

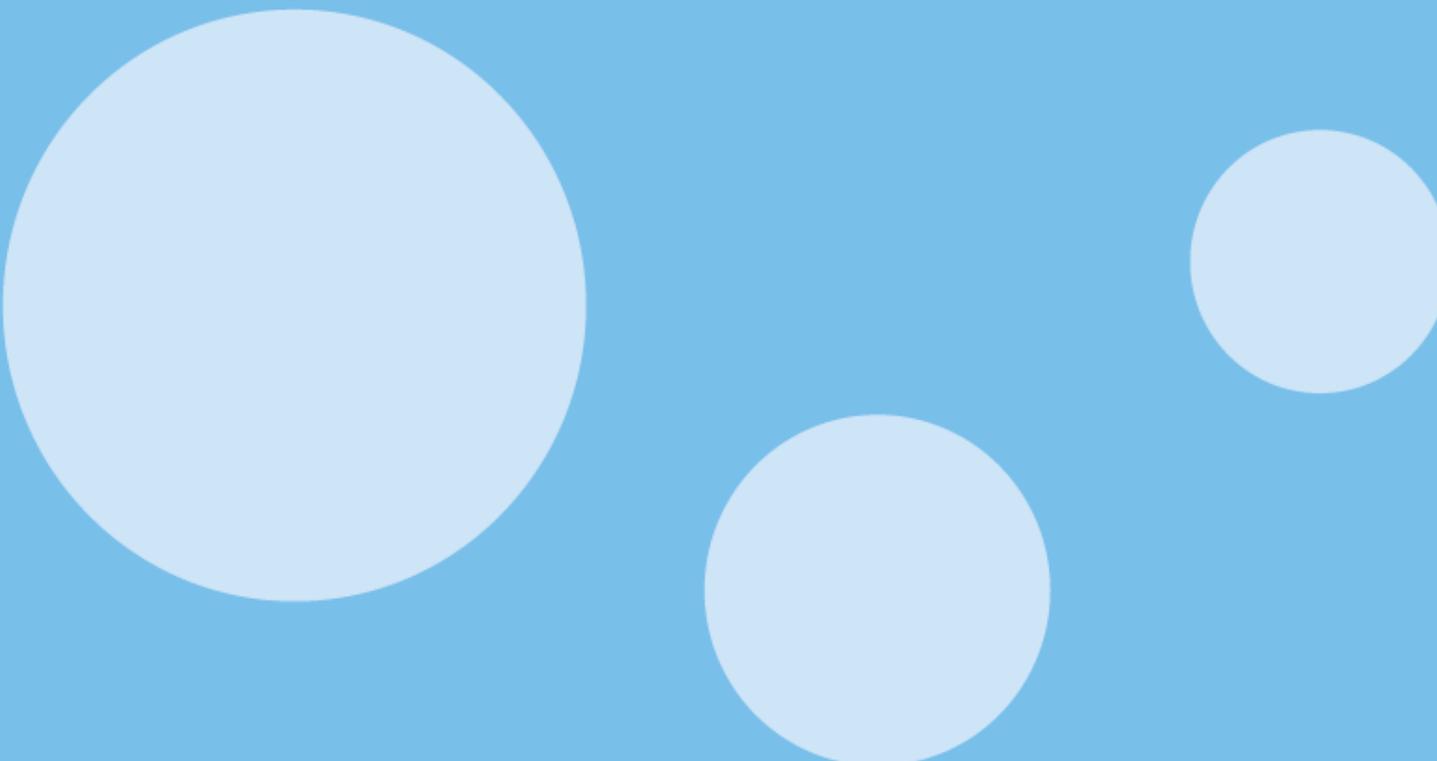
Gender Pay Gap in the Formal Sector

Preliminary Evidence from Paycheck India Data

Biju Varkkey – Faculty, Personnel and Industrial Relations Area,
Indian Institute of Management, Ahmedabad

Rupa Korde – Faculty, Economics Area,
Foundation for Liberal And Management Education, Pune

Leeja Anand – Research Associate,
Indian Institute of Management, Ahmedabad



WageIndicator.org

About Paycheck India

Paycheck India (www.Paycheck.in) is a research initiative at the Indian Institute of Management, Ahmedabad (www.iimahd.ernet.in) supported by the WageIndicator Foundation and University of Amsterdam. The project aims to bring in labour market transparency by studying salary structures in India across industries and occupations.

About WageIndicator Foundation

The WageIndicator concept is owned by the WageIndicator Foundation, a non-profit organization. Its Supervisory Board is chaired by the University of Amsterdam/Amsterdam Institute of Advanced labour Studies, the Dutch Confederation of Trade Unions (FNV) and Monster career site. Started in 2000, the WageIndicator operates globally through a network of associated, yet independent, regional and national partner organisations. These include universities, media houses, trade unions, employers' organisations and individual (legal, internet, media) specialists, with whom the WageIndicator engages in long-lasting relationships. The WageIndicator Foundation has offices in Amsterdam (where it is headquartered), Ahmedabad, Bratislava, Buenos Aires, Cape Town, Maputo, and Minsk. There are WageIndicator websites for 65 countries. In 40 countries, the WageIndicator website has a so-called three-pillar structure. That means the site contains an online up-to-date library on wages, labour law and careers. In 20 countries, the WageIndicator websites are supported with offline actions such as paper surveys, fact-finding debates and media campaigns. The independent WageIndicator Foundation aims for transparency of the labour market by sharing and comparing wage and labour conditions data. This report has been prepared by the Indian Regional Office of the WageIndicator Foundation and the Indian Institute of Management, Ahmedabad.

WageIndicator Foundation
Plantage Muidergracht 12
1018TV Amsterdam
The Netherlands
office@wageindicator.org

Executive Summary

Women constitute almost half the population of India (48%)¹ and thus potentially, half its labour force². We cannot deny the fact that as a group they do as much work as men, if not more. But the type of work they do – as well as the conditions under which they work and their access to opportunities for advancement – differ from men's. Women are often disadvantaged in access to employment opportunities and conditions of work; furthermore, many sometimes forego or curtail employment because of family pressures or responsibilities. The removal of obstacles and inequalities that women face with respect to employment is a step towards realizing their potential in the economy and enhancing their contribution to economic and social development.³

This report aims at quantifying the magnitude of gender-based disparities that women face in the organized sector of the Indian labour market, and track their progress over time. The extent of the gender pay gap is measured on various parameters such as age, educational qualifications, industry, work experience, designation, type of contract, level of skill, marital status, etc.

Some key observations are:

- The gender pay gap in India for the year 2011 is 28.13%. The gender pay gap in India has been declining over the years. Women earned 41.94% less than men before 2007.
- The gender pay gap varies across Indian states. Women in Delhi earned 20% less than men, whereas women in Assam earned 64% less than men.

¹ [India Census 2011](#) retrieved on 11th July, 2012

² But the Labour Force Participation Rate for females in India is only 25.33% (proportion of total labour force) for 2011. Retrieved from the [World Bank](#) database on 6th August, 2012.

³ Retrieved from the [United Nations Report](#) on 21st April, 2012

- The gender pay gap varies with the annual pay range. For an annual pay range below Rs 1 lakh,⁴ women are paid 1.08% more than men. The gender pay gap is the highest for annual pay range group of Rs 1-10 lakhs at 21.25%.
- The gender pay gap increases with age. Women in the age group of below 30 years earned 27.72% less than men, whereas women in the age group of above 50 years earned 77.71% less than men.
- The gender pay gap increases with higher educational qualifications. Women with education attainment of Plus 2 or equivalent earned 10.34% less than men, whereas women with Ph.D or equivalent qualifications earned 45.99% less than men.
- The gender pay gap is different across various industries. Women employed in Wholesale & retail trade; repair of motor vehicles & motorcycles industry earned 8.72% less than men whereas those employed in Arts, entertainment and recreation industry earned 58.42% less than men.
- The gender pay gap varies with an increase in work experience, following a cyclical pattern. Women with a work experience of 31 years or more earned 75.42% less than men whereas women with work experience between 16-30 years earned 25.93% less than men.
- The gender pay gap increases with progression in the occupational hierarchy. Women working as trainees earned only 9.11% less than men whereas women higher in hierarchy at the positions of heads earned 42.13% less than men.
- The extent of the gender pay gap also depends on the type of employment. Women working in full-time employment earned 34.47% less than men whereas those in part-time jobs earned 42.27% less than men.

⁴ 1 Lakh = One Hundred Thousand = 100,000

- Skill levels also affect the extent of the gender pay gap. For semi-skilled jobs, women earned 3.63% more than men whereas for highly skilled jobs women earned almost 40% less than men.
- The marital status of individuals also affects the gender pay gap. Women who were never married earned 27.02% less than men, whereas widowed women earned 63.62% less than men.

Acknowledgement

We would like to acknowledge the following individuals who contributed to the completion of the Gender Pay Gap in the Formal Sector Report.

1. CNV International
2. Priya Arora, Former Member, Paycheck India
3. Shailja Tripathi, Member, Paycheck India
4. Aakruti Gupta, Member. Paycheck India
5. Mini Nair, Secretary
6. Khushi Mehta, Regional Manager, WageIndicator Foundation
7. Kea Tijdens and Maarten van Klaveren, University of Amsterdam / Institute of Advanced Labour Studies (AIAS)
8. Paulien Osse, Director, WageIndicator Foundation
9. Dirk Dragstra, Editor and Dep. Director, WageIndicator Foundation.

Table of contents

1	The Gender Pay Gap in India	1-7
1.1	Background	1-7
1.2	Steps taken by the government to narrow the gender pay gap in India	1-10
1.3	Reasons for the gender pay gap in India	1-11
2	Survey Design and Data Collection	2-14
2.1	Survey design.....	2-14
2.2	Data collection.....	2-14
2.3	Research sample.....	2-15
2.4	Characteristics of the sample.....	2-15
2.5	Data analysis	2-16
3	Analysis of The Gender Pay Gap In India	3-18
3.1	The gender pay gap in India	3-18
3.2	The gender pay gap across Indian states	3-19
3.3	Annual pay range and the gender pay gap.....	3-22
3.4	The gender pay gap with respect to age	3-24
3.5	The gender pay gap with respect to educational qualifications.....	3-26
3.6	The gender pay gap with respect to industry.....	3-29
3.7	The gender pay gap with respect to work experience.....	3-32
3.8	The gender pay gap with respect to position/ designation/level in occupational hierarchy ..	3-33
3.9	The gender pay gap with respect to type of employment contract.....	3-36
3.10	The gender pay gap with respect to level of skill	3-37
3.11	The gender pay gap with respect to marital status	3-39
4	Conclusion	4-41
	Annexure	4-45
	Annexure I: Acts passed by the Government of India in the Labour Market.....	4-45
	Annexure II: Web Links	4-46

1 The Gender Pay Gap in India

1.1 Background

The world has become a complex place to survive over time with changes in the economic, demographic, environmental and political environment. To survive in this environment, we require a new mindset that can discard old prejudices and inertia, and accept new ideas and solutions.⁵

In today's world, where women work alongside men, the issue of fair and equal treatment arises often. In fact, gender inequality related to work is one of the issues that has been raised and debated often. Women constitute almost half the population of India (48%)⁶ and thus potentially, half its labour force. But the Labour Force Participation Rate of women in India is only 25.33% for 2011⁷. Though the government⁸ has introduced several laws to prohibit inequalities or discrimination against women workers, unfortunately, there still exists a wide gender pay gap in India. In majority of Indian work places, the so-called 'glass ceiling' is not completely broken yet. There are many facets of gender inequality, and in the current scenario, it is 'professional inequality' that incessantly acts as a barrier for women's advancement at the workplace. Professional inequality, as explained by Amartya Sen in one of his lectures, refers to discrimination in terms of employment, remuneration, promotion at work and even occupation⁹.

When a woman decides to enter the workforce, she has to deal with gender-biased hiring practices. Even if she somehow manages to enter the

⁵ Global Gender Gap Report 2011, World Economic Forum

⁶ [India Census 2011](#) retrieved on 11th July, 2012

⁷ Retrieved from the [World Bank](#) database on 6th August, 2012.

⁸ Please see Annexure I

⁹ Sen A., Many Faces of Inequality, Volume 18 - Issue 22, Oct. 27 - Nov. 09, 2001, Frontline

labour market, there exists discrimination at every step of her professional life.

