

INCOME GROUP Lower-middle Income

South Asia

MAIN BUSINESS CITY Mumbai

FEMALE LABOR FORCE PARTICIPATION 21 percent

India, the world's third-largest economy, still faces the important development challenge of closing the gap in women's economic inclusion. While the country has taken important steps toward gender equality, women have moved out of the labor force since 2005, widening the divide between men's and women's labor force participation. Indeed, India has one of the lowest female labor force participation rates among countries with comparable data, at 168 out of 187 worldwide. When women are given the same opportunities as men, they enter and remain in the labor force, strengthening economies and enabling development. Gender equality is also associated with better development outcomes, such as lower rates of vulnerable employment and extreme poverty among female workers.



0
10
20
30
40
50
60
70
80
90
100

Nepal

India

Maldives

Bhutan

Sri Lanka

Pakistan

Bangladesh

Afghanistan

India places among the highest performers in the South Asia region, with a 2022 *Women, Business and the Law* index score of 74.4 out of 100. Across the eight economies in the South Asia region, the average *Women, Business and the Law* index score is 63.7 out of 100. Within the region, the highest score observed is 80.6 (Nepal), while Afghanistan has the lowest score, at 38.1.

In India, *Women, Business and the Law* captured six reforms over the last 50 years, affecting the laws measured by the Pay, Parenthood, Assets, Workplace, and Marriage indicators, as applicable in the main business city of Mumbai. The first observed reform occurred in 1987, when the country prohibited gender discrimination in employment in connection with recruitment, dismissal, transfer, training, and demotion. In 1994, two states in India, Karnataka and Maharashtra, reformed the Hindu Succession Act of 1956, equalizing inheritance rights for both sons and daughters and male and female surviving spouses. It was not until 2005, however, that India equalized inheritance rights across the country, through an amendment to the Hindu Succession

Act of 1956. In 1997, the Supreme Court took a step toward gender equality by establishing the Vishaka Guidelines, a set of procedural guidelines for courts to use in cases of sexual harassment. The guidelines were put in place as a result of Vishaka and Ors v. State of Rajasthan and Ors. (JT 1997 (7) SC 384), a case that dealt with sexual harassment of a social worker in the state of Rajasthan. This initial step enabled the passage of the Protection of Women from Domestic Violence Act in 2006, and the enactment of legislation protecting women from sexual harassment in the workplace in 2013. The latter law included criminal penalties and civil remedies for sexual harassment at work. The most recent reforms have included an increase in the duration of paid maternity leave to at least 14 weeks in 2017. In the same year, the state of Maharashtra eliminated restrictions on women's ability to work in jobs deemed to be dangerous. In 2020, moreover, India established a social insurance system for the public administration of paid maternity leave benefits.

Overall, in the period of time covered by *Women, Business* and the Law, India enacted reforms affecting five of the index's eight indicators, increasing its score from 51.9 in 1971 to 74.4 in 2022.

Today, India receives a score of 100 on three indicators: Mobility, Workplace, and Marriage. These scores signify that men and women have equal rights and opportunities in the areas measured. However, in the remaining five indicators, there is room to improve. Gaps persist in the regulatory framework as measured by the Pay, Parenthood, Entrepreneurship, Assets, and Pension indicators. The following sections explore India's scores for each of the *Women, Business and the Law* indicators, highlighting both progress made and remaining opportunities for reform.





Of the eight economies in South Asia, five, including India, receive a score of 100 on the Mobility indicator. Mobility affects every step in a working woman's life. Limitations in this area reduce opportunities for women to build networks with other entrepreneurs and exchange vital information on market opportunities, ultimately preventing them from developing their full potential as successful entrepreneurs. Increasing women's mobility, including the opportunity to freely commute to and from a workplace outside the home, can give women access to better employment opportunities. India achieves a perfect score on this indicator. The country's laws and regulations on passports, migration, and matrimonial rights do not contain differences between the rules that govern the rights of men and women to travel abroad, choose where to live, and leave their home at will. In practice, however, barriers to women's freedom of movement persist, such as safety concerns, lack of adequate transportation measures, and societal expectations to stay inside the home. Policy responses aimed at increasing women's safety need to strike a careful balance in order not to infringe upon women's rights.

