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**DISCRIMINATION OF WAGE RATES IN INDIA: AN ANALYSIS OF  
THE POSSIBLE CAUSES**

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**ABSTRACT**

For the People who belong to the working class of Society, there cannot be any Injustice greater than that which deprives a worker of his or her wages due to Discrimination in the labour market which is mostly gender-based. Social as well as Gender discrimination is the existing key issue in the Indian labour market. Through this article, the author wants to emphasize the fact that discrimination in wage rates despite various efforts put forth by the Government, persists, especially women who belong to rural areas, fall victim on a larger scale. This paper will look at the concealed cause behind the wage gap between gender and social groups. The researcher would also like to bring to light the reasons for the wage discrimination between gender and social groups in India followed by suggestions to eradicate the same. The current analysis reveals that the gap to a large extent can be attributed to discrimination in the labor market. This paper wants to mention the implications of the wage gap on women as well as the way it affects them. Despite having the laws and rules the Payment of wages Act<sup>2</sup> and Rules state the rules that need to be followed while giving employees their salaries. Payment of Gratuity Act and Rules against discrimination regarding the payment of wages the practice of paying low to women is on the rise, especially in rural areas, and is practiced as if it is a never-ending phenomenon.

**Keywords-** *Wage Discrimination, Social Discrimination, Wage rates, Gender discrimination, Social groups*

**INTRODUCTION**

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<sup>2</sup>H.L. Kumar, Payment Of Wages Act And Rules, Universal Law Publishing Co., 2007

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1<sup>st</sup> May of every year is celebrated as International workers day and India stood to be one of the first developing countries to introduce a minimum wage policy, but as of today, wage inequality continues to remain a serious problem that hinders India's path to achieving decent working conditions in a combination of inclusive growth. Social as well gender discrimination are the key issues that persist in the Indian labor market, these groups are paid low, and face the insecurity of employment and this can be mostly viewed in the rural areas. According to the data published in OXFAM India, self-employed workers earn an average of INR 15878 for non-SCs and INR 10533 for SCs or STs and the average earning is INR 15,996 for men and merely INR 6,626 for women in urban areas in self-employment, the men's average earnings are nearly 2.5 times that of the earnings of women<sup>3</sup>. Being unorganized, women face recurrent inequality and harassment in the workplace, and violation of their human rights can be traced back to the patriarchal mindset of society. Due to a lack of technical skills and limited access to education, women workers easily become marginalized and are hardly able to derive any advantage from the forthcoming opportunities emerging in and around the world. There are several schemes and acts brought by the government to improve the conditions of the working class like the Minimum Wages act of 1948, the Equal Remuneration act of 1978, and many more but to no avail, they still face challenges because of improper implementation of the policies.

## OBJECTIVES

1. To bring out to light the reasons for wage discrimination in India between gender as well as social groups and to mention specifically the vulgar groups of society who have to face a dearth of income because of discrimination and exploitation prevailing in society.
2. To comprehend the challenges and struggles faced by the people who fell victim to discrimination as a result of the different wage rates as well as fetch out the probable methods or ways to close this differentiation gap and display the solutions regarding the same.

## CONCEPTUAL UNDERSTANDING

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<sup>3</sup>Amitabh Behar, (2022, September 15). India Discrimination Report 2022. Pg, 35–88. <https://doi.org/file:///C:/Users/Kiit/Downloads/Wage%20discrimination%20report.pdf>

*Wage discrimination* –It is the difference between the amount that two different groups of people are paid for the same work done<sup>4</sup>. *Social discrimination* –it can be stated as sustained inequality between people or individuals based on religion, disability, caste, gender, or any other measures of diversity. Wage rates- wage rates are the measurement of the basic remuneration per time unit or unit of output<sup>5</sup>. *Gender discrimination*-the social process, by which people especially women are treated disadvantageously and differently, under similar circumstances, based on their sex or gender<sup>6</sup>. *Social groups*-a social group can be stated as a group where two or more two people share a common identity, do the same thing, aim at the same goals or opinions, and use the same line of reasoning and behavioral routines<sup>7</sup>.

## LITERATURE REVIEW

Amitabh Behar: India Discrimination Report

Discrimination based on gender in regular, salaried, and self-employed Men for the year 2019-20 shows that men have a distinct edge over women in the labour market in the context of benefitting from their endowments at the aggregative level. Men are more likely than women to get better jobs at older ages due to several variables. Simply put, for two age groups taken into account in the study, social discrimination accounts for 98% of the entire gender disparity in employment at all three periods in time (2004-05, 2018-19, and 2019-20)<sup>8</sup>.

