ANALYSIS OF THE EQUAL REMUNERATION ACT AND THE NEED FOR EQUAL WAGES FOR WOMEN

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ABSTRACT
The Equal Remuneration Act was passed in the year 1976, the Act aimed at reducing the wage disparity among men and women. The Act has been in existence for 4 and half decades and has helped improve the wages of female workers in the country, but the growth in women’s wages has been slow. The paper will look into the Equal Remuneration Act and analyse the Act and its provisions. The paper will also discuss the international conventions which have been considered by most countries as the basis for remuneration of women workers. The paper will consider the Constitutional validity of the Act and discuss the relevant Articles from the constitution of India. The paper shall also check the landmark cases with regards to the Act. The paper will finally deal with the research question on why equal pay for women is the current need of the hour and how it will help the economy and society as a whole and the author would conclude with the final remarks.

CHAPTER I

1. INTRODUCTION
1.1. OVERVIEW

In the Vedic period, men and women were given equal status in the society, but by the time the British established a monarchy in India, men had completely dominated women in societal dominance. The Indian society can be without a doubt considered a patriarchal society. Historically the rules and religious laws had a higher inclination to the male gender with regards to property succession, marriage or remarriage. The norm of the land has been a distinct bifurcation with regards to the functioning of a family, men go work in farmers and their businesses whereas women are expected to take care of the children and complete household chores. Education was not considered an essential requirement of life and women were not allowed to study further than their primary or secondary schooling, even men barely got education equivalent of a degree or higher. By the time we attained independence, the inequalities of the genders were evident and even the framers of our Constitution made sure they addressed it. Constitutional provisions and various legislations have become the foundation to provide equal opportunities to both men and women. Once opportunities are provided with the legislation must make sure that equal remuneration is also provided to women, but to make sure this is possible the onus is on the employer.

1.2 REVIEW OF LITERATURE

The article Duties of The Employer under the Equal Remuneration Act, 1976 ¹ by Hari Manasa explains the features of the Employers Remuneration Act, 1976. The article takes a look into the history of Indian


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society and how women have been side-lined by men in all aspects of social life. The article explains the duties that the Act enforces on the employer and what liabilities the employer has concerning his or her employees. The article explains the relevant section of the Act and how they dovetail with the Equal Remuneration Rules. The article also explains the penalties which are imposed on the employers who violate the Equal Remuneration Act, 1976.

In 5 Facts You Need to Know About Gender Pay Gap In India by Vandana K of Oxfam, the article discusses the five major statistics regarding the wage gap between male and female employers or workers in India. The article discusses the female workers in the informal sector and how they are impacted, how much extent of the wealth gap is visible in the formal sector, the extent of the gap in the corporate sector and the global rank of India in the wage disparity.

ILO: Strong wage policies are key to promote inclusive growth in India

In the article Critical Assessment of Labour Laws, Policies and Practices through a Gender Lens, the paper assesses the impact of labour laws on female work participation rates (WPR) in India. It is argued that women workers in the informal/unorganized sector have minimal legal rights and social protections. In the formal sector, women workers who are employed as contract labour are not covered by regulatory legislations and cannot avail of all the protections of the law in the same manner as regularized employees. Women are discriminated at two levels, firstly, at the entry-level, and secondly, on employment, women workers are treated differently from male workers within the organized and unorganized sectors.

1.3 SCOPE AND OBJECTIVES

The scope of the paper is to analyse the Equal Remuneration Act, 1976 passed by the Central government. The primary objective of the paper is to understand the fundamentals of the Act and the analysis of the provisions of the Act. The paper will critically analyse the Act and how successful the Act has been in reducing the wage gap in India. The author will finally conclude with his opinion on the Act and shall provide with some possible suggestions which can help in better implementation of the Act.

1.4 RESEARCH QUESTION

Why equal pay for women is the need of the hour?

1.5 HYPOTHESIS

Paying women for equal work done as men is found on logic. Payment of equal wages...
1.6 RESEARCH METHODOLOGY

Considering the objective of the paper the ‘qualitative research method’ is applied. Qualitative research is generally more explorative, that is dependent on the collection of verbal, behavioural or observational data that can be interpreted subjectively. The hypothesis will be either validated or refuted at the end of the paper.