CAN A WOMAN CHOOSE WHERE TO LIVE IN THE SAME WAY AS A MAN?	✓ YES
CAN A WOMAN TRAVEL OUTSIDE HER HOME IN THE SAME WAY AS A MAN?	VES
CAN A WOMAN APPLY FOR A PASSPORT IN THE SAME WAY AS A MAN?	VES
CAN A WOMAN TRAVEL OUTSIDE THE COUNTRY IN THE SAME WAY AS A MAN?	V YES





WORKPLACE 100/100

India receives a score of 100 on the Workplace indicator. which analyzes laws affecting women's decisions to enter and remain in the labor force. In the last 32 years, India has prohibited discrimination in employment and introduced legislation on sexual harassment in employment, including criminal penalties for such conduct. The current legislation applicable in Mumbai, the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act of 2017, prohibits gender discrimination in employment in connection with recruitment, promotion, transfer, and training. In 1997, the Supreme Court of India established the Vishaka Guidelines to protect women from sexual harassment in employment. However, it was not until 2013 that India enacted a law on the prevention of sexual harassment, by introducing The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act of 2013.

CAN A WOMAN GET A JOB IN THE SAME WAY AS A MAN?	VES
DOES THE LAW PROHIBIT DISCRIMINATION IN EMPLOYMENT BASED ON GENDER?	YES
IS THERE LEGISLATION ON SEXUAL HARASSMENT IN EMPLOYMENT?	YES
ARE THERE CRIMINAL PENALTIES OR CIVIL REMEDIES FOR SEXUAL HARASSMENT IN EMPLOYMENT?	VES



Just two economies in South Asia, and one-third globally, receive a score of 100 on the Pay indicator, which examines laws and regulations affecting occupational segregation and the gender wage gap. Pay has the second lowest performance of all indicators, with an average global score of just 68.7. Should a woman successfully enter and remain in the labor force, it is imperative that she not face job restrictions or receive lower pay than a man holding the same position. Yet 84 economies, including India, still limit the jobs women can hold.

Current legislation in India, for example, prohibits women from undertaking certain industrial jobs. Specifically, the national 1952 Mines Act prohibits women from working in underground mines while the Factories Act 1948 prohibits women from working in certain factories. India could move toward greater gender equality and increase labor productivity by removing these restrictions. In addition, the Maharashtra Shops and Establishments Act prohibits women from working the same night shifts as men. However, reform efforts have been underway over the past years to allow women to work at night. These aim to increase employment opportunities for women while ensuring their physical safety, responding to widespread cases of violence against women in transportation and public places.



Fewer than half of economies worldwide (95) mandate equal remuneration for work of equal value. This standard originates from the International Labor Organization (ILO) Equal Remuneration Convention No. 100 of 1951 and provides a broader framework than equal pay for equal work, as it allows a comparison not only between the same or similar jobs, but also between different jobs of equal value. India is among the countries that have yet to fully align with these standards, despite having ratified the ILO Equal Remuneration Convention in 1993. In 2019 India repealed the Equal Remuneration Act of 1976, through the adoption of the Code on Wages. The country missed a crucial opportunity to align its legislation with international standards, however, as the new code did not include a provision on equal remuneration for work of equal value. Such a good practice exists in Nepal, which recently began allowing women to work at night and mandated equal remuneration for work of equal value under its 2017 Labor Act.

DOES THE LAW MANDATE EQUAL REMUNERATION FOR WORK OF EQUAL VALUE?	X NO
CAN A WOMAN WORK AT NIGHT IN THE SAME WAY AS A MAN?	X NO
CAN A WOMAN WORK IN A JOB DEEMED DANGEROUS IN THE SAME WAY AS A MAN?	YES
CAN A WOMAN WORK IN AN INDUSTRIAL JOB IN THE SAME WAY AS A MAN?	X NO
MINING	X NO
CONSTRUCTION	YES
FACTORIES	X NO
AGRICULTURE	YES
ENERGY	VES
WATER	YES
TRANSPORTATION	YES
OTHER	YES







