Materialising Maternity Benefits

What is the issue?

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- There are concerns that the Maternity Benefit (Amendment) Act 2017 would have a negative impact in the labour market.
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- There is a need for better understanding on the issue to materialise the genuine objectives behind.
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What are the key provisions of the Act?

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- The Act extends women’s paid maternity leave from 12 to 26 weeks.
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- Of these, up to eight weeks can be taken pre-delivery.
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- Enterprises with 50 or more employees must also provide crèches.
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- They should allow the mother four crèche visits, daily.
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- Women with two or more children get reduced entitlements.
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- The costs of these benefits are to be borne solely by employers.
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What is the employment concern?

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- A recent report projects some 11 to 18 lakh job losses for women in 2018-19 alone for the 10 sectors studied.
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- It also estimates 1.2 crore job losses across all sectors.

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- In India, barely 6.5% of women are in the formal sector.
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- There is need for more jobs in the formal sector, as more young educated women join the workforce.
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- Given this, a further decline in hiring women would affect the female labour participation.
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What are the concerns with maternity leave?

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- **Cost** - The high costs of maternity leave drive companies to discriminate against women in higher-level jobs.
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- **Childcare** - Childcare is treated solely as women's responsibility.
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- Unspecified parental leave ends up being taken mainly by women.
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- In India, central government employees get only 15 days of paternity leave.
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- **Informal sector** - Around 93% Indian women workers are in the informal sector.
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- The 2017 Maternity Benefit Act does not apply to them.
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- It is also unclear about women working on family farms, doing home-based work, urban self-employed, casual workers on contract.
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- Even the current entitlements under the National Food Security Act 2013 are not fully implemented.
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- **Facilities** - Even in the formal sector, the child will need care after 6 months of maternity leave.
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- But India largely lacks facilities where women can leave their children for care.
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- Integrated Child Development Services to provide nutrition and childcare up to 6 years of age, lack in quality and coverage.
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How to address this?

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- **Cost** - Companies are less likely to discriminate against women if government shares the cost.
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- The 2018 ILO report emphasises the need for government to share at least 2/3rds of maternity benefits costs.
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- However, much of this relates largely to the formal sector.
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- **Parental leave** - It is better to give paternity leave or non-transferable quotas of parental leave.
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- Nearly 55% countries recognise father's role and give paternity leave in varying degrees.
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- Matching paternity and maternity leave would create a level playing field by reducing employer discrimination.
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- E.g. Iceland grants 9 months of parental leave with 3 reserved for the mother, 3 for the father, and 3 to be shared between them.
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- **Work time** - Offering flexible work time for both sexes can help with work-life balance.
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- Large companies in IT and e-commerce support the extended maternity leave in India.
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- These are the sectors where flexi-time is easy to introduce and employees can work partly from home.
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- Companies which allow such flexibility find increased worker productivity.
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- **Facilities** - Providing good crèches and childcare centres, not just for care but also for early childhood development, is crucial.
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- SMEs located in close proximity could pool resources for creating crèches, rather than each creating its own.
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- This would benefit women across all sectors, formal and informal.
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- E.g. in Japan, government’s expansion of high quality childcare centres significantly increased women’s work participation
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- **Awareness** - Media campaigns to change social norms, favouring childcare by fathers are essential.
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- It should be made known that “Children are public goods”.
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- It is surely a joint social responsibility and not just the mother’s.
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- There is thus a need for more comprehensive and gender-balanced alterations to the maternity benefit act.
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Source: Indian Express

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