CHAPTER II

2. HISTORY OF EMPLOYMENT OF WOMEN

Women were seen as ‘distracted’ employees who had to go home and take care of their homes and their children, women were also considered as lacking technical knowledge and expertise in comparison to men despite there being no scientific backing for such opinions. Hence industries only provided women with minimum wage jobs, even the wages given to women were lower than their male counterparts because the employers were aware that female employees still had financial dependence on their parents or husband and therefore could not attempt to bargain for equal wages.

2.1 THE NEED FOR EQUAL REMUNERATION ACT

The wage gap in India has been an issue that has been plaguing our country for decades. The statistics show us the ground reality of the wage disparity that exists in the country.

According to a UN report of 2016\(^5\), around 120 million female workers who are employed in the informal sector, which roughly equates to 95 per cent of the female working population of India. The disadvantage of working in the informal sector is that women are not only paid lower rates than the men but the workers do not receive any social security benefits either.

The 2016 report by McKinsey Global Institute (MGI)\(^6\) has given an estimate that women contribute 17 per cent towards the GDP of the nation, which is way lower than the global average of 37 per cent. This statistic can be a bit misleading as the report does not consider self-employed agriculture workers, household work and traditional occupations. The report states that the factors mentioned about cannot be quantified but the report does state that the low contribution of women contradicts the huge amount of unpaid care work they do.\(^7\)

In the ILO reports on wage inequality in the workplace\(^8\), Indian women constituted more insights/employment-and-growth/the-power-of-parity-advancing-womens-equality-in-india accessed on 12 April 2020

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\(^7\) Ibid

than 60 per cent of the lowest-paid workers and only 15 per cent of the high paying jobs were women. These statistics prove that wage disparity exists through the entire class of employees and not just the floor level employees. But the percentile gap is the highest in the low-income group of women and the negative impacts are harmful to the growth of the nation.

Despite these worrying statistics, there’s some hope. The report also mentions that the average wage for women in India has grown by 60% in the last 10 years.9

2.2 IMPLEMENTATION OF THE ACT

The Equal remuneration Act, was the 25th Act passed by the Parliament in the year 1976. An Act to provide for the payment of equal remuneration to men and women workers and the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto.10 The Act contains 18 sections in total and amended once in 1987.

After the success of education programmes in the country, there has been a gradual increase in the employment of women in all sectors of employment and jobs which were considered to be gender-specific have gone through major changes to be gender-neutral. Women in the current age are not restricted to minimum paying jobs or traditionally female roles. Women are considered as an employee at par to their male colleagues, this has been enshrined and ensured with legislations drafted by the state and central governments. Statutes such as the Workmen Compensation Act, Payment of Wages Act, Factories Act, Minimum Wages Act, Maternity Benefits Act, Employee State Insurance Act, along with The Equal Remuneration Act aim at ensuring equal wages without gender bias.11

2.3 INTERNATIONAL CONVENTIONS

India is a signatory to the UN special charters and the Equal Remuneration Act complies with the guidelines set up by the Universal Declaration of Human Rights (UNDHR), the International Labour Organisation (ILO) and the Convention on Elimination of all form of Discrimination Against Women, 1979 (CEDAW).

Under the UDHR, Article 2312 ensures that everyone without any discrimination has the right to equal pay for equal work.

The International Labour Organization held a Convention with regards to the Equal Remuneration for Men and Women Workers for the Work of Equal Value in 1951. It was the 100th convention held by the ILO, signatory States were given the choice to

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9 Ibid
11 Supra note 1
12 Article 23 of the UNDHR reads as
   - Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.
   - Everyone has the right to form and to join trade unions for the protection of his interests.
achieve the goals of the convention either through legislation, the introduction of a mechanism for wage determination or collective bargaining agreements. This convention is among the eight fundamental conventions of the ILO.13

The CEDAW, 1979 was signed and its main objective is to prevent discrimination against women especially those who are a part of the labour force.

- To incorporate the principle of equality of the genders in their legal system and to abolish all discriminatory laws and adopt appropriate legal setups prohibiting discrimination against women;
- To establish tribunals and other public institutions to ensure the effective protection of women against discrimination; and
- To ensure the elimination of all acts of discrimination against women by persons, organizations or enterprises14.

2.4 CONSTITUTIONAL VALIDITY OF THE ACT

The Act fulfils the rights provided to citizens under the following Articles-

- The Preamble of the Constitution provides for Justice and Equality to all people.
- Article 14 emphasises on equality before the law
- Article 15 guarantees a right against discrimination based on gender.
- Article 15(3) recognizes ‘protective discrimination’ to bring women at par with men in all possible respects.
- Article 16 provides the right to equal opportunity regarding public employment irrespective of the gender of the person.