MARRIAGE 100/100

Unequal rights in marriage and divorce can have negative effects on women's intra-household bargaining power and jeopardize their financial security. Gender equality in this sphere includes protection from domestic violence as well as the ability to divorce and remarry in the same way as men. India is one of just three economies in South Asia to score 100 on the Marriage indicator. This was achieved with the passage of India's first domestic violence legislation (The Protection of Women from Domestic Violence Act) in 2006, which protects women from physical, sexual, psychological, and economic abuse. Domestic violence laws may be less effective without a clear prohibition of marital rape, however, and this issue remains an object of debate in India, where the penal code explicitly exempts husbands from prosecution for raping wives above the age of 18. The threshold for exemption was recently raised from 15 to 18 years of age, following the Supreme Court ruling in the case of Independent Thought v. Union of India (2017).

India is one of three economies in the region that grants women the ability to obtain a judgment of divorce in the same way as men. Equal divorce procedures promote women's economic participation by allowing them to leave abusive marriages and ensuring their financial stability during and after a divorce.

	IN	THE SAME V	/AY AS A MAN?	V YES	
			SLATION SPECIFICALLY OMESTIC VIOLENCE?	V YES	
			N OBTAIN A JUDGMENT OF E SAME WAY AS A MAN?	V YES	
		ES A WOMA REMARRY A	N HAVE THE SAME RIGHTS AS A MAN?	V YES	
		ODUCTION (OUTH ASIA, 1	DF DOMESTIC VIOLENCE LE 997-2021	GISLATION	
V	\mathcal{O}	1997	India		
V	\mathcal{O}	2005	Sri Lanka		

- Ŷ 2010 Bangladesh





PARENTHOOD 40/100

India receives a score of 40/100 on the Parenthood indicator, which examines laws affecting women's work during pregnancy and after having children. Maternity, paternity, and paid parental leave schemes can help recognize and redistribute unpaid care work. India grants 182 days of paid maternity leave, which is over the standard of 14 weeks established by the ILO. In October 2020, maternity benefits became available to shop workers in Mumbai through the social insurance system, shifting the requirement to administer the benefits from the employer to the government.

India grants paid paternity leave of up to six months to civil servants. However, India lacks any provisions for paid paternity leave for private sector employees, which may increase the disparity between the cost of hiring women compared to men and may lead employers to discriminate against women at the time of hiring or remuneration negotiations.



IS PAID LEAVE OF AT LEAST 14 WEEKS AVAILABLE TO MOTHERS?	✓ YES
DOES THE GOVERNMENT ADMINISTER 100% OF MATERNITY LEAVE BENEFITS?	VES
IS PAID LEAVE AVAILABLE TO FATHERS?	X NO
IS THERE PAID PARENTAL LEAVE?	X NO
IS DISMISSAL OF PREGNANT WORKERS PROHIBITED?	× NO

LENGTH OF PAID LEAVE (CALENDAR DAYS)

	Maternity	Paternity	
India	182	0	
Bangladesh	112	0	
Pakistan	112	0	
Nepal	98	21	
Afghanistan	90	14	_
Sri Lanka	84	0	
Maldives	60	3	
Bhutan	56	7	



ENTREPRENEURSHIP 75/100

The Entrepreneurship indicator analyzes constraints to women starting and running businesses. Laws that prescribe equal access when conducting financial transactions, applying for credit, or initiating entrepreneurial activity are key to expanding access to finance for women-owned businesses. India performs well in providing equality to men and women in signing contracts, registering a business, and opening a bank account. The country scores 75 out of 100 points on this indicator. Although women can sign legally binding contracts, register businesses, and open bank accounts in the same way as men, the law does not prohibit discrimination based on sex or gender in access to credit.

This gap could be filled by adopting legislation prohibiting discrimination based on sex or gender when conducting financial transactions or entrepreneurial activities. Introducing such legislation can offer protection to women entrepreneurs when accessing finance. *Women, Business and the Law* has found that laws prohibiting gender-based discrimination by creditors are positively associated with female bank account ownership. In South Asia, only Maldives has enacted a law prohibiting discrimination in access to credit based on gender. Article 9b of the 2016 Gender Equality Act of Maldives prohibits direct and indirect discrimination based on sex. Article 23 establishes that financial institutions have the responsibility to offer services to men and women equally, without discrimination.