The gender pay gap measures the earning differences between women and men in paid employment in the labour market. *It is one of the many indicators of gender inequality in a country when examining the labour market participation in terms of gender*¹⁰. The gender pay gap has become a universal issue. Various theories have been advanced to explain this gap from an economic perspective. Most of them discuss either the *human capital model* (supply-side factor) that focuses on gender differences in skills, particularly education and experience, or *labour market discrimination* (demand-side factor) i.e. inequitable treatment of equally qualified male and female workers. The human capital approach (Mincer, Polachek 1974) explains that the gender pay gap arises due to differences in productivity or human capital accumulation by male and female workers. Women accumulate less human capital than men because of the traditional division of labour within the family¹¹ and voluntary choices exercised by women to invest less in human capital¹². They either decide not to enter those jobs which require more on-the-job training or exit the job early in life for various reasons which lowers their earnings. Simply put, the human capital theory suggests that since women accumulate less experience/skills than men, they get paid less. The gender pay gap not only reflects the fact that women are getting paid less than men but also that women are given less incentives to stand out in the workplace.

¹⁰ Retrieved from [EI's campaign "Pay Equity Now"](#). on 21st April, 2012

¹¹Family assigns different roles to women and men. Women are generally expected to allocate more time to home-related activities than work. If women spend more time at work they can enhance their skill sets and thus, productivity and wages.

¹² [Human Capital](#): A measure of the economic value of an employee's skill set. The education, experience and abilities of an employee have an economic value for employers and for the economy as a whole. Retrieved from Investopedia on 18th July, 2012.

But not all of the gender pay gap can be accounted by differences in human capital. Just like the explanation given in the analysis section presented later, the labour market discrimination approach also offers an explanation. According to Becker's model (1957), discrimination in the labour market can be explained as the result of employers' tastes or preference¹³. Some employers have a 'taste' for discrimination against women workers and thus, hiring women imposes an additional psychic cost on them. Employers will then hire women only if they are willing to work at low wages and the difference between male and female wages is sufficient to compensate for the additional cost. Bergmann (1974) extended Becker's model to highlight the relation between occupational segregation in terms of gender and wage gap. Bergmann proposed that if employers' taste for discrimination against women becomes very large, it might lead to the complete exclusion of women from 'male jobs' and overcrowding in 'female jobs', thereby depressing the wages in the latter group.

Women represent almost half of India's population but in the workforce, their share is just a little over one-fourth¹⁴. This implies that half of the potential talent base in India is underutilized because it has the lowest proportion of women employees in the world - only 23%¹⁵. Thus, the organized sector has not only failed to capitalize on the talents of women in the workforce, but is also not doing enough to even track wage inequality.

¹³ Becker (1957) had developed a model for race discrimination followed by employers, employees and customers. But the theory behind the model has been used by other economists and Becker himself to explain gender discrimination in employment.

¹⁴ Retrieved from [Eleventh Five Year Plan \(2007-2012\) Planning Commission, Government of India](#), on 21st April, 2012

¹⁵ [Corporate gender gap report 2010](#), World Economic Forum

1.2 Steps taken by the government to narrow the gender pay gap in India¹⁶

Women as an independent group constitute 48% of the country's total population as per the 2011 Census¹⁷. The importance of women has been recognised by the Constitution of India; it has not only accorded equality to women but has also empowered the State to adopt measures of positive discrimination in their favour. A number of Articles of the Constitution specially reiterate its commitment towards the socio-economic development of women and upholding their political right and participation in decision making.

Table 1.1 Articles of the Constitution of India¹⁸

Article	Description
Article 14	Men and women to have equal rights and opportunities in the political, economic and social spheres.
Article 15(1)	Prohibits discrimination against any citizen on the grounds of religion, race, caste, sex etc.
Article 15(3)	Special provision enabling the State to make affirmative discriminations in favour of women.
Article 16	Equality of opportunities in matter of public appointments for all citizens.
Article 39(a)	The State shall direct its policy towards securing the right to means of livelihood for all citizens, men and women, equally.
Article 39(d)	Equal pay for equal work for both men and women.
Article 42	The State to make provision for ensuring just and humane conditions of work and maternity relief.
Article 51(A)(e)	To renounce practices derogatory to the dignity of women.

¹⁶ Retrieved from the [Report of The Working Group On Empowerment Of Women For The XI Plan](#), November 2006, Ministry Of Women and Child Development Government of India, on 21st April, 2012

¹⁷ Retrieved from the [India Census Document](#) on 5th May, 2012

¹⁸ Source: Report of The Working Group On Empowerment Of Women For The XI Plan, November 2006, Ministry Of Women and Child Development Government of India, Retrieved from <http://wcd.nic.in/wgfinalreport.pdf> on 21st April, 2012

Drawing strength from constitutional commitments, the government of India has continuously tried to translate the rights, commitments and safe guards incorporated in the Indian Constitution for women from a *de jure* to *de facto* status. In this regard, it has also passed a number of acts from time to time to ensure that women in the labour market are not discriminated against on any basis¹⁹.

Though a large number of women-related legislations are in place, the efficacy of these laws is not satisfactory, primarily owing to poor implementation. A major reason for this is the lack of adequate knowledge regarding these special legislations and also the absence of gender sensitivity on the part of functionaries in law enforcement, police, prosecution, medical profession, judiciary etc. Women themselves too need to be made aware of the special legislations that are available for their protection and rights. Before determining the extent of the gender pay gap in India, it is essential to understand the reasons that could have led to this scenario.

1.3 Reasons for the gender pay gap in India

Empirical studies on the gender pay gap in India also provide evidence of both human capital differences and labour market discrimination²⁰. The typical model used by economists to analyze the gender pay gap and its sources involves statistical decomposition of the total wage gap into two categories generally called explained or endowment, and unexplained or treatment components. The endowment effect explains that the wage gap is owing to differences in skills while the unexplained or treatment effect postulates that wage differences arise owing to unequal gender treatment with otherwise equally productive workers. The results of all such studies indicate that a significant gender pay gap does exist in India and

¹⁹ Please refer Annexure I

²⁰ [Decomposition of Gender Wage Gap in India: An Econometric Analysis](#), retrieved on 17th July, 2012

discrimination reflected by the treatment effect is more pronounced than the endowment effect²¹. Almost two-thirds (63.5%) of the gender pay gap can be accounted for by discrimination, which is least at the start of the career but widens with experience. More experienced women face higher inequality in pay (Duraismy & Duraismy, 1998). The human capital theory argues that women deliberately choose lower paying jobs, but empirical analysis by Madheshwaran & Lakshmanasamy (1996) suggests that the greater part of the female earnings disadvantage lies in their poor wage position owing to wage discrimination and not in their occupational distribution.

The main reasons for the gender pay gap are:

- Direct gender discrimination in labour markets: when people who have the same level of educational qualifications and work experience are treated differently because of their gender. This occurs when:
 - There are different pay levels for the same work
 - There are different job requirements for the same pay level
- Occupational segregation is more subtle as well as more delicate to address with specific actions.

The jobs in which women are mostly employed are secretaries, teachers and nurses. And even within these jobs, they are paid less than their male counterparts (IWPR 2009). This basic undervaluation of a women's work is because:

- Since women's primary responsibility is assumed to be of unpaid care work such as looking after children and family, it seems to channel them into similar work areas in the labour market (UNIFEM 2005). Sometimes, these differences are because of the selection

²¹ Jann, Ben (2008). The Blinder-Oaxaca decomposition for linear regression models. The Stata Journal 8(4): 453-479

effect (Petersen and Snartland 2004). The selection effect suggests that it is not women who choose certain kinds of occupations, but most of the time it is employers who favour men over women.

- In some cases, it is the specific way in which work is attained that plays an important role in financial evaluation: “The physical strength of the labourer may not be particularly well remunerated unless supplemented with time-served, learned building skills. But by the same token, the 'talents' of women, such as the capacity for and the skills involved in caring, are not rewarded either.” (Rees 1992: 17).

It is because of this gendered division of work, women may not have sufficient bargaining power and are forced to take up lower paying jobs in the labour market. Besides this, women also face general barriers when they enter the labour market which in turn affects their income growth and prospects for promotion.

Yet another reason for the gender bias and the gender pay gap is the duties and requirements of parenthood. Women often take up part-time jobs or a career break when they are required to take care of their children. Those women, who return to the labour market for a full-time job after a break or part-time work, are offered lower wages than their male counterparts. Even those women who do not have children are not given any preference because they are categorized as potential mothers (Goldberg Dey/Hill 2007). Women who are not married are denied employment opportunities on the grounds that they might quit jobs in case they are married and have to move with their spouse or take time off when getting married. These factors tend to increase the gender pay gap²². This report aims to measure the extent of the gender pay gap in India using various parameters.

²² Retrieved from [EI's campaign "Pay Equity Now"](#). on 21st April, 2012

2 Survey Design and Data Collection

2.1 Survey design²³

This paper uses survey data of individuals from India. The data has been collected from the continuous and voluntary Paycheck India web survey (www.paycheck.in) that is posted in English and Hindi. The survey contains questions about wages, education, occupation, industry, socio-demographics, and the like. (Tijdens et al, 2010)

In 2000, the WageIndicator project (www.wageindicator.org) started as a paper-and-pencil survey for establishing a website with salary information for women's occupations in the Netherlands. By mid-2011, it had developed into an online data collection tool hosted at more than 60 national websites with job-related content, labour law and minimum wage information, and a free and crowd-pulling Salary Checker presenting average wages for occupations. The web survey, both parts of which can be attempted in approximately 10 minutes each, even has a prize incentive.

Being a online volunteer survey, the data is biased towards those people who have access to the internet and are inclined to complete the questionnaire. Because of this limitation, the data captures only the organized sector in India. To counterbalance the bias in the web survey, Paycheck India aims to conduct face-to-face surveys in 2012.

2.2 Data collection

The data for this survey was collected through an online survey questionnaire by the WageIndicator's Indian website, Paycheck India²⁴. A

²³ Retrieved from [WageIndicator Publication](#) on 21st April, 2012.

total of 16,500 people from across India have responded by filling in the online questionnaire over a period of six years from 2006-11. These included both male and female respondents from different age groups, varied industries, and various hierarchical positions in their respective occupations. The primary parameters of this study are Gender and Salary, each of which has been tested on various parameters to draw conclusions for the survey.

2.3 Research sample

The primary data for this report is based on a voluntary online salary survey conducted by Paycheck India²⁵. Out of the 16,500 online responses obtained through the survey, 13,729 were males and 2,771 were females. Online data was collected over a period of 6 years (from 2006 to 2011) from employed individuals in the organized sector spread across India. The year-wise gender distribution of the overall respondents during the period of survey shows that the ratio of male to female respondents has been 5:1 on an average.

2.4 Characteristics of the sample

Age-wise analysis of the data has revealed that the overall average ratio of male to female respondents for various age groups was 5:1. The highest number of responses came from the age group of 20-30 years with 8,013 people participating in the survey. That was followed by 6,578 responses from the 31-40 years category. The age group of 41-50 years saw a lower number of respondents compared to the above two groups, but it was considerable at around 1,000. The overall response trend from the age group data depicts that the tendency of salary comparison is higher amongst younger people. This also shows their keenness to know

²⁴ Available at <http://www.paycheck.in/main/salary/Paysurveyit>

²⁵ [Paycheck India Project](#)

about the way their career and salary would grow over a period of time with respect to factors such as education, experience, etc.

Comparison on the basis of **Employment status** shows that the highest number of responses were from employees/workers who worked full-time; they comprised more than nine-tenths of all responses.

In terms of **Educational** comparison, the highest number of responses (38.96%) were from respondents with a Masters degrees. That was followed by people with four/five-year degrees who made up 25.28% of responses. All other education categories made up the rest.

Industry-wise analysis of the data shows that majority of respondents were from information & communication industries, manufacturing and financial & insurance companies. This group of respondents accounted for 59.67% of overall responses. The data also shows that only one in ten of these industries questioned had at least 40% women among their employees. Overall, 62.48% of these women employees were mainly present at the entry and middle-management levels, while 37.52% women had progressed to senior management.

These outcomes of the data analysis were based on parameters which would be the supporting parameters throughout the further parts of the study. Based on these, hereon, the primary parameters of salary and gender would be analyzed. Further analysis of the data will revolve around the main objective of our study, i.e. the salary gap between males and females for various work-related parameters.

2.5 Data analysis

The objective of this report is to analyze wage differentials between genders. The difference has been analyzed in multiple dimensions: across

industries, occupations, educational qualifications, age, etc. Average salaries across various dimensions for males and females have been used to analyze the data in order to find out the percentage difference in earnings.

The gender pay gap is computed according to the formula:

$$\text{Pay Gap} = \frac{\text{Median wage}_{\text{female}} - \text{Median wage}_{\text{male}}}{\text{Median wage}_{\text{male}}} * 100\%$$

It can be interpreted as the percentage difference between female and male median wages²⁶.