The study shows that there is exceptionally significant and persistent prejudice against those seeking self-employment in urban India, which has remained unchanged over a long period and the employment gap between the gender group is a result of discrimination.

The discrimination component is 67% of this disparity. This is significant because it shows that young women are likely to experience more discrimination than other groups. This could be because these women may experience disruption due to their marriage, childbirth, etc., which weakens the strength of their endowments. Importantly, this has decreased to 54 percent when the age group of 25 years and above is taken into account. Gender

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<sup>4</sup> Oxford Learner's Dictionaries

<sup>5</sup> Glossary Of Statistical Terms, July 18, 2005, An Integrated System Of Wages Statics: A Manual On Methods, International Labour organization

<sup>6</sup>Gender Inequality, Oxford Reference

<sup>7</sup> Valentino Piana, Social Groups, 2004

<sup>8</sup>Amitabh Behar, (2022, September 15). India Discrimination Report 2022. *India Discrimination Report*, 35–88.

discrimination surprisingly accounted for up to 72% of the wage disparity for those over the age of 15 and over 55 percent of those over the age of 25 in regular work in 2018–19, and this gap has only slightly narrowed in 2019–20.<sup>9</sup>

Table: Discrimination as per types of Employment in Rural and Urban areas<sup>10</sup>

Year	Caste Based Discrimination		Religion Based Discrimination		Gender-Based Discrimination (15 years & above)		Gender-Based Discrimination (25 years & above)	
	in Regular/Salaried and Self-employment							
	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural
2019-20	2	59	68	0	98	100	98	100
2018-19	18	51	70	0	98	100	98	99
2004-05	10	80	59	29	99	100	98	100

This data reveals that gender-based discrimination is on the rise, especially in rural areas where it is estimated to be 100%. This issue is of great concern because this has a devastating effect on the women who work as laborers as well as on the Indian economy leaving these groups struggling for their rights to equal pay for equal work. There exists wage discrimination based on caste, religion, and gender which clearly shows the atrocities faced by the laborers.

## METHODOLOGY OF THE STUDY

This paper is based on qualitative research from secondary data collected through websites, books, and journals. Especially the data which has been relied upon has been taken from a report published by Amitabh Behar, India Discrimination report 2022.

## FINDINGS ON OBJECTIVES

*Objective 1* The Reasons For Wage Discrimination In India Between Gender As Well As Social Groups And To Mention Specifically The Vulgar Groups Of Society Who Have To Face A Dearth Of Income Because Of Discrimination And Exploitation Prevailing In Society:

(i) As per our central objective, the findings highlight that women avail lower wages than men. Lower attachment of women to the labour market, marriage, and pressure of children in the family are the key factors of women getting lower rewards than men. (ii) Women form the vulgar group of society and are easy to exploit especially those who come from

<sup>9</sup>Amitabh Behar, (2022, September 15). India Discrimination Report 2022. *India Discrimination Report*, 35–88.

<sup>10</sup>Amitabh Behar, (2022, September 15). India Discrimination Report 2022. *India Discrimination Report*, 35–88. <https://doi.org/10.21909/2582-7340.202209150101>

economically weaker sections and lack basic educational qualifications, in many cases, domestic responsibilities also prevent women from emphasizing monetary consideration while choosing their jobs. Moreover, these low-paying jobs are preferred by those who have no other means of livelihood and are dependent on low monetary benefits.

**Objective 2** *The Challenges And Struggle Faced By The People Who Fell, Victim To Discrimination As A Result Of The Different Wage Rates As Well As Fetch Out The Probable Methods Or Ways To Close This Differentiation Gap And Display The Solutions Regarding The Same:*

(i) Due to low wages, women find it difficult to establish themselves in the labour market, sometimes that payment also is taken by their husbands and their relatives. On top of female educational enrollment being low, there exists a lack of higher education attainment, moreover, there is a social stigma attached to working women and discrimination put the working women or female labour outcomes in a gloomy state<sup>11</sup> leaving them with no other option, then surrendering to the demands, whether it be made by their family members or by the one who provides them employment. (ii) Concrete efforts need to be taken to ameliorate institutional discrimination against rural people regarding welfare provisioning in the labour market and promote multiple dimensions of gender equality, including equal pay that is wage rates, and education. Employment opportunities for the poor need to be increased and women should be empowered because this will help them with improved accessibility to other financial services. (iii) Many women prefer to work nearby their homes even if paid less, as a result of which women face lower household income, labour shortage, gender discrimination, income disparity, domestic violence, a lower standard of living, and so on. An initiative like a free bus system should be encouraged (as done by Tamil Nadu Government) so that they are not forced to work within the boundaries of their locality it will also raise the per capita income of women and promote public transportation<sup>12</sup>. Moreover, it will help increase the work participation rate of women and help them go in search of work in other places where they are not deprived of their right which is equal pay for equal work. Access to child care should be increased with an improvement in work-life balance. Awareness regarding the existing laws should be spread among the people and there should be transparency in the