ASSETS 80/100

The Assets indicator examines gender differences in property and inheritance law. Access to property can increase women's financial security and provide them with the necessary collateral to access credit and start businesses. In India, men and women have equal rights to inheritance. Maharashtra reformed the law in 1994, giving daughters equal rights to inherit assets from their parents. At the federal level, these rights were granted with the Hindu Succession (Amendment) Act of 2005. Men and women in India also have equal ownership rights to immovable property and equal administrative authority over assets during marriage. However, India receives a score of 80 out of 100 on this indicator because it does not recognize the value of nonmonetary contributions upon dissolution of marriage. While gender neutral in theory, separation of property regimes can disproportionately affect women, who are more likely to perform unpaid activities such as child or elder care, and typically obtain fewer monetized contributions and assets during marriage. The negative impact of separation of property regimes can be mitigated in divorce proceedings by the legal recognition of nonmonetary contributions, which can grant women a greater share of the marital property. No economy in South Asia legally provides for the valuation of nonmonetary contributions upon dissolution of marriage. A good practice example in this area from a lower middle-income economy is the Matrimonial Causes Act in Zimbabwe (see Box 1.1).

DOES THE LAW PROHIBIT DISCRIMINATION IN ACCESS TO CREDIT BASED ON GENDER?	X NO
CAN A WOMAN SIGN A CONTRACT IN THE SAME WAY AS A MAN?	YES
CAN A WOMAN REGISTER A BUSINESS IN THE SAME WAY AS A MAN?	YES
CAN A WOMAN OPEN A BANK ACCOUNT IN THE SAME WAY AS A MAN?	V YES

DO MEN AND WOMEN HAVE EQUAL OWNERSHIP RIGHTS TO IMMOVABLE PROPERTY?	VES
DO SONS AND DAUGHTERS HAVE EQUAL RIGHTS TO INHERIT ASSETS FROM THEIR PARENTS?	V YES
DO MALE AND FEMALE SURVIVING SPOUSES HAVE EQUAL RIGHTS TO INHERIT ASSETS?	VES
DOES THE LAW GRANT SPOUSES EQUAL ADMINISTRATIVE AUTHORITY OVER ASSETS DURING MARRIAGE?	VES
DOES THE LAW PROVIDE FOR THE VALUATION OF NONMONETARY CONTRIBUTIONS?	X NO

BOX 1.1 GOOD PRACTICE: ZIMBABWE

Valuation of Nonmonetary Contributions

Matrimonial Causes Act, as amended in 1987, Sec. 7

13%

"(1) ...in granting a decree of divorce, judicial separation or nullity of marriage, or at any time thereafter, an appropriate court may make an order with regard to— (a) the division, apportionment or distribution of the assets of the spouses..."

(4): "In making an order in terms of subsection (1) an appropriate court shall have regard to all the circumstances of the case, including ... (e) the direct or indirect contribution made by each spouse to the family, including contributions made by looking after the home and caring for the family and any other domestic duties."



PENSION 75/100

The Pension indicator assesses laws affecting women's economic prospects in retirement. India receives a score of 75/100 on this indicator as it establishes the same ages for men and women to obtain full and partial pension benefits. However, periods of absence due to childcare are not accounted for in pension benefits.

Periods of absence due to childcare, if unaccounted for in calculating pension benefits, can negatively affect the size of a woman's pension. Explicit crediting of periods of childcare (e.g., maternity leave) toward pension benefits helps women secure economic stability in old age. Pakistan is the only economy in the region where periods of absence due to childcare are accounted for in pension benefits. According to the Sindh Employees Old Age Benefits Act of 2014, the period during which maternity benefits are paid is deemed to be a contributory period for the calculation of pension entitlements. Provisions such as these can help ensure women's economic security in old age.

AGE (WOMEN) AGE (MEN)	58
IS THE AGE AT WHICH MEN AND WOMEN CAN RETIRE WITH PARTIAL PENSION BENEFITS THE SAME?	V YES
IS THE MANDATORY RETIREMENT AGE FOR MEN AND WOMEN THE SAME?	VYES
ARE PERIODS OF ABSENCE DUE TO CHILDCARE ACCOUNTED FOR IN PENSION BENEFITS?	× NO



THE WAY FORWARD

Over the years, India has made progress toward gender equality. Of the 35 good practices measured by *Women*, *Business and the Law*, about 26 percent have room for improvement. Prioritizing reforms in the areas of Pay, Parenthood, Entrepreneurship, Assets, and Pension is crucial to help women achieve full equality before the law.