During the data analysis only those variables were considered where there were sufficient numbers of female observations.

²⁶ The formula used here for computation of gender pay gap is used in various reports published by Wageindicator Foundation. This formula has been retrieved from [Loonwijzer – Monsterboard Wage Index \(2012\) Wage Index, Sector Analysis of the Netherlands](#) on 6th August, 2012.

3 Analysis of the Gender Pay Gap in India

3.1 The gender pay gap in India

To analyze male and female salaries, and to know the parity between salaries of both the genders, year-wise data was analyzed.

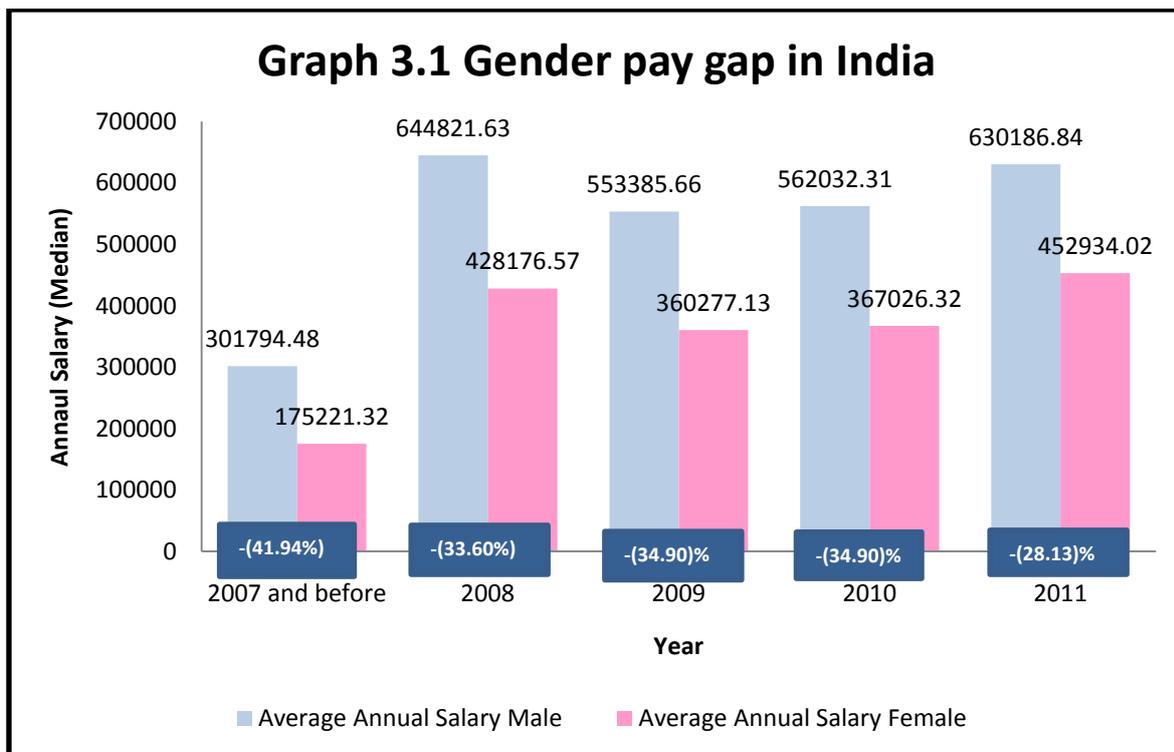
Table 3.1 Year-wise salary analysis

Year	Male		Female		% difference in salary of females from males
	Median salary (p.a. in Rs.)	Count	Median salary (p.a. in Rs.)	Count	
2007 and before	3,01,794.48	2,162	1,75,221.32	502	-(41.94) ²⁷
2008	6,44,821.63	2,738	4,28,176.57	528	-(33.59)
2009	5,53,385.66	2,283	3,60,277.13	421	-(34.89)
2010	5,62,032.31	4,821	3,67,026.32	902	-(34.69)
2011	6,30,186.84	1,725	4,52,934.02	418	-(28.12)

Table 3.1 shows that females earned 41.94% less than males during and before 2007. However, since 2008 the gap has been constantly decreasing. But the gap still continues to be at an alarming rate of 28.12% in 2011. Looking at the figures, unless there are drastic policy level interventions, achieving equality in pay as a matter of normal progression seems to be a distant dream²⁸. Graph3.1 below depicts the changes in gender pay gap in India over 6 years, i.e., from 2006 to 2011.

²⁷ A negative sign with the percentage difference in salary of males and females indicates that the gap does not favour women.

²⁸ In fact no country has been able to close down the gender pay gap completely. Tijdens, K.G., Van Klaveren, M. (2012) [Frozen in time: Gender pay gap unchanged for 10 years](#). Brussels, ITUC



3.2 The gender pay gap across Indian states

The Indian Union is made up of 28 states and 7 union territories. The states enjoy political and administrative freedom while working within the framework of the constitution. There are huge differences between the states in terms of social, cultural and economic setup.

Analysis of Paycheck data clearly shows that the gender wage gap varies across Indian states. The different gender sensitivity perceptions and the prevalent customs of different Indian states results in this variation. Labour Force Participation Rates in different states²⁹ may also affect the degree of the gender pay gap. Although, the cultural restrictions that women face are changing, women are still not as free as men to participate in the formal economy (Drèze and Sen (1995), Dunlop and Velkoff (1999), Nihila (1999)).

²⁹ Labour Force Participation Rates in India by states available [at Selected Socio-Economic Statistics India](#), CSO, Government of India, 2006. Retrieved on 6th August, 2012.

For purpose of analysis, the Indian Union has been divided into six zones - North, East, West, South, Central and North-East³⁰. The zonal distribution of Indian states with their respective gender pay gap figures is as depicted in Table 3.2³¹.

Table 3.2 Gender pay gap across Indian states

Zone	State	Abbreviation	% difference in salary of females from males
North	Jammu & Kashmir	JK	-
	Himachal Pradesh	HP	-
	Punjab	PU	-
	Uttarakhand	UT	-
	Uttar Pradesh	UP	-
	Haryana	HA	-(41)
	New Delhi	DE	-(20)
	Average		-(30.50)
East	Bihar	BI	-(50)
	Orissa	OR	-(44)
	Jharkhand	JH	-
	West Bengal	WB	-(43)
	Average		-(45.67)
West	Rajasthan	RA	-(59)
	Gujarat	GU	-(42)
	Goa	GO	-
	Maharashtra	MA	-(40)
	Average		-(47)
South	Andhra Pradesh	AP	-(38)
	Karnataka	KA	-(40)
	Kerala	KE	-(37)
	Tamil Nadu	TN	-(25)
	Average		-(35)
Central	Madhya Pradesh	MP	-(47)
	Chhattisgarh	CA	-(23)
	Average		-(35)

³⁰ In the light of the vision of Pandit Nehru, five [Zonal Councils](#) were set up vide Part-III of the States Re-organisation Act, 1956.

³¹ Only those states are considered for this analysis which has sufficient number of female observations.

3.3 Annual pay range and the gender pay gap

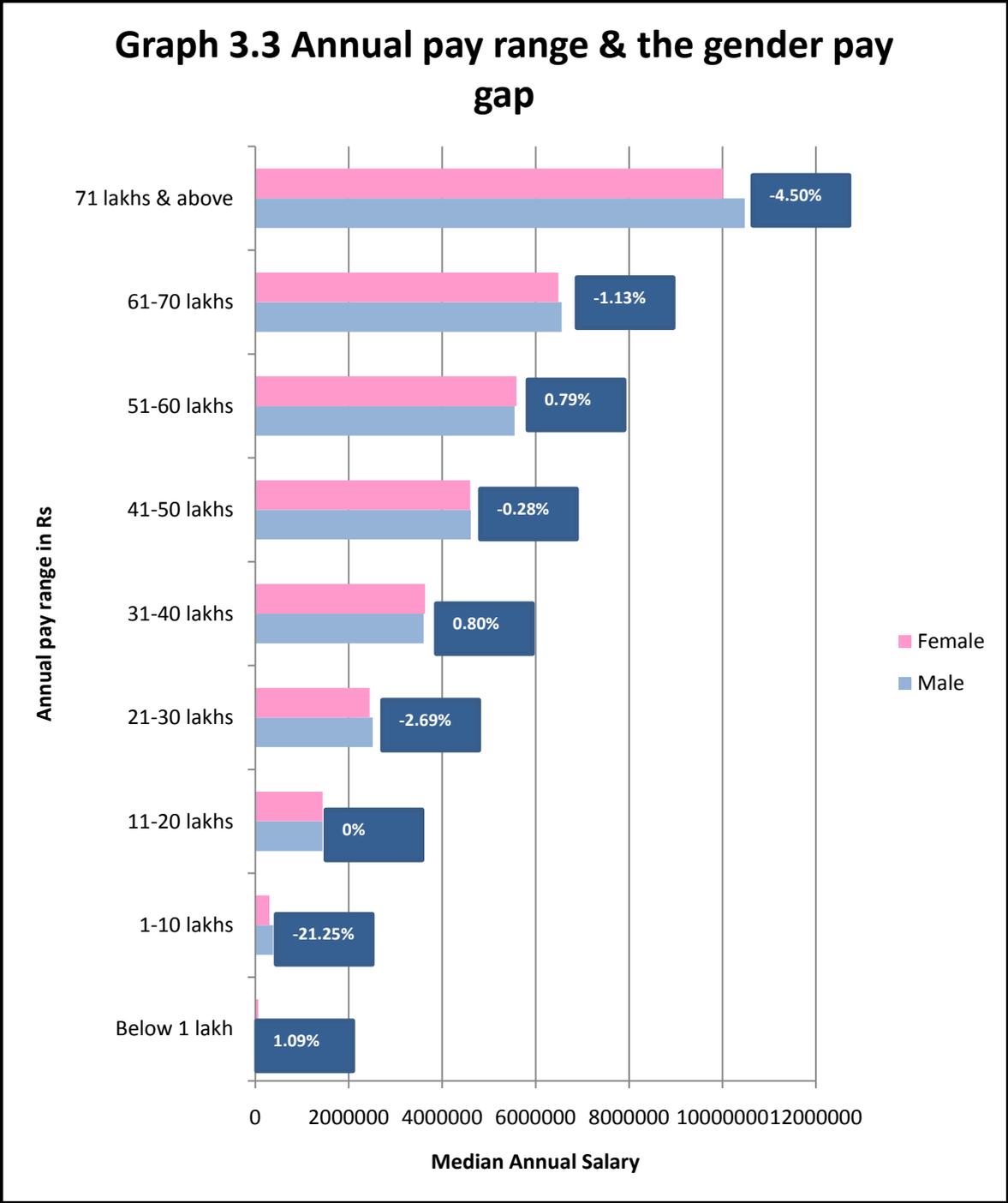
The Paycheck data has been analysed in order to find out if there is any gender pay gap with respect to annual pay range. Related data is shown in Table 3.3.

Table 3.3 Annual pay range and the gender pay gap

Annual salary groups	Male		Female		% difference in salary of females from males
	Median salary (p.a. in Rs.)	Count	Median salary (p.a. in Rs.)	Count	
Below Rs 1 lakh	66,523.64	1,189	67,251.72	343	1.09
Rs 1-10 lakhs	3,81,239.16	8,312	3,00,230.86	1,803	-(21.25)
Rs 11-20 lakhs	14,41,108.53	1,388	14,41,108.53	175	0.00
Rs 21-30 lakhs	25,14,424.47	611	24,46,842.03	87	-(2.69)
Rs 31-40 lakhs	36,02,771.33	357	36,31,593.64	59	0.80
Rs 41-50 lakhs	46,11,547.45	324	45,98,446.45	58	-(0.28)
Rs 51-60 lakhs	55,48,969.67	220	55,93,007.10	48	0.79
Rs 61-70 lakhs	65,59,045.46	202	64,84,988.39	36	-(1.13)
Rs 71 lakhs & above	104,78,824.26	1,126	100,07,516.19	162	-(4.50)

The analysis of the Paycheck data reveals that females earned 1.09% more than males for low-paying jobs, i.e., below Rs 1 lakh. The gender pay gap is the highest for the annual salary group of Rs 1-10 lakhs, where females earned 21.25% less than males. This implies that for high-paying jobs, women are not preferred, and even if they are preferred, then they are paid less than their male counterparts. As the annual salary increases beyond Rs 10 lakhs, the gender pay gap again becomes close to negligible

varying between $-(2.69)\%$ to 1.09% . But fewer women are able to get these salaries than men. Moreover, very few women are able to make it to this level. It is further observed that in group which draws an annual salary over Rs 71 lakhs, women earned 4.50% less than men. A graphical comparison can be seen in Graph 3.3.



