. They constantly come into contact with dust and pollution, resulting in severe health hazards. As majority of the women workers are contract labourers, and are daily labourers, they are not entitled to compensation on days that they fail to work due to health problems. Meager or no compensation is given during the period of pregnancy, during which women are forced to work in hazardous conditions amidst noise and air pollution.

Check Your Progress Exercise 6

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit.

1. Name some labour laws dealing with aspects of occupational health and safety.

2. Enumerate some health problems faced by women in mining areas.

13.9 GENDER-SPECIFIC FACILITIES AT THE WORKPLACE

Workplaces have traditionally been designed keeping men in mind, with long hours and the expectation of total commitment to work. Such practices have largely deterred young mothers from seeking competitive jobs and careers. Many educated working women opt out of remunerative work once they give birth, due to a lack of child-care and other gender-friendly support systems at work. Many women take a 3-4 years' break in their career to fulfil the socially-assigned responsibility of caring for young children. As a result, they face difficulties in joining the workforce again, and lose out to their male colleagues in terms of professional growth and remuneration. Other young mothers, while opting to continue working after pregnancy / delivery, opt for jobs that are paid less but with shorter or regular timings of work. Many other women are left with no such options due to economic compulsions. In this context, laws and policies providing for gender-specific facilities at the workplace can play a major role in encouraging more and more women to resume their work after availing of maternity leave, and to increase their productivity at work and ultimately their professional growth.

Gender-specific facilities at the workplace include provision of separate washing and toilet facilities, crèches and day-care facilities, breaks for breast-feeding, in addition to maternity benefits. For example, the Beedi and Cigar Workers' (Conditions of employment) act, Employees Provident Funds and Family Pension At, Employees' State Insurance Act, the Factories Act, Shops and Establishment Acts are laws that provide for rules regarding pay, leave, hours of work, intervals of rest, overtime and ban on work in hazardous conditions. Night work is banned for women under most such legislations. However, the Factories Act was amended in 2005 to allow women to work on night shifts (10 pm-6 am), as long as employees provide adequate safeguards for them. These laws also elaborate on the rest facilities for women, including washing and toilet facilities. The laws prescribe for provisions for crèches where more than 30 women are employed, as well as guidelines for running the crèches. Women contract labourers and inter-state migrant labourers under the relevant Acts are also eligible for creche and rest-room facilities.

The need for child care services has been emphasized in the National Policy for Education 1986, National Policy for Children 1994, the National Policy for

Empowerment of Women 2001 and the National Plan of Action for Children 2005. Provision of crèches has been made compulsory under the National Rural Employment Guarantee Act 2005. In August 2006, the Ministry of Women and Child Development announced that it would introduce a policy that made it mandatory for public and private organizations to provide young working mothers with facilities of crèches and day care centres. Accordingly, it has formulated the Rajiv Gandhi National Creche Scheme for the Children of Working Mothers.²³ Although gender-specific facilities relating to taking care of young children are warranted at the woman's workplace, not providing such facilities at the father's workplace, the government could end up validating / reinforcing the cultural norm of reposing women with the sole responsibility of taking care of children.

Check Your Progress Exercise 7

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit.

1. Why is it important to have gender-specific facilities at the workplace?

2. Name some gender-specific facilities and support services recognized by Indian laws and policies.

13.10 JUDICIAL RESPONSES TO WOMEN AT WORK

The Constitutional provisions related to protection of women are not empty words; they have a positive impact on aspects of women's social, legal and economic status through

²³ For more details, see <http://wcd.nic.in/RajivGandhiCrecheScheme.pdf>, accessed on 4 December 2009

judgments of courts of law, state policies and enactments of law. The Constitutional guarantee of equality and non-discrimination has led to discriminatory practices in appointments, promotions, terminations and conditions of work being declared as illegal. In *C.B.Muthamma IFS vs. Union of India*, the Supreme Court held provisions of the Indian Foreign Service rules that discriminated against married women to be unconstitutional.²⁴ In *Air India vs. Nargesh Meerza*, the Supreme Court struck down the provision of rules which stipulated termination of service of an air hostess on her first pregnancy as it arbitrary and abhorrent to the notions of a civilized society.²⁵ In *M/s. Mackinnon Mackenzie & Co. Ltd. vs. Audrey D'Costa and Others*, where women stenographers had been given a lower scale of pay than male stenographers, the Supreme Court held that the differential pay scales were in violation of the Constitutional provisions and provisions of the Equal Remuneration Act 1976.²⁶ In accordance with Constitutional provisions on affirmative actions on behalf of women, reservation of seats have been made for women in municipalities, educational institutions, public employment and panchayats, soft loans and tax concessions are provided to women entrepreneurs. The guarantee of right to life and personal liberty was applied in contexts of sexual harassment at workplace, where the Supreme Court issued guidelines for its prevention and redress.²⁷