- Directive Principles of State Policy.
- Article 39(a) states that the citizens, men or women have equal rights to have an adequate means of livelihood.
- Article 39(d) “that there is equal pay for equal work for both men and women”. Article 42 requires the state to make provision for securing humane conditions of work and maternity relief.15

The Doctrine of ‘equal pay for equal work’ is a Directive Principle of State Policy and not a Fundamental Right therefore it is a Constitutional Right. As equal remuneration is a right of employees regardless of the gender, the Equal Remuneration Act, 1976 was enacted to comply with Article 39 of the Constitution of India.

2.5 THE VITAL FEATURES OF THE ACT

- The objective of the Act is to protect against the discrimination of female labourers based on their gender.

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13 ILO C100 - Equal Remuneration Convention, 1951 No. 100 (International Labour Organisation 29 June 1951)

14 United Nations Convention on Elimination of all form of Discrimination against women (United Nation Organisation, 18 December 1979)

• To pay equal remuneration to the female employees on the same level as their male counterparts.
• The Act is applicable in the whole of India.
• To restrict the employer from drafting terms or conditions in the employment contract which goes against the spirit of the Equal Remuneration Act and the doctrine ‘equal work for equal pay’.
• The Act does not have a provision for eligibility of the employee i.e. the employee does not need to be employed for a set minimum number of days for the Act to apply to them.
• Any condition or settlement introduced by the employer on the employee which is detrimental on the employee is void.
• The enforcing authority is the Ministry of Labour and the Central Advisory Committee.
• Under the concept equality of work is not solely based on the designation or the type of work but also on the experience, responsibilities, qualifications, reliabilities, etc. which are attached to the employee. Comparison can be made with only those employees who have a similar level of factors mentioned above.
• The Act imposes criminal liability on the employer if they violate any of the provisions of the Act, the punishment can be a fine, a period of imprisonment or both.16

2.6 IMPORTANT SECTIONS OF THE ACT

Section 4- Duty of employer to pay equal remuneration to men and women workers for the same work or work of a similar nature.

The section states that no employer shall pay remunerations to an employee at less favourable rates in comparison to the remuneration paid by the employer to the workers of the opposite gender who is employed in the same establishment to perform the same work or work which is of similar nature.

The sub-section (2) plugs the possible loophole of complying with the by preventing the employer from reducing the rate of remunerations given to the male employees for the remuneration to be equal.

Section 5- No discrimination to be made while recruiting men and women workers.

No employer shall discriminate against female candidates while making recruitments (or promotions or training or transfer) for the same work or work of similar nature. Except where the employment of women in such work is prohibited or restricted by another law.

Proviso: the provisions of the Act will not affect the priority given or reservation for SC, STs, ex-servicemen, retrenched employees.

Section 8- Duty of employers to maintain registers

Every employer should maintain a register and other documents about the workers employed by him/her as may be prescribed from time to time

Rule 6 read with Section 8 provides that:

The employer has to maintain proper registers and relevant documents of all the employees and workers as prescribed by law in Form D. The Form needs to have:

• Category of workers

16 Supra note 1
Section 7. Power of appropriate Government to appoint authorities for hearing and deciding claims and complaints.

The Government may, by notification, appoint an officer for hearing and deciding complaints regarding contravention of the Act or claims arising out of non-payment of wages at equal rates to male and female employees for the same work which or work which is similar.

Section 10 - Penalties

If an employer -

- fails to maintain a register or 
- any other relevant document with relation to the workers employed or 
- fails to produce any register, muster-roll or other documents 
- Omits or refused to give any evidence or 
- Omits or refused to give any information

Shall be punishable with simple imprisonment for a term of one month or fine which may extend to ten thousand rupees or both.

(2). Any violation of section 4 and section 5 of the Act shall be punishable with fine which shall not be less than ten thousand rupees but which may extend to twenty thousand rupees or with imprisonment for a term which shall be not less than three months but which may extend to one year or with both for the first offence, and with imprisonment which may extend to two years for the second and subsequent offences.

(3) If any person is required so to do, omits or refuses to produce to an Inspector any register or other document or to give any information, he shall be punishable with fine, which may extend to five thousand rupees.