3.4 The gender pay gap with respect to age

With increase in age, we would expect an increase in pay, and pay differentials between men and women to reduce. But the socio-economic framework in India does not guarantee that both sexes will receive the same pay if they fall in the same age groups. This is attributable to various reasons. Table 3.4 analyses the gender pay gap with respect to age and the latter part of this section also offers a possible explanation for occurrence of the gap.

Table 3.4 Gender pay gap with respect to age

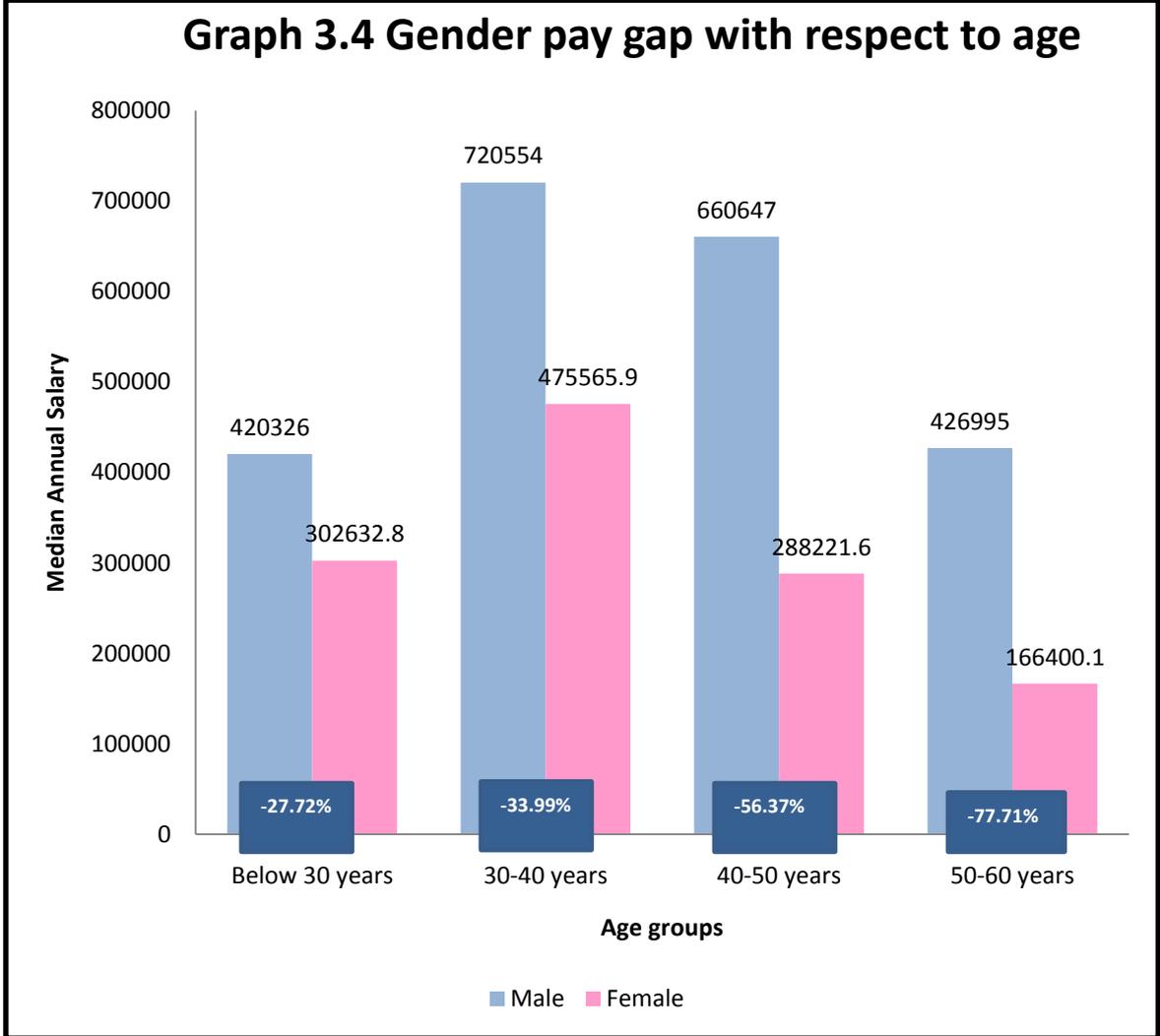
Age groups	Male		Female		% difference in salary of females from males
	Median salary (p.a. in Rs.)	Count	Median salary (p.a. in Rs.)	Count	
Below 30 years	4,17,921.50	6453	3,02,056.31	1650	-(27.72)
30-40 years	7,20,554.26	5683	4,75,565.87	895	-(33.99)
40-50 years	6,60,647.27	1253	2,88,221.60	170	-(56.37)
Above 50 Years	3,60,277.13	340	80,287.95	56	-(77.71)

We observe that the wage gap for the age group of below 30 years is the least - females earned 27.72% less than males. A possible explanation for this can also be found in section 3.11, where the gender pay gap is the least for unmarried women³³. But as the age increases, the gender pay gap widens. For the age group of 30-40 years, the gender pay gap is noticeably high, where females earned 34 % less than males. This is the age group where women are balancing multiple roles and also usually tend to take frequent career breaks³⁴. With more number of career breaks in

³³ In most cases, unmarried women are in age group of below 30years.

³⁴ Career breaks because of child bearing and child rearing.

their job history, the bargaining capacity of women in terms of wages declines. Men in the same bracket earn a higher salary compared to women since they might not take such career breaks or generally have higher bargaining power. The gender wage gap further increases for the age group of 40-50 years and above 50 years where females earned 56.37% and 77.71% less respectively than their male peers. Again, at an older age, only those women who have a need to work, engage themselves in the labour market. And thus, based on the data available, it can be said that employers, being aware of this fact, discriminate in terms of wages when they offer employment to women. A graphical representation of the gender pay gap with respect to age is shown below.



3.5 The gender pay gap with respect to educational qualifications

Human capital discrimination is in evidence when women have less access to productivity increasing opportunities such as formal schooling or on-the-job training³⁵. Sometimes, women (especially in India³⁶) are able to obtain just basic education or have access only to education of inferior quality as compared to men³⁷. This type of discrimination is also called pre-market (past or indirect) discrimination because it occurs before the individual seeks employment. An analysis of the gender pay gap with respect to educational qualifications is shown in Table 3.5.

Table 3.5 Gender pay gap with respect to educational qualifications

Education Attainment	Male		Female		% difference in salary of females from males
	Median salary (p.a. in Rs.)	Count	Median salary (p.a. in Rs.)	Count	
Below 10th Std	73,405.36	234	61,761.77	34	-(15.86)
Plus 2 or equivalent	1,14,810.3	595	1,02,936.3	89	-(10.34)
Three-year degree (B.Sc., B.A., B.Com, BBA, etc.)	3,25,404.8	2,507	2,59,399.55	555	-(20.28)
Four/five year degree (BE, MBBS, LLB, etc)	7,35,095	3,775	5,13,836.79	419	-(30.10)
Advanced certificate/diploma	4,42,692.1	599	3,05,947.32	108	-(30.89)
Masters (Arts, science, commerce, etc.)	6,78,230.6	5,059	3,75,235.9	1,347	-(44.67)

³⁵ Retrieved from [World Development Report 2012](#) on 25th July, 2012.

³⁶ Statistics on Educational Status of Indian Women, [UNICEF](#)

³⁷ Preference for a male child and more care is taken of the male child.

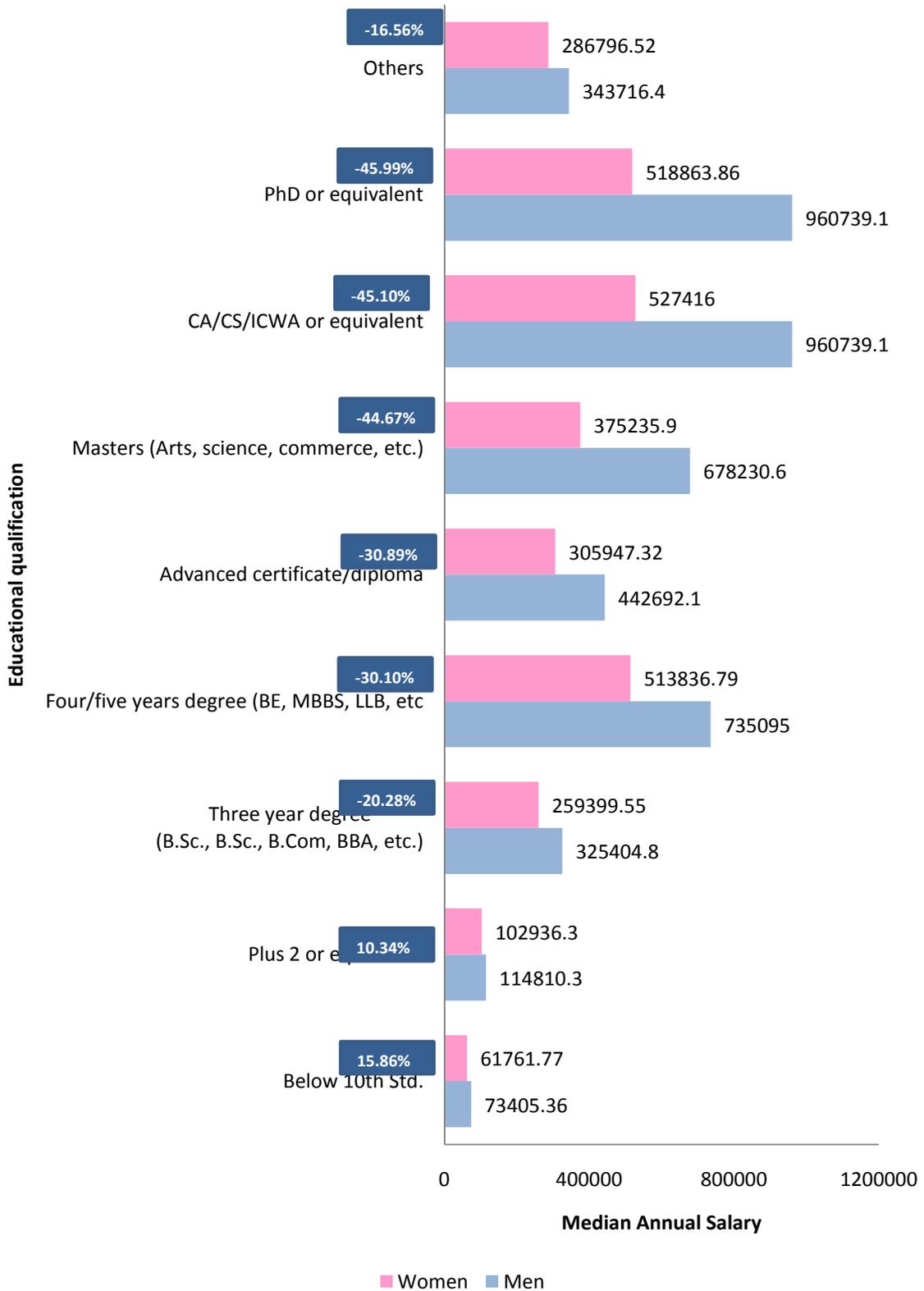
CA/CS/ICWA or equivalent	9,60,739.1	356	5,27416	78	-(45.10)
PhD or equivalent	9,60,739.1	125	5,18,863.86	24	-(45.99)
Others	3,43,716.4	175	2,86,796.52	28	-(16.56)

The analysis of the Paycheck data reveals that the gender pay gap is low for women with some basic education like below 10th Standard, Plus 2 or equivalent or a three-year degree (B.Sc, B.A., B.Com, BBA, etc.). In these categories, women earned 15.86%, 10.34% and 20.28 less respectively than males³⁸. However, the data shows with the educational qualifications of the women increasing, the gender pay gap also increases. Women with four/five-year degree courses and advanced certificate programmes earned 30.10% and 30.89% less respectively than men. For higher educational qualifications like Masters (any stream), CA/CS/ICWA or equivalent and Ph.D. or equivalent, the gender pay gap is the highest - in the range of 44-46%³⁹. So, with women attaining higher educational qualifications, they stand a higher chance of facing discrimination. A graphical representation is shown in Graph 3.5.