A major priority area for improvement should be that of Pay, where India could eliminate legal restrictions on women's employment. Ensuring that women receive equal remuneration for work of equal value is key to addressing the gender wage gap, as a large proportion of women work in different jobs than men due to occupational sex segregation and are confined to low-paying sectors and activities. Although women are able to work in jobs deemed dangerous in the same way as men, they cannot work at night, nor in mining or manufacturing, in the same way as men. In 2019, the Ministry of Labour and Employment of India adopted new Rules to Allow Employment of Women in Mines. This regulation largely exempts women from the broad night work restrictions that had been imposed under Sec. 46 of the Mines Act of 1952, as long as consent and safety conditions are met. However, the Rules apply only to work above ground, meaning that women are still not allowed to work underground in mines at night.

In the area of **Parenthood**, India could consider reforms around paid paternity leave and making the government fully responsible for the administration of paid maternity leave benefits. When employers are required to pay for maternity leave, the disparity between the cost of hiring women compared to men may lead to an increased gender pay gap and a disincentive for employers to hire women. Among South Asian economies, India is one of four that does not provide any paid paternity leave for private sector workers. In the area of **Entrepreneurship**, the country could improve women's economic inclusion by prohibiting discrimination in access to credit. Enacting such legislation would make India a pioneer in South Asia. Currently, Maldives is the only country in the region to establish this protection. Introducing nondiscrimination in access to credit would support female entrepreneurship, which could positively impact key economic outcomes such as job creation and growth.

Even when reforms are enacted, it can take time for them to be fully implemented across the country. The federal nature of India's system of government is one reason for such gaps in implementation. For example, two states in India, Karnataka and Maharashtra, reformed the Hindu Succession Act in 1994 to allow women and men the same ability to inherit joint family property. It was not until 2005, however, that national-level amendments were made to remove discriminatory provisions regarding property rights. It is important to note that inheritance laws are often derived from customary practices and vary for different social groups. For example, while inheritance rights in India have been equalized for women belonging to the majority Hindu population, in the absence of a uniform civil code, this reform does not apply to Muslim and other minority groups, and restrictions for women in these groups remain. Another example is the 2015 Amendment to the Factories Act, 1948, in Maharashtra, which allowed women employees to work late night shifts as long as the employer provided adequate measures in the factory for their safety at night. In 2019, Goa and Karnataka followed suit regarding the same. Haryana adopted similar provisions in 2020. Other states, including Madhya Pradesh and Andhra Pradesh, have not yet adopted legislation to allow women to work night shifts.

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Women, Business and the Law presents an index covering 190 economies and structured around the life cycle of a working woman. It employs eight indicators that are structured around women's interactions with the law as they begin, progress through, and end their careers: Mobility, Workplace, Pay, Marriage, Parenthood, Entrepreneurship, Assets, and Pension. Overall scores are calculated by taking the average of each indicator, with 100 representing the highest possible score.



For more information, including analysis over time, please visit wbl.worldbank.org or contact wbl@worldbank.org.