2.7 IMPORTANT CASE LAWS

A few landmark cases have been dealt with by our courts concerning equal pay for women

- Randhir Singh V Union Of India

The apex court adopted an equitable solution and deviated from the strict interpretation of the laws in favour of the employees. The court relied upon the Preamble and in particular the phrase “Socialist” as envisaged by the drafters of our Constitution. The court held that the principle of equal pay for equal work was deduced from Article 14 and Article 16 of the Constitution of India and can be applied to the cases of the unequal scale of remuneration based on classification, though those drawing a different payment scale do identical work under the same employer. Here the court observed that “equal pay for equal work” is under the ambit of Articles 14 and 16 and the Directive Principle under Article 39(d) along with the assistance of the Preamble.

- M/s Mackinnon Mackenzie and Co. Ltd. v. Audrey D’Costa and other

17 Supra note 2
18 The Equal Remuneration Act, 1976 Section 10
19 Randhir Singh V Union Of India (1982) SCR (3) 298
In this case, the female employee was discriminated in the process of paying her salary as the employer contended that the employee was a confidential stenographer which is a different class of employee. The court rejected the argument of the employer and the woman was considered as a full-time employee. The court in its decision held that ‘If only women are working as Confidential Stenographers it is because the management wants them there. Women are neither specially qualified to be Confidential Stenographers nor disqualified on account of sex to do the work assigned to the male Stenographers. Even if there is a practice in the establishment to appoint women as Confidential Stenographer such practice cannot be relied on to deny them equal remuneration due to them under the Act.’ Therefore, the Court applied the Equal Remuneration Act to grant an equal salary to female stenographers.

- **Inder Singh & Others v. Vyas Muni Mishra & Others**

The court decided that if any two groups of individuals are working in the same or similar posts and performing the same kind of work, equal pay shall be paid to them and remove the unreasonable discrimination the two individuals that are equal in stature.

**Meaning of same work or work which is of similar nature**

Mackinnon Mackenzie & Co. Ltd. v. Audrey D’Costa & Another

The court considered that the term ‘same work or work which is similar in nature’ under section 2(h) of the Act, shall consider the following:

- The authority should take a broad view
- Ascertain if any differences are of practical importance, the authority should take an equally broad approach to the very concept of similar work implies differences in detail, but these should not defeat a claim for equality on trivial grounds.
- It should look at the duties performed, not those theoretically possible. In making a comparison, the authority should look at the duties performed by men and women.

**The relevance of conditions to employment:**

**Bhagwan Dass & Others v. State of Haryana & Others**

The Court held that when there is sufficient proof that the nature of the work and functions discharged are similar, then the mode of selection of employees and appointment periods are irrelevant to the remuneration and immaterial to the applicability of equal pay for equal work.

**Constitutional relevance:**

- **Sita Devi & Others v. State of Haryana & Others**

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21 Inder Singh & Others v. Vyas Muni Mishra & Others (1987) SCR (3) 972
22 Supra Note 11

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The learned Judge held that the “doctrine of equal pay for equal work is recognized as a facet of the equality clause contained in Article 14 of the Constitution.”

- **S. Nakara v. Union of India**\(^2^5\)

A Constitutional Bench reaffirmed and upheld the decision taken in the case of Randhir Singh v UOI.\(^2^6\) In the present case the courts held that “having regard to the constitutional mandate of equality and inhibition against discrimination in Articles 14 and 16, in service jurisprudence, the doctrine of “equal pay for equal work” has assumed the status of a fundamental right.”\(^2^7\)

- **C.B. Muthamma v. Union of India**\(^2^9\)

The petitioner had filed a complaint against her being unconstitutionally denied promotion to Grade I officers of the Indian Foreign Service (IFS) and further that at the time of joining the Indian foreign service she has to been asked to give an undertaking that if she got married she would resign from the service, this was enshrined under Rule 8(2) of the Indian Foreign Service (Conduct & Discipline) Rules, 1961 wherein a female member shall be asked to resign if her domestic commitments came in the way of discharging her duties in the service. The government then decided to omit Rule 8(2) of the Rules. The court directed the government to appoint the petitioner as she deserved her promotion based on seniority. This case had been decided in the year 1979 before the 1987 amendment which then added the provisions to protect women from discrimination during promotion, training or transfers.

- **People’s Union for Democratic Rights and Others v. Union of India**\(^2^9\)

The petitioner had alleged that workers engaged in construction work were being discriminated in the matters of payment of wages based on their gender. The petitioners contended that the female workers were being paid Rs. 7/ day whereas the male workers were paid Rs. 9.25/ day. The Supreme Court held that the lower wages for female workers was a violation of the Article 14 of the Constitution of India and directed the government to ensure that the provisions of the Equal Remuneration Act were not violated by the contractors.