³⁸ Some women face pre-market discrimination and are not able to continue their education further. In India, parents decide the future for their daughters. The average age of marriage in India is [18.3](#) (though it has been increasing over the years with social and cultural reforms). Parents even decide about the groom and time of marriage in India. This results in an abrupt end to further education for most women in India. In other cases, people anticipate post-market discrimination and choose not to invest further in education.

³⁹ In India, education equivalent to Plus 2 is considered as very basic education whereas post-graduate programmes and advanced certificate programmes are considered as higher education. Higher education attainment means advanced knowledge and skills which enables individuals to earn higher wages in the labour market.

Graph 3.5 Gender pay gap with respect to educational qualifications



3.6 The gender pay gap with respect to industry

The jobs of men and women differ to a great extent, whether across sectors, industries, occupations, types of jobs, or types of firms. Though *“these differences evolve with economic development, the resulting changes in the structure of employment are not enough to eliminate employment segregation by gender. So, women all over the world appear to be concentrated in low-productivity jobs”*⁴⁰. This is known as employment (or labour market) segregation based on gender. This segregation in employment can help in explaining the differences in earnings between males and females. Table 3.6 shows the gender pay gap in India with respect to industry.

Table 3.6 Gender pay gap with respect to industry

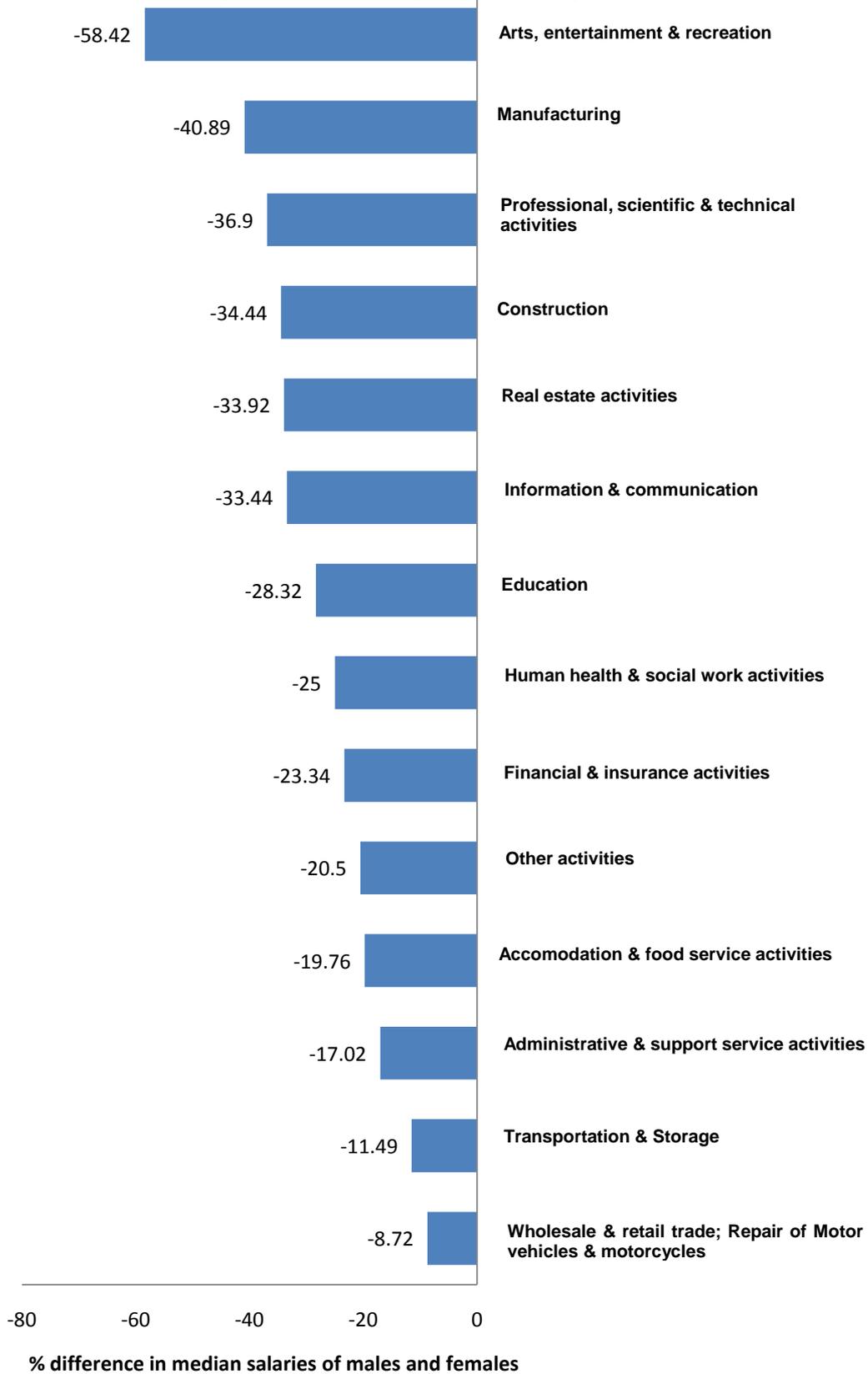
Industry	Male		Female		% difference in salary of males and females
	Median salary (p.a. in Rs.)	Count	Median salary (p.a. in Rs.)	Count	
Wholesale & retail trade; repair of motor vehicles & motorcycles	3,78,909.65	466	3,45,865.98	93	-(8.72)
Transportation and storage	3,97,986.20	280	3,52,270.96	47	-(11.49)
Administrative & support service activities	3,75,941.28	349	3,11,972.29	75	-(17.02)
Accommodation & food service activities	2,82,884.16	156	2,26,974.51	45	-(19.76)
Other service activities	3,63,931.03	101	2,89,315.85	40	-(20.50)
Financial &	7,20,554.27	1,416	5,52,362.55	266	-(23.34)

⁴⁰ Retrieved from [World Development Report 2012](#) on 25th July, 2012.

insurance activities					
Human health & social work activities	3,45,865.98	271	2,59,399.55	109	-(25.00)
Education	3,61,520.89	351	2,59,154.56	170	-(28.32)
Information & communication	7,709,99.05	3,384	5,13,194.70	550	-(33.44)
Real estate activities	4,14,332.01	99	2,73,810.70	25	-(33.92)
Construction	4,58,782.77	542	3,00,776.74	83	-(34.44)
Professional, scientific & technical activities	5,70,929.80	1,223	3,60,277.13	236	-(36.90)
Manufacturing	5,04,671.11	2,280	2,98,309.44	295	-(40.89)
Arts, entertainment & recreation	7,06,143.11	87	2,93,620.95	25	-(58.42)

All other industries are facing a gender pay gap crisis. Ranging from a small gap of 8.72% to a substantial difference of 58.42%, every industry, small or big, is facing a problem in this area. Industries such as arts, entertainment & recreation has pay gap of more than 50%. Graph 3.6 is a graphical presentation of the industry-wise analysis of the gender pay gap.

Graph 3.6 Gender Pay Gap with respect to Industry



3.7 The gender pay gap with respect to work experience

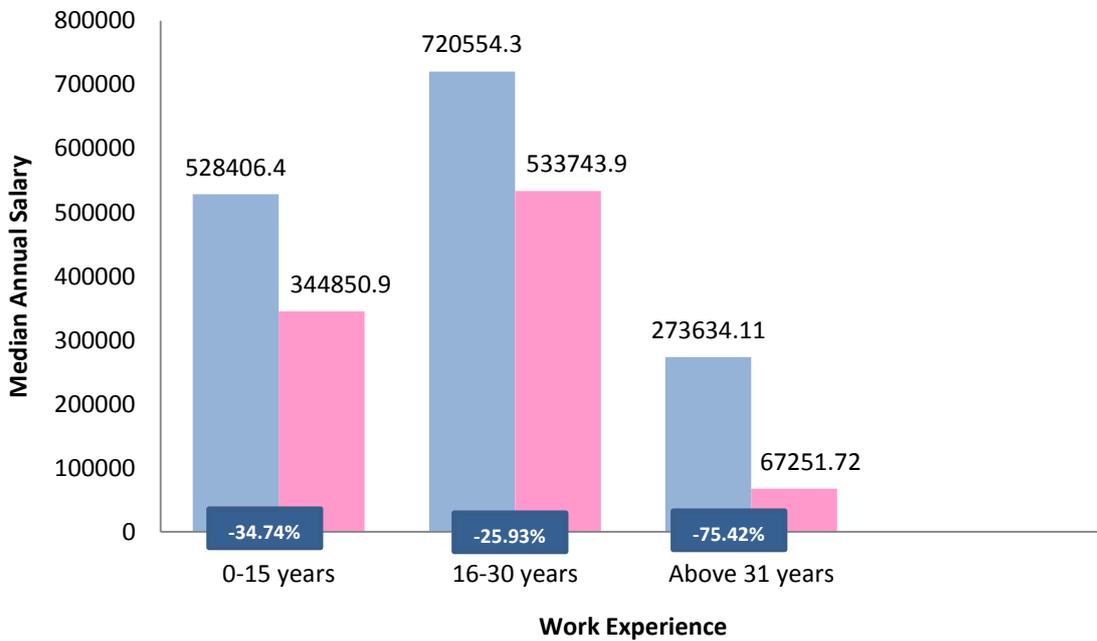
Human capital can be gained not only by investing in education but also through work experience. It is expected that over a period of time, people with the same amount of work experience should be paid similar salaries. This also assumes that education/skill levels are congruent. The Paycheck data analysis shows a rather unexpected trend, as depicted in Table 3.7 below.

Table 3.7 Gender pay gap with respect to work experience

Work Experience	Male		Female		% difference in salary of females from males
	Median salary (p.a. in Rs.)	Count	Median salary (p.a. in Rs.)	Count	
0-15 years	5,28,406.4	11,754	3,44,850.9	2,526	-(34.74)
16-30 years	7,20,554.3	1,554	5,33,743.9	175	-(25.93)
Above 31 years	273634.11	162	67251.72	23	-(75.42)

The gender pay gap, when analyzed based on work experience, has shown a mixed trend. The pay gap has been fluctuating (in terms of an increase and decrease) on alternate work experience groups. We see that the highest pay discrimination is faced by women in the experience group of above 31 years. The women in this experience group earned 75.42% less than men. Women in the experience group of 0-15 years also faced a substantial gender pay gap where they earned 34.74% less than men. For the experience group of 16-30 years, women earned 25.93% less than men and are the ones to come across the lowest pay discrimination.

Graph 3.7 Gender pay gap with respect to work experience



3.8 The gender pay gap with respect to position/ designation/level in occupational hierarchy

While assessing the productivity of an employee, the impact of group or team effort cannot be ignored. Unfavourable social interactions on the job can lead to decreased productivity. For example, especially in Indian society, some male workers may become disgruntled when obligated to work with or take orders from women. And therefore, in the interest of productivity and profits, employers may decide to segregate men and women employees on the job. Moreover, many employers have preconceived notions about the job capabilities of women. Thus, it is very often seen that women are not preferred for promotion to higher designations in the occupational hierarchy. This may result in most women

crowding at the lower end of the occupational hierarchy.⁴¹ Table 3.8 analyses the gender pay gap with respect to position in the occupational hierarchy.