ANALYSIS: INDIA IN THE WOMEN, BUSINESS AND THE LAW INDEX

INDICATOR	QUESTION	REGIONAL TREND (Y/N)	INDIA Y/N	INDIA LEGAL BASIS
	Can a woman choose where to live in the same way as a man?	75% 25%	Yes	No restrictions could be located
Þ	Can a woman travel outside her home in the same way as a man?	88% 12%	Yes	No restrictions could be located
[] Mobility	Can a woman apply for a passport in the same way as a man?	88% 12 <mark>%</mark>	Yes	Passports (Amendment) Rules 2016, Sec. 2; Pass- port application form
	Can a woman travel outside the country in the same way as a man?	100% 0%	Yes	No restrictions could be located
	Can a woman get a job in the same way as a man?	100% 0%	Yes	No restrictions could be located
18	Does the law prohibit discrimination in employment based on gender?	62% 38%	Yes	Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017, Sec. 13
المَّلَّ Workplace	Is there legislation on sexual harassment in employment?	100% 0%	Yes	The Sexual Harassment of Women at Workplace Act, Ch. II, Sec. 2(o)
	Are there criminal penalties or civil remedies for sexual harassment in employment?	88% ^{12%}	Yes	Criminal: The Sexual Harassment of Women at Workplace Act, Sec. 26 Civil: The Sexual Harassment of Women at Work- place Act, Sec. 15
	Does the law mandate equal remuneration for work of equal value?	25% 75%	No	No applicable provisions could be located
500	Can women work the same night hours as men?	62% 38%	No	Maharashtra Shops and Establishments Act, Sec. 13
Pay	Can women work in jobs deemed dangerous in the same way as men?	75% 25%	Yes	No restrictions could be located
	Are women able to work in the same industries as men?	38% 62%	No	Mines Act 1952, Sec. 46; Factories Act, Secs. 27, 66 and 87
	Is there no legal provision that requires a married woman to obey her husband?	88% 12 <mark>%</mark>	Yes	No applicable provisions could be located
\searrow	Can a woman be head of household in the same way as a man?	100% 0%	Yes	No restrictions could be located
	Is there legislation specifically addressing domestic violence?	88% 12%	Yes	The Protection of Women from Domestic Violence Act
Marriage	Can a woman obtain a judgment of divorce in the same way as a man?	38% 62%	Yes	No restrictions could be located
	Does a woman have the same rights to remarry as a man?	50% 50%	Yes	No restrictions could be located
	Is paid leave of at least 14 weeks available to mothers?	50% 50%	Yes	Maternity Benefit Act, Sec. 5(3)
Ô	Does the government pay 100% of maternity leave benefits?	<mark>1</mark> 2% 88%	Yes	Employees' State Insurance Act, Art. 46; Gazette notification/corrigendum dated 10th of September, 2020/29th of September, 2020
Parenthood	Is there paid paternity leave?	50% 50%	No	No applicable provisions could be located
Parenthood	Is there paid parental leave?	0% 100%	No	No applicable provisions could be located
	Is dismissal of pregnant workers prohibited?	38% 62%	No	No applicable provisions could be located
(B)	Does the law prohibit discrimination in access to credit based on gender?	<mark>1</mark> 2% 88%	No	No applicable provisions could be located
	Can a woman sign a contract in the same way as a man?	100% 0%	Yes	Indian Contract Act 1872, Sec. 11
Entre-	Can a woman register a business in the same way as a man?	75% 25%	Yes	Companies Act 2013, Secs. 3 and 7
preneurship	Can a woman open a bank account in the same way as man?	100% 0%	Yes	No restrictions could be located
	Do men and women have equal ownership rights to immovable property?	100% 0%	Yes	Hindu Succession Act of 1956, Sec. 14
	Do sons and daughters have equal rights to inherit assets from their parents?	50% 50%	Yes	Hindu Succession (Amendment) Act 2005, Sec. 3
	Do female and male surviving spouses have equal rights to inherit assets?	50% 50%	Yes	Hindu Succession (Amendment) Act 2005, Sec. 5
Assets	Does the law grant spouses equal administrative authority over assets during marriage?	100% 0%	Yes	Hindu Marriage Act of 1955, Sec. 27; Hindu Succes- sion Act of 1956, Sec. 14
	Does the law provide for the valuation of nonmonetary contributions?	0% 100%	No	Hindu Marriage Act of 1955, Sec. 27; Hindu Succes- sion Act of 1956, Sec. 14
R	Are the ages at which men and women can retire with full pension benefits equal?	38% 62%	Yes	Employee's Pension Scheme 1995, Sec. 12(7)
	Are the ages at which men and women can retire with partial pension benefits equal?	50% 50%	Yes	Employee's Pension Scheme 1995, Sec. 12(7)
Pension	Are the mandatory retirement ages for men and women equal?	100% 0%	Yes	No applicable provisions could be located
	Are periods of absence due to childcare accounted for in pension benefits?	<mark>12</mark> % 88%	No	No applicable provisions could be located