The judiciary has exhibited deep concern for occupational health and safety. In *Consumer Education and Research Centre vs. Union of India*, which dealt with conditions of work and health effects on employees in the asbestos manufacturing industry, the Supreme Court held that the right to health of a worker is an integral facet of a meaningful right to life.²⁸ In *Rajangam, Secretary, District Beedi Workers' Union vs. State of Tamil Nadu*, the Supreme Court passed strictures to prohibit child labour since the beedi industry was hazardous to the life and health of children.²⁹ In *Bandhua Mukti*

²⁴ (1979) 4 SCC 260

²⁵ AIR 1981 SCJ 348

²⁶ (1987) 2 SCC 469

²⁷ This was done through the judgment in *Vishaka & Others vs. State of Rajasthan* AIR 1997 SC 3011, subsequently reiterated by the Supreme Court in *Apparel Export Promotion Council vs. A.K.Chopra* AIR 1999 SC 625.

²⁸ AIR 1995 SC 992

²⁹ AIR 1993 SC 401

Morcha vs. Union of India, the Supreme Court dealt with the release of bonded labourers from stone quarries in Haryana.³⁰ In *People's Union for Democratic Rights vs. Union of India*, the Supreme Court reiterated that the state was under a constitutional obligation to see that there was no violation of the fundamental right of any person, particularly when he belongs to the weaker section of the community and is unable to wage a legal battle against a strong and powerful opponent.³¹ Even though the facts of these cases did not concern women workers, these are landmark judgments that have laid down progressive principles of law with regard to workers' rights, which could be extended to women workers too as and when the need arises.

In a judgment that brought reprieve to thousands of women working as bar dancers, the Bombay High Court struck down the ban against bar dancers in Maharashtra that had been issued by the state government, stating that the ban violated the bar dancers' right to life and livelihood.³² The state government's appeal to the Supreme Court is pending. On the controversial issue of prohibition of night shifts for women, the Madras High Court handed down a progressive judgment, declaring that provisions in the Factories Act which ban women from working in night shifts, are unconstitutional, as they resulted in a denial of livelihood to women. The judgment further prescribed measures to be undertaken by the employer to provide safety to women employees during night shifts.³³ Banning women from working in nightshifts has been a contentious issue, as women are sought to be protected by the state by curbing their freedom to work.³⁴

Check Your Progress Exercise 8

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit.

³⁰ AIR 1984 SC 802

³¹ AIR 1982 SC 1473

³² *Indian Hotels and Restaurants Association and Others vs. the State of Maharashtra and Others*, judgment of Bombay High Court dated 12 April 2006

³³ *R.Vasantha vs. Union of India*, decided by the Madras High Court on 8 December 2000 in Writ Petition Nos. 4604 to 4604/1999

³⁴ For a critique of the approach of banning women from nightshifts, see Oishik Sircar, 'The Trade-off Between Protection and Freedom', Infochange News & Features, June 2007, available at <http://infochangeindia.org/20070517179/Women/Analysis/The-trade-off-between-protection-and-freedom.html>, accessed on 5 December 2009

1. Name some positive judgments of the courts on women's rights at the workplace.

13.11 OBSTACLES TO EFFECTIVE IMPLEMENTATION OF WOMEN-FRIENDLY LAWS & POLICIES

Despite many provisions in labour laws that aim at empowering women, these would not have the desired effect unless the attitude of the employers towards women employees changes for the better. Since women get pregnant and are entitled to maternity leave and other benefits associated with pregnancy, employers tend to look at women as a burden rather than an asset to the company. For example, on 14 November 2009, the Vice Chief of Air Staff of the Indian Air Force announced that training women pilots is “cost-ineffective” as they get pregnant, leading to a 10-12 months’ leave, and that women could get married but not have a child till about 13-14 years of service – the time taken for the government to recover its investment on the pilot.³⁵ Such sexist mindsets which look at women workers as a financial burden instead of an asset are not exceptions but are prevalent in a systemic manner, neutralizing the effect of laws that empower women.