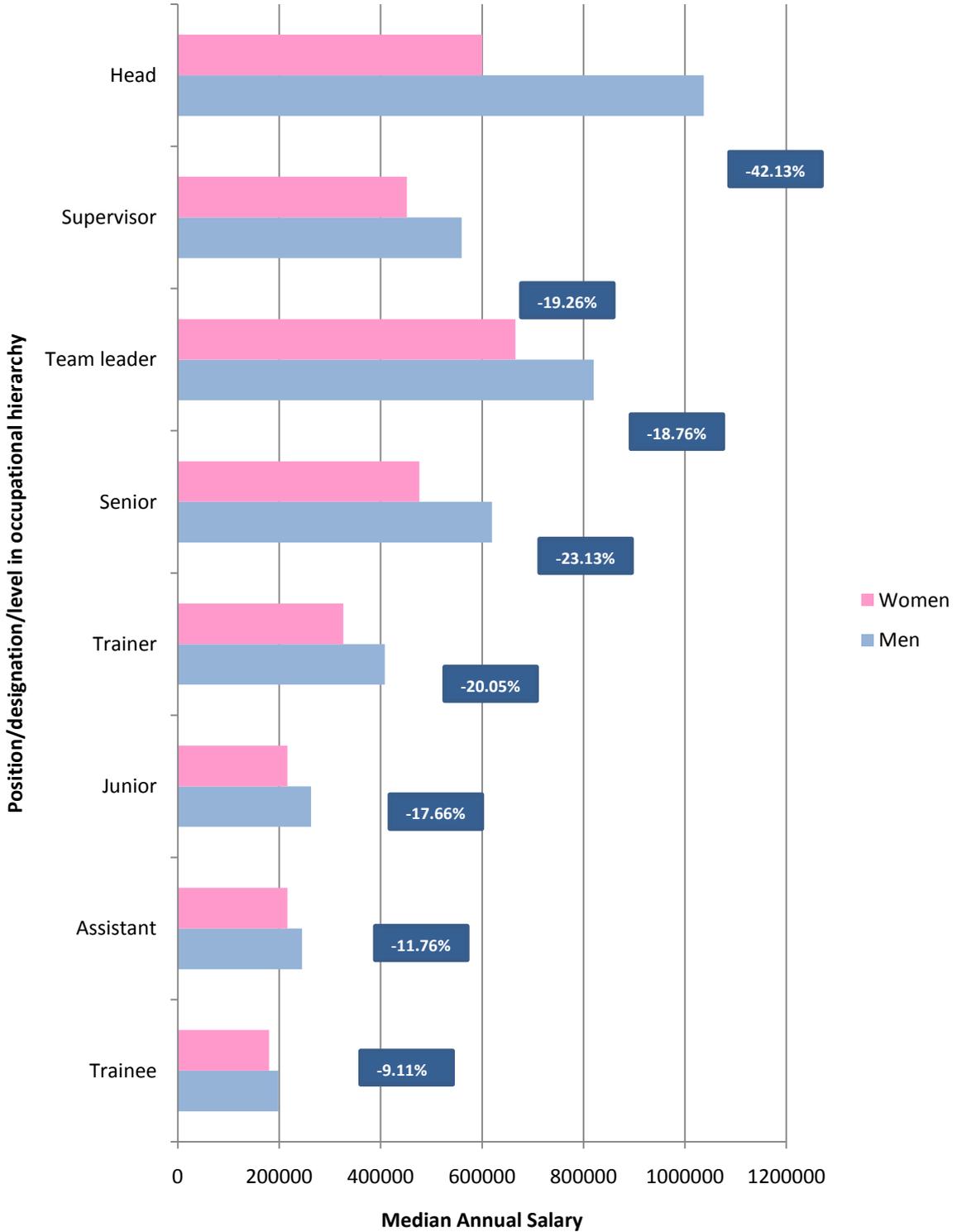
Table 3.8 Gender pay gap with respect to position/ designation/level in occupational hierarchy

Position/ designation/ level in occupational hierarchy	Male		Female		% difference in salary of males and females
	Median salary (p.a. in Rs.)	Count	Median salary (p.a. in Rs.)	Count	
Trainee	1,98,198.00	206	1,80,138.57	63	-(9.11)
Assistant	2,44,988.39	711	2,16,166.33	294	-(11.76)
Junior	2,62,768.40	474	2,16,353.65	152	-(17.66)
Trainer	4,08,314.15	87	3,26,461.57	40	-(20.05)
Senior	6,19,676.68	2,319	4,76,349.99	384	-(23.13)
Team leader	8,19,976.19	1,602	6,66,112.51	183	-(18.76)
Supervisor	5,59,726.50	627	4,51,918.77	83	-(19.26)
Head	10,37,598.18	1,167	6,00,461.97	139	-(42.13)

At the lowest levels of occupational hierarchy, the gender pay gap is low at around 10%. But as women move up the ladder, the gender pay gap widens and is at its peak at top level positions where women earned 42.13% less than men. A graphical representation is shown below in Graph 3.8.

⁴¹ Bergmann's crowding model (1974).

Graph 3.8 Gender pay gap with respect to position/ designation/level in occupational hierarchy



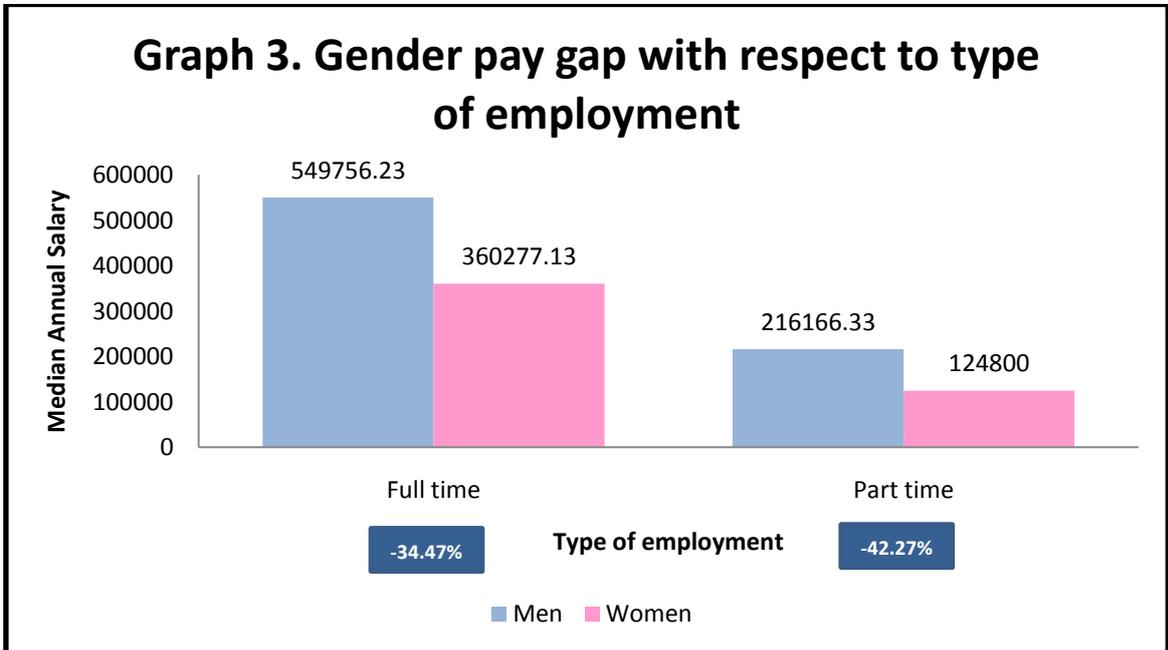
3.9 The gender pay gap with respect to type of employment contract

The nature of employment contract determines the type of relationship, particularly economic, between employees and employers. The analysis shown with respect to type of employment contract – full-time or part-time can be seen in Table 3.9

Table 3.9 Gender pay gap with respect to type of employment

Employment type	Male		Female		% difference in salary of females from males
	Median salary (p.a. in Rs.)	Count	Median salary (p.a. in Rs.)	Count	
Full-time	5,49,756.23	13,435	3,60,277.13	2,615	-(34.47)
Part-time	2,16,166.33	99	1,24,800.00	81	-(42.27)

Table 3.9 clearly shows a higher wage gap among female and male part-time employees as compared to full-time employees. This shows that when it comes to employing individuals for part-time assignments, women are the ones who are at a loss in terms of negotiating salaries.



3.10 The gender pay gap with respect to level of skill

Skill is the ability that an individual acquires from one's knowledge, practice, aptitude, etc⁴². The labour market awards higher wages to individuals with higher skill sets and it is expected that individuals with same skill set should be paid similar wages. Milgrom and Oster (1987) illustrated this idea by considering two classes of workers – "a regular group and a "disadvantaged" group. If it is easier to hide the disadvantaged group than the regular group, then firms will not promote or pay the skilled members of the disadvantaged group as much as they pay other skilled workers. This leads to persistent discrimination (that is, lower wages and under-representation in senior positions) against the disadvantaged workers and less investment in human capital by members of this group."⁴³ The Paycheck data analysis of the gender pay gap with respect to the level of skills required is shown in Table 3.10

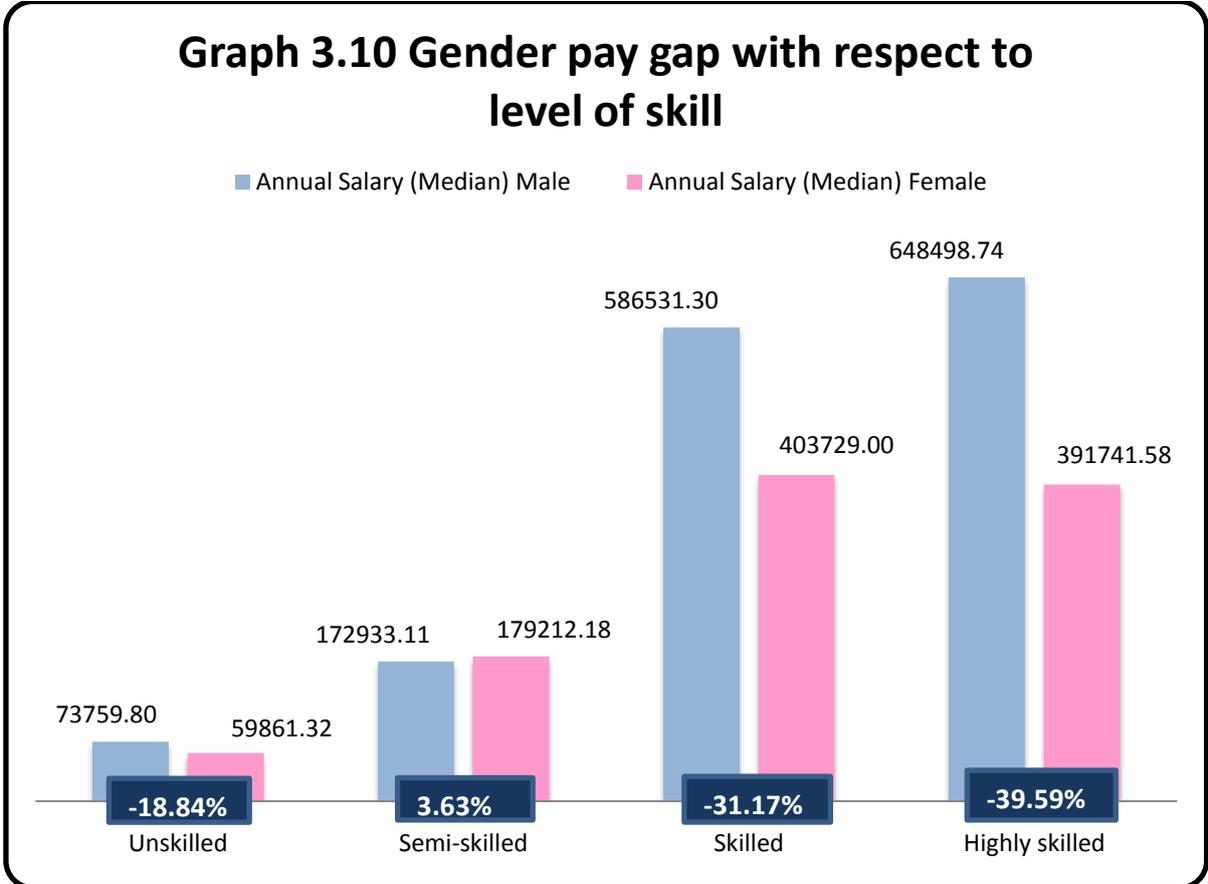
Table 3.10 Gender pay gap with respect to level of skill

Level of Skill	Male		Female		% difference in salary of males and females
	Median salary (p.a. in Rs.)	Count	Median salary (p.a. in Rs.)	Count	
Unskilled	73,759.80	258	59,861.32	92	-(18.84)
Semi-skilled	1,72,933.11	1,355	1,79,212.18	278	3.63
Skilled	5,86,531.30	4,069	4,03,729.00	773	-(31.17)
Highly skilled	6,48,498.74	6,902	3,91,741.58	1,416	-(39.59)

⁴² [Skill](#). (n.d.). *Dictionary.com Unabridged*. Retrieved August 06, 2012, from Dictionary.com website

⁴³ Retrieved from Edward P. Lazear and Paul Oyer, [Personal Economics](#), 2009 on 6th August, 2012.

It is evident from the table above that the gender pay gap is low for unskilled jobs where women earned 18.84% less men. However, the gender pay gap widens for skilled and highly skilled jobs where women earned 31.17% and 39.59% less respectively than men. This gap suggests that not many women are preferred for skilled jobs. Even if they are able to make it, they tend to be paid less than their male counterparts. The only section where women earned 3.63% more than men is the semi-skilled jobs category. This also suggests that women are paid higher and preferred over men for such jobs. A graphical representation of the gender pay gap with respect to level of skill can be seen in Graph 3.10.