<sup>11</sup>Singh Sp; Ningthoujam, Y, (2022), Journal Of Asian Finance And Business, Gender Wage Gap In Rural Labour Markets: An Empirical Study of North East India

<sup>12</sup>Kiruthika, S; Ravi, G(2022), International Journal Of Early Childhood Special Education, Impact Of Women Free Bus Operation In Tamilnadu State Transport Corporation (Tnsc) On Tamilnadu

workplace wage distribution. (iv) Knowledge about the laws plays a vital role so an initiative needs to be taken by the government officials to make people aware of the existing laws we have “The Equal remuneration Act 1976”<sup>13</sup> This act provides for payment of equal wages for equal work of similar nature to female as well as male workers and no discrimination should be made against female employees in the matters of transfers, promotion, training, etc.

#### **AUTHOR’S OBSERVATION ON THE ISSUE**

There should be equal pay for equal work and the time has come to close the gender gap. We are celebrating the 75<sup>th</sup> year of Independence and still as per the India wage report, low pay and wage inequality remain a grave challenge to India’s path to achieving adequate working conditions and holistic growth. Gender-based discrimination can be seen at a vast scale, especially, in the Indian construction industry where they have to face biases and discrimination as a result of wage differentiation. In regular areas, women are paid low for the same amount of work as men. They become the easy targets of landlords or builders, which can especially be observed in the construction industry of India. This is a result of the mindset of the people living in the area that women lack the skills which are required to perform certain tasks, especially in the construction sector. I think this is all due to the perspective men have toward women. Some vital factors play a major role here like ‘technical education, formal education, and awareness.

The reasons for wage discrimination between the gender groups can be largely attributed to societal and employers’ prejudices it has been viewed that although women possess the same educational qualification and experience as their male counterparts there exists pay disparity because of biases and prejudice. There are even women who face job insecurity, their jobs are not regularized. The women who belong to oppressed communities like Dalits and tribal communities also continue to face discrimination in wage rates because they are believed to be backward.

Women are unfairly driven out of the workforce to provide caregiving and other unpaid obligations due to which they tend to have less work exposure than men. They also tend to work for fewer hours or part-time because of the obligations they are bound to perform like household chores, they ought to look after their family members and children as well. The gender gap report of men and women is devastating and complex. There is a requirement for

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<sup>13</sup>The Equal Remuneration Act, 1976, India Code

updated and comprehensive equal pay reform in India, and also a need for updated comprehensive equal pay legislation that would help strengthen existing protections and combat discriminatory practices.

### CONCLUDING REMARKS

Today we are witnessing the atrocities faced by women in the employment sector tomorrow we can fall victim to the same. Women usually have to face low-paid jobs which are often unsafe and insecure. The women who make up 80% of the world's population work in the informal economy, where they struggle for decent wages, and safe working conditions, they not only lack decent protection like maternity protection, health care, and paid leave, but they also earn less than men working within the same sector<sup>14</sup>.

So this issue needs to be addressed as soon as possible, certain laws regarding the same need to be framed and the executives need to take on further steps to eliminate wage discrimination between gender groups. The laws should be strictly followed and society needs to come out of the particle beliefs deeply rooted in misogyny. Women should not be compelled in any situation to work at a minimal wage and the family should lend a supportive hand regarding the same as well, women should not be burdened with a plethora of house chores and they need to be treated with the utmost respect and should be at par with the male counterparts.

Together our democracy needs to raise awareness regarding the principle of equal pay for equal work<sup>15</sup> and should aim to secure laws regarding the same. There is a need to generate a quality work environment, better maternity leave, childcare policies, and minimum living wages.

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<sup>14</sup>Chidi King, (2017, February 14), Take Five: At The Current Rate Of Progress No Equal Pay Until 2069. <https://www.unwomen.org/en/news/stories/2017/2/take-five-chidi-king-equal-pay>

<sup>15</sup>Chidi King, (2017, February 14), Take Five: At The Current Rate Of Progress No Equal Pay Until 2069. For general queries or to submit your research for publication, kindly email us at [editorial@ijlr.in](mailto:editorial@ijlr.in)