Further, with economic globalization, recession and job losses, more and more women are being pushed to work in the unorganized sector, including home-based paid work. If labour laws are not implemented satisfactorily in the organized sector, it is close to impossible to implement guidelines for equal wages, occupational safety and other workers’ rights in the unorganized sector, hence making the women workers vulnerable to discrimination and exploitation.

The government has been setting up an increasing number of Special Economic Zones (SEZs), which are duty-free and tax-free enclaves aimed at promoting exports. This

³⁵ For more details, see ‘Air Force: Pregnancy Makes Women Pilots Cost Inefficient’, in *NDTV.com* dated 17 November 2009, available at http://www.ndtv.com/news/india/air_force_pregnancy_makes_women_pilots_cost-inefficient.php, accessed on 22 November 2009

trend is of particular concern to persons working on workers' rights in general, and women workers' rights in particular, as the fundamental rights of workers and provisions of labour laws of the country cease to be operative in such zones. SEZs have been declared as public utility services; therefore workers have no right to strike or organize themselves and form unions. Women constitute a significant percentage of the workforce in SEZs, in low-paying low-skilled jobs, as contract / casual workers. In the absence of application of labour laws, women workers in SEZs are vulnerable to general and gender-specific discrimination and exploitation.

Outsourcing of work, changing job patterns and working relationships are also likely to result in difficulties in ensuring standards of occupational health and safety. Work-related hazards and occupational diseases in small-scale industries and agriculture are likely to increase as the occupational safety and health services are out of reach in these occupations. Further, even though the higher judiciary (the Supreme Court and the High Courts) have handed down progressive judgments to assert women's rights in workplaces, the additional duties / responsibilities imposed on employers may also deter them from employing women, and push them towards viewing women employees as a financial burden rather than an asset.

Check Your Progress Exercise 9

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit.

1. Name some obstacles to effective implementation of women-friendly laws and policies.

13.12 SUMMING UP

Statutory law as well as judge-made law have responded positively to protect the rights of women workers. The policy-makers have also formulated gender-specific policies that

would increase women workers' rights and create an enabling environment for them to work in a productive manner. Despite strides having been made in laws and policies of the country, a patriarchal mindset and a consequent lack of will to implement such standards result in continuing exploitation of and discrimination against a large number of women workers. The shrinking of the welfare state and the increase in economic globalization are forces that would continue to threaten the enjoyment of women's rights at the workplace in future.

1. Laws related to women at the workplace are necessary in order to prevent working women from being vulnerable to discrimination, harassment and exploitation, and to provide gender-specific facilities to them.
2. The Indian Constitution contains fundamental rights to equality before the law and equal protection of the law, non-discrimination on grounds including sex and in spheres including public employment, affirmative action in favour of women by the state through reservation and special laws, and the right to life and liberty.
3. The Supreme Court pronounced a landmark judgment on sexual harassment of working women in 1997 in *Vishaka and Others vs. State of Rajasthan*. Through this judgment, it provided a definition of sexual harassment at the workplace, guidelines for employers to redress and prevent sexual harassment at workplace, and to provide a discrimination-free working environment for women employees.
4. Child labour needs to be abolished / regulated as children are exploited at work, which gravely affects the child's mental, physical, social, educational and emotional development. Girl children are often forced into prostitution, and are physically, emotionally and sexually abused in various contexts including in domestic work.
5. The bonded labour system has been abolished by law as it is violative of human dignity and is exploitative, but it continues to be in practice. Women bonded labourers are vulnerable to wage discrimination, physical abuse and sexual exploitation by the creditor and his family members / relatives.
6. While prostitution / commercial sex work *per se* is not illegal, trafficking women and children for the purpose of sex work, prostitution, operating brothels, living off the income of a sex worker and soliciting in public are illegal under Indian law. There

are three approaches to sex work – legalization, decriminalization and sex work as a human right.

