

Gender Discrimination in Indian Economy

What is the issue?

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Despite many competitive reforms that India has undertaken, gender-based segmentation has increased over the years.

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Why women empowerment is important?

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- The central driver of economic growth is the increased role of women.

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- This growth comes in many forms: better education and health that increase female labour force participation, reduced discrimination and wage differentials that encourage greater effort, and improved advancement practices that promote talented women into leadership and managerial roles.

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How is the woman labour force participation distributed?

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- Women entrepreneurs in India are **mostly concentrated in low-paying industries.**

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- In the manufacturing sector, tobacco products, apparel and textiles attract the largest count and share of women entrepreneurs.

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- Among services, it is the education, sewage, refuse disposal, sanitation and financial intermediation services that attract the largest share of female proprietors.

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- There is a **strong negative relationship** between average industry wages and the share of female-led plants in the manufacturing sector.

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- Industries that show higher rates of female entrepreneurship and employment are also the industries that show the highest segmentation in terms of female employees being matched to female owners.

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- Although segmentation by gender is increasing in most industries, it is remarkably heightened in female-led plants in the basic metals and motor vehicles, trailers and semi-trailers segments of informal manufacturing.

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Did Indian economic policies reduce gender discrimination?

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- Despite many competitive reforms that India has undertaken, gender-based segmentation has increased over the years.

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- For instance, the share of female employees in female-led informal manufacturing plants increased from 88% in 2001 to 93% in 2010.

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- In the case of services, the share of female employees in women-led establishments increased from 75% to 87% during the same period.

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- Gender segmentation is larger for small plants.

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- Segmentation is larger for an average male employee vis-à-vis an average female employee across all size bands.

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Which states attracts more female entrepreneurs?

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- **Andhra Pradesh, Tamil Nadu and West Bengal** are amongst the states that have experienced the highest number and shares of female-owned plants in both manufacturing and services.

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- The states with the lowest shares of female-owned plants are Bihar and Assam.

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- Delhi, the nation's capital, surprisingly has the lowest share of female-owned establishments in manufacturing.

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- The states that have the highest count and shares of female entrepreneurs are also the states with the highest count of females in the workforce, be it in manufacturing or services.
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- In the case of services, it is again the states from south India that account for large employment count in female participation in economic activity.
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- The states with higher income have displayed higher growth in shares of female-led plants.
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- The gap in female-led plants has widened between the leading and lagging states in India.
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What can policy do to reduce this gap?

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- **Physical and human infrastructure** plays a key role in tapping into gender as a new growth driver.
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- Inadequate infrastructure affects women entrepreneurs more than men, because women often bear a larger share of the time and responsibility for household activities.
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- Travel in India can be limited and unpredictable, and **women face greater constraints in geographic mobility** imposed by safety concerns and social norms.
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- Better transport infrastructure should alleviate a major constraint for female entrepreneurs in accessing markets.
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- India's future growth escalators are in creating a robust platform for growth, and successfully utilizing its workforce, both male and female.
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Source: Live Mint

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