3.11 The gender pay gap with respect to marital status

Marital status also determines the amount of wages paid to an individual, especially to women. A lower wage is paid to those workers (in this case women) whose labour supply curve is less elastic⁴⁴. Employers are well aware of the fact that some women are less mobile than men both geographically and occupationally⁴⁵. Similarly, because of occupational segregations, women do not have access to as wide a range of occupations and job opportunities as men do. Women are also less responsive to wage changes than men; or in technical terms, the supply curve of women is less elastic. One more reason attributed to the less elastic supply curve of women is that they are less likely to be unionized than men. Industrial unions establish a uniform wage which makes the labour supply curve perfectly elastic at that wage⁴⁶. Thus, in firms where men are unionized and women are not, the labour supply of women will be less elastic than for men, resulting in wage differentials that are unfavourable to women. Table 3.11 analyses the gender pay gap with respect to marital status.

Table 3.11 Gender pay gap with respect to marital status

Current marital status	Male		Female		% difference in salary of females from males
	Median salary (p.a. in Rs.)	Count	Median salary (p.a. in Rs.)	Count	
Never married	3,94,941.08	4,894	2,88,221.61	1,123	-(27.02)
Married	6,53,110.35	7,597	3,89,099.19	1,359	-(40.42)

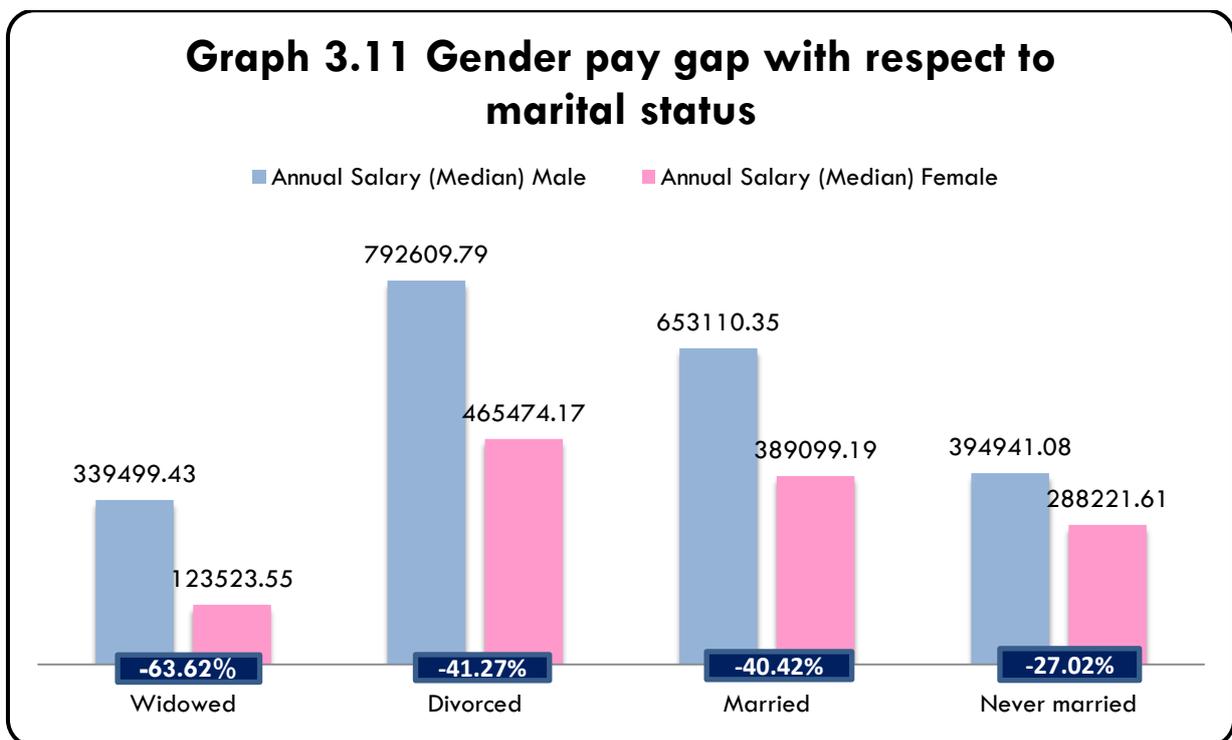
⁴⁴ It should be noted that in this model, the employer need not be prejudiced towards hiring male employees.

⁴⁵ For example, if a woman’s husband has a job in a particular locality, she may be unwilling to accept a job in another locality.

⁴⁶ The significance of this is that union reduces monopsonistic employer’s ability to exploit workers.

Divorced	7,92,609.79	67	4,65,474.17	62	-(41.27)
Widowed	3,39,499.43	10	1,23,523.55	21	-(63.62)

The analysis of the gender pay gap with respect to marital status shows some very interesting results. The gender pay gap is lowest for women who are never married; these women earned 27.02% less than men. This implies that they are preferred for certain jobs. Again, these are usually entry-level jobs (with low work experience), low paying jobs, etc. The elasticity of labour supply of never married women is relatively higher than other categories. Married and divorced women face a greater gender wage gap where women earned 40% less than men, especially because of their inelastic labour supply curve. But it is widowed women who face the highest gender pay gap with such women earning 63.62% less than men who have lost their spouses. The possible explanation of this could be that employers are aware of the inelasticity of widowed women and their need for jobs. This results in the maximum exploitation in terms of wages. A graphical representation of the gender pay gap with respect to marital status can be seen in Graph 3.11.



4 Conclusion

The issue of gender pay is important because it affects a significant portion of the working population. Many reasons contribute to the gap. If the extent of the gender pay gap can be accounted for, then an inquiry can be made into the determinants of the gap. The existence of such a gap is unconstitutional; bridging the gap is also subject of public policy interventions.

Women constitute for almost half of the population of India (48%)⁴⁷ and thus, potentially half its labour force. But the Labour Force Participation Rate for females in India is only 25.33%⁴⁸. Various studies have shown that women are often disadvantaged in relation to access to employment opportunities and conditions of work; furthermore, many women sometimes forego or curtail employment because of family pressures or responsibilities⁴⁹.

Hence only if the degree of the gender pay gap and its various features are determined, appropriate government interventions can be designed to help in reducing these income disparities⁵⁰. This study of the gender pay gap is designed to provide directions in that regard.

The primary data for this report is based on a voluntary online salary survey conducted by Paycheck India collected over a period of 6 years (2006-2011)⁵¹. One limitation of this data, being collected through an online voluntary survey, is the bias towards those people who have access to the internet and are inclined to complete the web survey. Because of

⁴⁷ [India Census 2011](#) retrieved on 11th July, 2012

⁴⁸ Labour Force Participation Rate for females (% of total labour force) for 2011. Retrieved from [World Bank](#) database on 6th August, 2012.

⁴⁹ Retrieved from [United Nations Report](#) on 21st April, 2012

⁵⁰ Retrieved from Sherri Haas, [Economic Development and the Gender Wage Gap](#), The Park Place Economist, Volume XIV, on 10th August, 2012

⁵¹ [Paycheck India Project](#)

this limitation, the data captures only those working in the organized sector⁵² in India⁵³.

The report analyses the gender pay gap in India on various parameters and also enquires into the reasons for the same. While the gender pay gap computed in terms of a national average (annual gross salary) has been narrowing over the years, it is still very high. Women before 2007 earned 41.94% less than men, whereas in 2011 they earned 28.13% less than men.

The gender pay gap figures also vary across Indian states. The gender pay gap is highest for the states of Assam, Rajasthan, Bihar and Madhya Pradesh. Delhi registered the lowest gender pay gap followed by Sikkim and Chhattisgarh⁵⁴.

A comparison of the annual pay range reveals that although the gender pay gap is almost negligible for low paying jobs, i.e., below Rs 1 lakh, the gap is higher for high paying jobs⁵⁵. Further, the Paycheck data divulges that the gender wage gap is substantially high for women above 50 years (-77.71)⁵⁶. The analysis also reveals that the gender pay gap is low when compared for women with some basic education (-15.86%). However, contrary to common wisdom, the data shows that the gender pay gap also increases with a rise in educational qualifications⁵⁷. All industries⁵⁸ are faced with a gender pay gap crisis. Ranging from a small pay gap of 8.72% (wholesale and retail trade) to a substantial gap of 58.42% (arts,

⁵² The employment in the unorganized sector in India cannot be ignored, since it accounts for 95.5% of total employment in 2004-05, with 1.5% each in public and private corporate sectors, 7.9% in household excluding informal sector and the balance 84.6% in the informal sector. Source: [Report of the Committee on Unorganised Sector Statistics](#), National Statistical Commission, Government of India, February, 2012. Retrieved on 7th August, 2012.

⁵³ To counterbalance the bias in the web-survey Paycheck India aims to conduct face-to-face surveys in 2012

⁵⁴ Please refer to Section 3.2

⁵⁵ Please refer to Section 3.3

⁵⁶ Please refer to Section 3.4

⁵⁷ Please refer to Section 3.5

⁵⁸ The informal sector is not captured in this survey.

entertainment and recreation), every industry, small or big, is facing that situation.

When compared for years of work experience, the highest pay discrimination is faced by women in the experience group of above 31 years (75.42%). Women in the experience group of 16-30 years come across as facing the lowest pay discrimination (-25.93%)⁵⁹. The gender wage gap is less than 10% at the lowest levels of occupational hierarchy. But as women move up the occupational hierarchy, the gender pay gap widens and is at its peak at the top level positions at 42.13% (Head)⁶⁰.

The Paycheck data analysis also shows an almost 7.8 percentage point higher wage gap among female and male part-time employees as compared to full-time employees. Part-time women employees face more discrimination than their full-time counterparts⁶¹. The gender pay gap is negligible for semi-skilled jobs with a difference of 3.63%, which also implies that women are marginally preferred over men for such jobs. The gender pay gap is low for unskilled jobs at 18.84%. However, the gender pay gap widens to 31.17% for skilled and almost 40% for highly skilled jobs⁶². Moreover, the gender pay gap is the lowest for women who are never married at 27.02%. But it is widowed women who face the highest gender pay gap at 63.62%⁶³.

No country has been able to close down the gender pay gap completely⁶⁴. But looking at the gender pay gap figures in India, unless there are focused policy-level interventions, achieving equality in pay as a matter of normal progression seems to be a distant dream. The Constitution in

⁵⁹ Please refer to Section 3.7

⁶⁰ Please refer to Section 3.8

⁶¹ Please refer to Section 3.9

⁶² Please refer to Section 3.10

⁶³ Please refer to Section 3.11

⁶⁴ Tijdens, K.G., Van Klaveren, M. (2012) [Frozen in time: Gender pay gap unchanged for 10 years](#). Brussels, ITUC

India, through various acts, does promise equality in all aspects to its citizens. But there still exist vast differences in socio-economic aspects, which imply a direct violation of basic rights, especially when it comes to not giving equal opportunity and equal pay to women who choose to work in the organized sector. By denying equality to women, the nation is not harnessing the potential of its labour force to the fullest. At the same time, it should be also noted that policy interventions should focus on programs that encourage and support women to make their mark in the world of work.

Apart from constitutional provisions, there have been administrative actions initiated in that direction. The government of India has also tried to set norms that would limit discrimination of employees through the Sixth Pay Commission⁶⁵. With a continuously growing private sector⁶⁶ in India, firms will have to formulate their policies such that the gap-induced limitations do not contaminate the labour market.

Over time, the gender pay gap has got institutionalized. But now, we should focus to try and reduce its impact on society. If these issues are not contained right now, then the problem of the gender pay gap can aggravate. Thus, policy-level interventions will have to be complemented with changes in socio-cultural factors as well.

⁶⁵ Information on [Sixth Pay Commission](#) of India.

⁶⁶ Economic Survey 2009-10, [Employment in the Organized Sectors – Public and Private](#), Table no. 52A.

Annexure

Annexure I: Acts passed by the Government of India in the Labour Market⁶⁷

Workmen's Compensation Act, 1923

- This Act was aimed at providing financial protection to the workman & his/her dependents in case of accidental injury by means of payment of compensation by a certain class of employers. Due to the difference in bargaining power, there are chances that the woman may be subject to exploitation.

Minimum Wages Act , 1948

- In accordance with Article 39 of the Constitution, this Act was passed to provide for a statutory fixation of minimum wages, since workers are poorly organized and have less bargaining power. It provides for fixation of minimum wages by the government for employment and provides for machinery for fixing and revision of minimum wages

Factories Act, 1948

- This Act was introduced to regulate the condition of labourers employed in factories. However a number of provisions relating to safety, health & welfare of the workers are generally found to be inadequate in view of the large and growing industrial activities.