7. Employers are responsible for ensuring occupational health and safety of the workers. Despite the existence of laws in this regard, women workers face a range of health problems in the course of employment including respiratory disorders, skin disorders, general physical incapacity, drastic reduction in life expectancy and problems with reproductive health.
8. Indian laws and policies recognize that women have specific needs for facilities and support services at the workplace. Provision of separate washing and toilet facilities, crèches and day-care facilities, breaks for breast-feeding, maternity benefits, rules regarding pay, leave, hours of work, intervals of rest, overtime and ban on work in hazardous conditions and ban / regulation of conditions of work during night shifts are some facilities and support services.
9. The Supreme Court and the High Courts have given various positive judgments in favour of working women's rights, upholding the rights to equality and non-discrimination, life and livelihood.
10. Despite progressive laws and policies that protect and promote women workers' rights, some obstacles to their effective implementation exist. These include patriarchal and sexist mindsets of employers towards women employees; increasing number of women workers in the unorganized sector due to economic globalization, job losses and recession; setting up of Special Economic Zones where labour rights are suspended; and outsourcing of work leading to difficulties in ensuring standards of occupational health and safety.

13.13 GLOSSARY

Special Economic Zones: Government of India policy intended to make SEZs an engine for economic growth supported by quality infrastructure complemented by an attractive fiscal package, both at the Centre and the State level, with the minimum possible regulations. SEZs in India functioned from 1.11.2000 to 09.02.2006 under the provisions of the Foreign Trade Policy and fiscal incentives were made effective through the provisions of relevant statutes.

To instill confidence in investors and signal the Government's commitment to a stable SEZ policy regime and with a view to impart stability to the SEZ regime thereby generating greater economic activity and employment through the establishment of SEZs, a comprehensive draft SEZ Bill prepared after extensive discussions with the stakeholders. A number of meetings were held in various parts of the country both by the Minister for Commerce and Industry as well as senior officials for this purpose. The Special Economic Zones Act, 2005, was passed by Parliament in May, 2005 which received Presidential assent on the 23rd of June, 2005. The draft SEZ Rules were widely discussed and put on the website of the Department of Commerce offering suggestions/comments. Around 800 suggestions were received on the draft rules. After extensive consultations, the SEZ Act, 2005, supported by SEZ Rules, came into effect on 10th February, 2006, providing for drastic simplification of procedures and for single window clearance on matters relating to central as well as state governments. The main objectives of the SEZ Act are:

- (a) generation of additional economic activity
- (b) promotion of exports of goods and services;
- (c) promotion of investment from domestic and foreign sources;
- (d) creation of employment opportunities; and
- (e) development of infrastructure facilities.

13.14 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress Exercise 1

1. These include right to equality before the law and equal protection of the law, right against discrimination on grounds including sex and in spheres including public employment, affirmative action in favour of women by the state through reservation and special laws, and the right to life and liberty.
2. These include The Equal Remuneration Act and The Maternity Benefits Act. Provisions addressing women at the workplace also exist in other laws such as The Factories Act and The Mines Act.

3. These include Minimum Wages Act 1948, Bonded Labour System (Abolition) Act 1976, Plantation Labour Act 1951, Payment of Wages Act 1936, Industrial Employment (Standing Orders) Act 1946, Workmen's Compensation Act 1923, Employees State Insurance Act 1948 and The Contract Labour (Prohibition and Regulation) Act 1970.

Check Your Progress Exercise 2

1. The Supreme Court pronounced a landmark judgment on sexual harassment of working women in 1997 in *Vishaka and Others vs. State of Rajasthan*. Through this judgment, it provided a definition of sexual harassment at the workplace, guidelines for employers to redress and prevent sexual harassment at workplace, and to provide a discrimination-free working environment for women employees. A separate law on the issue is in the process of being drafted.
2. The complaints committee should be headed by a woman; it should have at least 50% members as women; it should have a representative from an external agency such as a non-profit organization.
3. Employers ought to discuss the issue affirmatively in workers' meetings and employer-employee meetings, prominently display guidelines to create awareness of the right of women employees, and prominently display members of the complaints committee and their contact details. The employers are also duty-bound to formulate an anti-sexual harassment policy, and for constituting a complaints committee to investigate, mediate, counsel and resolve cases of sexual harassment.

Check Your Progress Exercise 3

1. Child labour needs to be abolished / regulated as children are exploited at work, which gravely affects the child's mental, physical, social, educational and emotional development. Children are compelled to work for low wages, long hours, without rest or leisure, in unhealthy, unhygienic and dangerous working environments, engaged often in hazardous work such as making glass and fire crackers. They are often subjected to physical, sexual and emotional abuse.

2. Education of girls is considered a waste while education of boys is considered an investment. Rural poor illiterate parents abandon girl children, who end up with a life in a brothel or street prostitution; some of them escape to streets and beg, collect scrap and finally end up as prostitutes. Sexual abuse of girl children employed in domestic work is rampant.

