Gender Pay Gap

Why in news?

Periodic Labour Force Survey (PLFS) in its 6th report has introduced a crucial focus on weekly hours worked, revealing that the inequality in total earnings might not capture the full picture.

Periodic Labour Force Survey (PLFS)
• **Published by** –National Sample Survey Office (NSSO) • **Year of launch**- 2017 • **Indicators** - **Labour Force Participation Rates (LFPR)** - Percentage of persons in labour force (i.e. working or seeking or available for work) in the population. - **Worker Population Ratio (WPR) -** Percentage of employed persons in the population - **Unemployment Rate (UR) -** Percentage of persons unemployed among the persons in the labour force • **Objective-** - To estimate the employment and unemployment indicators in time interval of *3 months for the urban areas only* in the *'Current Weekly Status' (CWS).* - To estimate employment and unemployment indicators in both 'Usual Status' and CWS in both rural and urban areas annually. • It provides quarterly data for urban areas and annual data for both rural and urban areas.

What is the latest report about?

- The 6th Annual Report of PLFS is conducted during *July 2022-June 2023.*
- **Key findings** -
    - **LFPR-** It *increased* from 37.5% in 2020-21 to 38.6% in 2022-23.
    - **UR**- It *decreased* from 5.8% in 2020-21 to 5.7% in 2022-23.
    - **WPR**- It *increased* from 35.3% in 2020-21 to 36.4% in 2022-23.

How the rural India progressed in employment?

- **Rural India-** Both LFPR and WPR are increasing at a faster pace compared to urban India.
- This faster rise in rural LFPR may be attributed to the reverse migration in the rural areas in the post-pandemic years.
- **Rural female**- Employment is growing much faster among the rural female category.
    - In 2019-20, the rural female WPR recorded growth rate of 26.3% over the previous year.
- The increasing female WPR is because of the males seeking better non-farm sector jobs, while females might not be finding suitable non-farm employment, leading to

their absorption in agriculture (a form of *distress employment*).

How does the gender earnings gap differ?

- **Work hours**- Women, on average, work fewer hours than men, attributed to a combination of social pressures and personal choices.
- In 2023, the gap in work hours was largest for self-employed workers, where men worked 50% more hours than women.
- The average hours worked per week for rural self-employed women has fallen indicating that much of the increased employment for rural self-employed women has been part-time in nature.
- **Wage disparity-** Men earn more than women across all forms of work, the gap greatest for the self-employed.
    - **Self-employment**- In 2023, male self-employed workers earned 2.8 times that of women.
    - **Regular wage workers**- Male regular wage workers earned 24% more than women and male casual workers earned 48% more.
- **Hourly and weekly earnings** - When considering hourly earnings, the gap reduces significantly for regular wage workers.
- Falling inequality in weekly earnings was largely driven by rising hourly earnings for women, with the ratio of hours of work remaining roughly constant.

What lies ahead?

- It is important not just to understand the factors driving differences in remuneration, but also those that determine differences in total hours of work.
- Policy must look to removing barriers that limit the hours of work available to women.
- From mandating creches and generous maternity leaves to more comprehensive transformations in social norms that do not place the entire burden of child care and domestic work on women is the need of the hour.

References

1. The Hindu- Gender gap in earnings
2. Business Line- PLFS data positive for women

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