Contract Labour (Regulation and Abolition) Act , 1970

- This Act provides for the separate provision for utilities and fixed working hours for women

Equal Remuneration Act, 1976

- This Act provides for equal pay to men and women for equal work. Article 42 of the Constitution states that the State shall make provisions for securing just and humane conditions of work and provide for maternity relief. This act was enacted keeping in mind the unequal physical & sociological burden a woman faces at the time of child bearing and rearing.

⁶⁷ Report of The Working Group On Empowerment Of Women For The XI Plan, November 2006, Ministry Of Women and Child Development Government of India, Retrieved from <http://wcd.nic.in/wgfinalreport.pdf> on 21st April, 2012

Annexure II: Web Links

Foot Note No.	Description	Web Link
1	India Census 2011 retrieved on 11 th July, 2012	http://www.censusindia.gov.in/2011-prov-results/data_files/india/Final_PPT_2011_chapter5.pdf
2	But the Labour Force Participation Rate for females in India is only 25.33% (as a proportion of total labour force) for 2011. Retrieved from the World Bank database on 6 th August, 2012.	http://datatopics.worldbank.org/gender/topic/economic-structure
3	Retrieved from the United Nations Report on 21st April, 2012	http://unstats.un.org/unsd/demographic/products/Worldswomen/WW2010%20Report_by%20chapter(pdf)/Work.pdf
6	India Census 2011 retrieved on 11 th July, 2012	http://www.censusindia.gov.in/2011-prov-results/data_files/india/Final_PPT_2011_chapter5.pdf
7	Retrieved from the World Bank database on 6 th August, 2012.	http://datatopics.worldbank.org/gender/topic/economic-structure
10	Retrieved from EI's campaign "Pay Equity Now" . on 21 st April, 2012	http://download.ei-ie.org/Docs/WebDepot/feature2%20-%20100303%20-%20reasons%20and%20implications%20-%20final%20EN.pdf
12	Human Capital : A measure of the economic value of an employee's skill set. The education, experience and abilities of an employee have an economic value for employers and for the economy as a whole. Retrieved from Investopedia on 18 th July, 2012.	http://www.investopedia.com/terms/h/humancapital.asp#axzz20wnH1zlo
14	Retrieved from the Eleventh Five Year Plan (2007-2012) Planning Commission, Government of India , on 21st April, 2012	http://planningcommission.nic.in/plans/planrel/11thf.htm
15	Corporate gender gap report 2010,	https://members.weforum.org/pdf/gender

	World Economic Forum	gap/corporate2010.pdf
16	Retrieved from the Report of The Working Group On Empowerment Of Women For The XI Plan , November 2006, Ministry Of Women and Child Development Government of India, on 21st April, 2012	http://wcd.nic.in/wgfinalreport.pdf
17	Retrieved from the India Census Document on 5th May, 2012	http://www.censusindia.gov.in/2011-prov-results/data_files/india/Final%20PPT%202011_chapter5.pdf
18	Source: Report of The Working Group On Empowerment Of Women For The XI Plan, November 2006, Ministry Of Women and Child Development Government of India, Retrieved from http://wcd.nic.in/wgfinalreport.pdf on 21st April, 2012	http://wcd.nic.in/wgfinalreport.pdf
20	¹ Decomposition of Gender Wage Gap in India: An Econometric Analysis , retrieved on 17 th July, 2012	http://www.google.co.in/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=7&ved=0CG4QFjAG&url=http%3A%2F%2Fwww.hss.iitb.ac.in%2Fties07%2Fpaper%2Fts5%2FpsB%2F1.doc&ei=4fgEULiGC4n5rQfu6_CxBg&usq=AFQjCNEHTQzJYQLkIpOoJqjErF5pslBs6w
22	Retrieved from El's campaign "Pay Equity Now" . on 21 st April, 2012	http://download.ei-ie.org/Docs/WebDepot/feature2%20-%20100303%20-%20reasons%20and%20implications%20-%20final%20EN.pdf
23	Retrieved from the WageIndicator Publication on 21st April, 2012.	http://www.wageindicator.org/documents/publicationslist/publications-2012/120307-gender-pay-gap-ituc-2012.pdf
24	Available at http://www.paycheck.in/main/salary/Paysurveyit	http://www.paycheck.in/main/salary/Paysurveyit
25	Paycheck India Project	http://www.paycheck.in/main/about-us
26	Retrieved from the Loonwijzer – Monsterboard Wage Index (2012) Wage	http://www.wageindicator.org/documents/publicationslist/publications-

	Index, Sector Analysis of the Netherlands on 6 th August, 2012.	2012/120526-loonwijzer-monsterboard-wageindex-launch-march-final-2012.pdf
28	In fact no country has been able to close down the gender pay gap completely. Tijdens, K.G., Van Klaveren, M. (2012) Frozen in time: Gender pay gap unchanged for 10 years . Brussels, ITUC	http://www.ituc-csi.org/IMG/pdf/pay_gap_en_final.pdf
29	Labour Force Participation Rates in India by States available at Selected Socio-Economic Statistics India , CSO, Government of India, 2006. Retrieved on 6 th August, 2012.	http://www.cafindia.org/pages/selected%20socio%20economic%20statistics%20NSSO.pdf
30	In the light of the vision of Pandit Nehru, five Zonal Councils were set up vide Part-III of the States Re-organisation Act, 1956.	http://mha.nic.in/uniquepage.asp?ID_PK=470
32	Map of India retrieved on 10 th May, 2012. Please refer Table 3.2 for key to abbreviations used in the map.	http://www.fileshome.com/India_Flash_Map_Flash_Map_Fla_Map_129689.html
35	Retrieved from the World Development Report 2012 on 25 th July, 2012.	http://siteresources.worldbank.org/INTWDR2012/Resources/7778105-1299699968583/7786210-1315936222006/chapter-5.pdf
36	Statistics on the Educational Status of Indian Women, UNICEF	http://www.unicef.org/infobycountry/india_statistics.html#90
38	Some women face pre-market discrimination and are not able to continue their education further. In India, parents decide the future for their daughters. The average of age marriage in India is 18.3 (though it has been over the years with social and cultural reforms). Parents even decide about the groom and time of marriage in India. This results in an abrupt end to further education for most women in India. Others anticipate post-market discrimination and choose not to invest	http://www.unicef.org/india/Media_AGE_AT_MARRIAGE_in.pdf

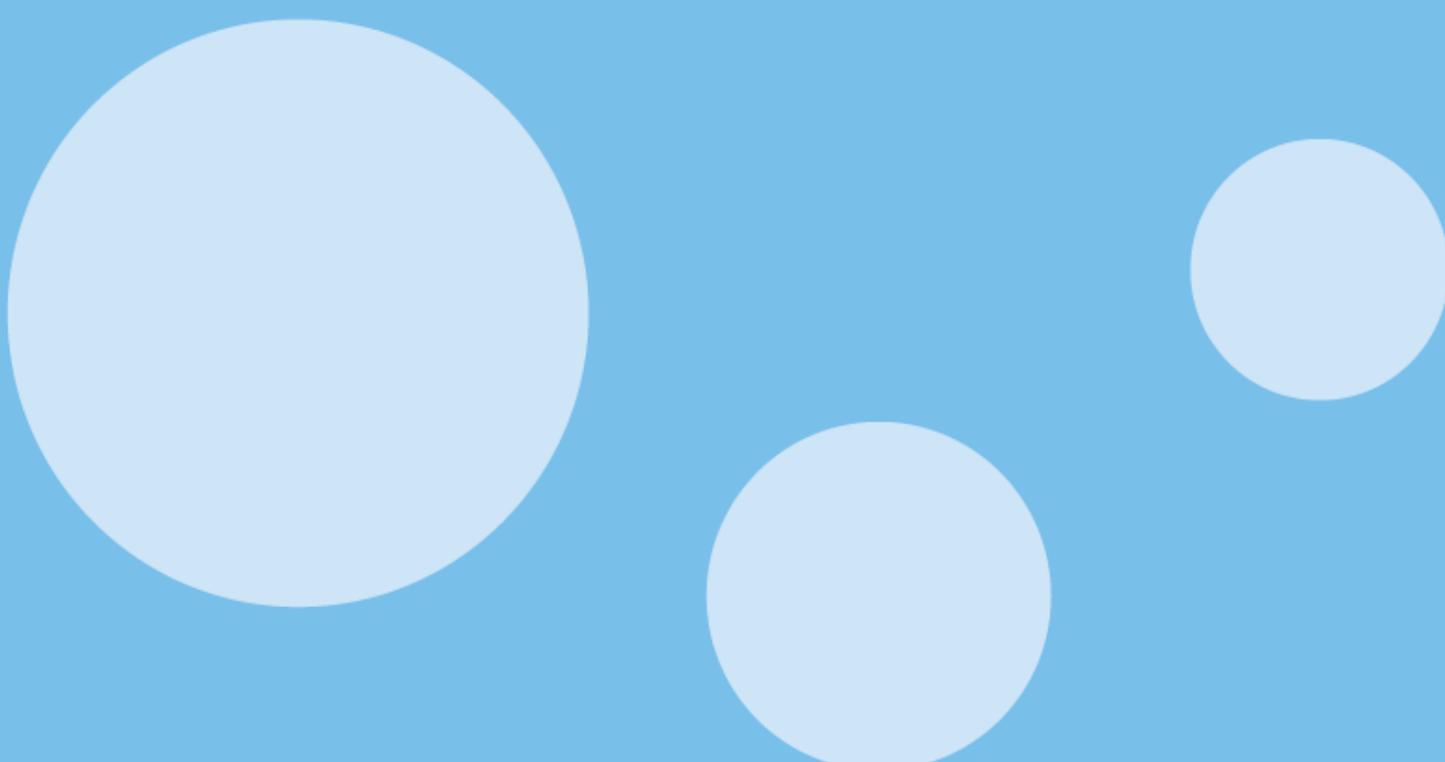
	further in education.	
40	Retrieved from the World Development Report 2012 on 25 th July, 2012.	http://siteresources.worldbank.org/INTWDR2012/Resources/7778105-1299699968583/7786210-1315936222006/chapter-5.pdf
42	Skill . (n.d.). <i>Dictionary.com Unabridged</i> . Retrieved August 06, 2012, from Dictionary.com website	http://dictionary.reference.com/browse/skill
43	Retrieved from Edward P. Lazear and Paul Oyer, Personal Economics , 2009 on 6 th August, 2012.	http://faculty-gsb.stanford.edu/oyer/wp/handbook.pdf
47	India Census 2011 retrieved on 11 th July, 2012	http://www.censusindia.gov.in/2011-prov-results/data_files/india/Final_PPT_2011_chapter5.pdf
48	Labour Force Participation Rate for females (proportion of total labour force) for 2011. Retrieved from World Bank database on 6 th August, 2012.	http://datatopics.worldbank.org/gender/topic/economic-structure
49	Retrieved from the United Nations Report on 21st April, 2012	http://unstats.un.org/unsd/demographic/products/Worldswomen/WW2010%20Report_by%20chapter(pdf)/Work.pdf
50	Retrieved from Sherri Haas, Economic Development and the Gender Wage Gap , The Park Place Economist, Volume XIV, on 10 th August, 2012	http://www.iwu.edu/economics/PPE14/Haas.pdf
51	Paycheck India Project	http://www.paycheck.in/main/about-us
52	The employment in the unorganized sector in India cannot be ignored, since it accounts for 95.5% of total employment in 2004-05, with 1.5% each in public and private corporate sectors, 7.9% in household excluding informal sector and the balance 84.6% in the informal sector. Source: Report of the Committee on Unorganised Sector Statistics , National Statistical Commission, Government of India, February, 2012. Retrieved on 7 th	http://mospi.nic.in/mospi_new/upload/nsc_report_un_sec_14mar12.pdf?status=1&menu_id=199

	August, 2012.	
64	Tijdens, K.G., Van Klaveren, M. (2012) Frozen in time: Gender pay gap unchanged for 10 years . Brussels, ITUC	http://www.ituc-csi.org/IMG/pdf/pay_gap_en_final.pdf
65	Information on Sixth Pay Commission of India.	http://india.gov.in/govt/empcorner.php?id=3
66	Economic Survey 2009-10, Employment in the Organized Sectors – Public and Private , Table no. 52A.	http://indiabudget.nic.in/es2011-12/estat1.pdf
67	Report of The Working Group On Empowerment Of Women For The XI Plan, November 2006, Ministry Of Women and Child Development Government of India, Retrieved from http://wcd.nic.in/wgfinalreport.pdf on 21st April, 2012	http://wcd.nic.in/wgfinalreport.pdf

Wage Indicator Foundation

Plantage Muidersgracht 12
1018 TV Amsterdam
The Netherlands

office@wageindicator.org



WageIndicator.org