Check your Progress Exercise 4

1. Bonded labour is a system of forced, or partially forced, labour under which the debtor enters into an oral / written agreement with the creditor. According to this agreement, in consideration of an 'advance' obtained by the debtor or by any of his lineal ascendants and in consideration of the interest on such an advance, the debtor agrees to render, by himself or through any member of his family, labour for the creditor for a specified / unspecified period of time either without wages or for nominal wages.
2. The bonded labour system is violative of human dignity and is exploitative. The debtor is deprived of freedom of employment, freedom to sell at market value any product of the debtor's or his / her family members' labour and the right to move freely throughout India. Hence it has been abolished.
3. In addition to other forms of exploitation and abuse, female bonded labourers are vulnerable to wage discrimination, physical abuse and sexual exploitation by the creditor and his family members / relatives.
4. The Constitution, in the chapter on fundamental rights, prohibits traffic in human beings and forced labour. The Bonded Labour System (Abolition) Act 1976 was enacted specifically to abolish the bonded labour system.

Check Your Progress Exercise 5

1. While prostitution / commercial sex work *per se* is not illegal, trafficking women and children for the purpose of sex work, prostitution, operating brothels, living off the income of a sex worker and soliciting in public are illegal under Indian law.
2. There are three approaches to sex work – legalization, decriminalization and sex work as a human right. Decriminalization refers to removing the application of

criminal law on sex work. Legalization refers to an official recognition of sex work as a form of work (like all others) by the state, and issuing licenses and regulating conditions of work. The human rights approach, advanced by sex workers themselves, argues that sex workers are entitled to basic and fundamental human rights as every other woman is, in addition to the right to solicit for sex work.

Check Your Progress Exercise 6

1. The Factories Act 1948, the Workmen's Compensation Act 1923, The Employees State Insurance Act 1948, The Mines Act 1952 and The Dock Workers (Safety, Health & Welfare) Act 1986 are some labour laws dealing with aspects of occupational health and safety.
2. Respiratory illnesses, skin diseases, mal-functioning of sensory organs, thalassemia, silicosis, problems related to reproductive health such as birth defects in fetuses, still births, reduced fertility, loss of eyesight, muscular and back pain, general physical incapacity and a drastic reduction in life expectancy of women are some health problems faced by women in mining areas.

Check your progress Exercise 7

1. Women have specific needs at the workplace, due to their biological and sociological roles. Having gender-specific facilities at the workplace would deter young mothers from leaving their jobs due to a lack of child care facilities and gender-friendly support systems at work. Such facilities would also increase the productivity of the working woman and improve her professional growth.
2. Provision of separate washing and toilet facilities, crèches and day-care facilities, breaks for breast-feeding, maternity benefits, rules regarding pay, leave, hours of work, intervals of rest, overtime and ban on work in hazardous conditions and ban / regulation of conditions of work during night shifts are some gender-specific facilities and support services recognized by Indian laws and policies.

Check Your progress Exercise 8

1. These include:

- a. *C B Muthamma IFS vs. Union of India* – the Supreme Court held provisions of the Indian Foreign Service rules that discriminated against married women to be unconstitutional.
- b. *Air India vs. Nargesh Meerza* - the Supreme Court struck down the provision of rules which stipulated termination of service of an air hostess on her first pregnancy as it arbitrary and abhorrent to the notions of a civilized society.
- c. *M/s. Mackinnon Mackenzie & Co. Ltd. vs. Audrey D'Costa and Others* - the Supreme Court held that the differential pay scales for male and female stenographers were in violation of the Constitutional provisions and provisions of the Equal Remuneration Act 1976
- d. *Indian Hotels and Restaurants Association and Others vs. the State of Maharashtra and Others* – the Bombay High Court struck down the Maharashtra government's ban on bar dancers as violative of right to life and livelihood.
- e. *R.Vasantha vs. Union of India* – the Madras High Court said that banning women from night shifts is illegal as it deprived them of their livelihood.

Check Your Progress Exercise 9

Some obstacles include

- a. patriarchal and sexist mindsets of employers towards women employees;
- b. increasing number of women workers in the unorganized sector due to economic globalization, job losses and recession;
- c. setting up of Special Economic Zones where labour rights are suspended; and
- d. outsourcing of work leading to difficulties in ensuring standards of occupational health and safety;

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13.16 QUESTIONS FOR REFLECTION AND PRACTICE

1. Discuss judicial responses with regard to women and work