Chapter III
3. Research Question

**Why equal pay for women is the need of the hour?**

The wage gap in genders is not an issue of the developing countries or the underdeveloped countries, it is an issue persisting across the world. The USA might be considered as the flagbearer for the western civilisation, but the even USA has a wage gap between the

\(^{2^5}\) S. Nakara v. Union of India (1983) SCR (2) 165
\(^{2^6}\) Supra Note 10
\(^{2^7}\) Supra Note 16
\(^{2^9}\) People’s Union for Democratic Rights and Others v. Union of India AIR 1982 SC 1473.
genders as well as the ethnicity or race of the person. According to labour data of the United States, for every dollar a man earns, women earn 79 cents for the same work\textsuperscript{30}, the values fall even further for women of colour like African-American women, on average, are paid only 60 cents on the dollar and Latinas are paid only 55 cents on the dollar\textsuperscript{31}. In India, women earn 25% less than their male counterparts\textsuperscript{32}. The median hourly salary for men is around INR 345 and for women, the amount is around INR 259.8\textsuperscript{33}, equal pay for women has been considered a war cry by egalitarians and activists fighting for gender equality. Paying women less in comparison to men is not only demeaning and unfair but it also has economic and social implications. Paying women at the same level as that of men does the economy and society a world of good. To start, transparent pay systems and equal pay sends a positive message across the workforce and speaks volumes of the organisation’s values. Equal pay for women helps improve relationships among workers and builds solidarity among them and has been proven as a management hack to improve productivity among workers\textsuperscript{34}.


\textsuperscript{32} MONSTER SALARY INDEX 2016- Gender pay report (Monster Jobs, March 2017)

If all the nations were to match with the “best of the region” pay scales of women with their male colleagues then the McKinsey Global Institute estimates that around $12 trillion could be added to the global GDP by the year 2025. The report calculated that if the change was brought in today then by 2025 to a full potential equal wages then the GDP would be boosted by about $28 trillion or 26 per cent of the current value\textsuperscript{35}.

The positives of providing women will equal wages as men are only going to help boost the economy as more women will have the capability of spending money and helping the flow of capital which in turn helps the growth of the Gross Domestic Product (GDP). If women are provided with better pay, it reduces the burden on men to provide for the family and in turn, men can work for lesser hours in a day as they are not under pressure to keep the household functioning.

With all the positives that the equal remuneration of women does for the individual, for the family and on the macro scale for the economy, the change in the system of remuneration has been slow across the world. The Equal Remuneration Act was passed in the year 1976 but even in the 21\textsuperscript{st}-

\textsuperscript{33} Ibid


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century women are paid 3 quarters of men are in India, the Equal Wages Act was passed in the American Congress 57 years ago but even then women earn 21% less than men. There has been an improvement in the remuneration provided to women as the Monster Salary Index 2016 reported that, the gender pay gap was 24% in 2014 and 27% in 2015\(^\text{36}\), this is a promising improvement but the growth rate has been too sluggish. With the current data and predicted rate of growth in the growth of female remuneration, it would take us 202 years to close the global pay gap according to the World Economic Forum\(^\text{37}\). To bridge the gap of pay between men and women across the world should be the among the highest priority of international organisations like the ILO and national governments alike, the move would benefit the society, in general, it would not only help improve the economic standards of the country but also lift families out of poverty.

4. Conclusion
The disparity between male and female workers has been a well-documented fact of the labour industry. The fact has been acknowledged by the International Labour Organisation who passed the CEDAW and the national government passed the Equal Remuneration Act in 1976 to ensure that women are not discriminated or exploited for the wages that they deserve. The Act is questionable with regards to the lack of provisions and the low penalties set for the employers if and when they violate the Act. The inclusion of women in the labour force has allowed them to not be dependent on men for their survival and given women a sense of pride which is commendable. But the next step for the betterment of the society is to provide women with equal standing with men and provide women with the pay that their work inherently deserves, this would provide women with the capital to live a better life, to increase their spending which would boost the economy and to it will help in lifting families out of poverty. The reduction of the wage gap between genders is the need of the hour and the sooner the organisations and governments put in efforts for such ideas, the sooner the society will progress.

\(^{36}\) Supra note 32
\(^{37}\) Rupert Neate “Global pay gap will take 202 years to close, says World Economic Forum” THE GUARDIAN (18th December 2018) https://www.theguardian.com/world/2018/dec/18/glo