

Low Wages and High Costs

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Low Wages and High Costs: Challenges Faced by Women in India's Workforce

Context

A recent report by **Quess Corp** in collaboration with the **Udaiti Foundation** highlights the persistent challenges faced by **blue- and grey-collar women workers** in India. Despite efforts to improve labour participation, women continue to struggle with **low wages, high opportunity costs**, and **structural barriers** that discourage sustained engagement in formal employment.

Introduction

The economic contribution of women is crucial for inclusive growth. However, a large section of women in India's blue- and grey-collar workforce remain underpaid and undervalued. The latest findings indicate a pressing need to **rethink wage structures, address regulatory hurdles**, and create **supportive work environments** to boost women's participation in the formal sector.

Wage Dissatisfaction and Savings Gap

- Over **50% of women workers** in blue- and grey-collar jobs report dissatisfaction with their **low wages**.
 - **80% of them save less than ₹2,000 per month**, reflecting their limited financial security.
 - The combination of **low earnings and high living costs** leads many women to **exit formal employment**, especially when weighed against the **opportunity costs** such as unpaid caregiving and travel time.
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Gender Pay Gap and Employment Challenges

- Women in these roles earn only **70% of the wages** received by men for similar work.
 - Blue-collar jobs involve **manual labour**, while grey-collar roles demand **technical skills**.
 - In **peri-urban manufacturing areas**, women face **lower minimum wages** despite **higher living expenses**.
 - **1 in 5 women earn less than ₹20,000 per month**, the typical minimum wage in Tier-1 cities.
 - Women earning above ₹20,000 are **21% less likely to quit**, underscoring the importance of better pay in retaining female workers.
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Minimum Wage vs. Living Wage

- There is a wide gap between the **statutory minimum wage** and the **actual living wage** needed to afford essentials such as **food, housing, healthcare, education, and financial stability**.
 - **Minimum wages** are legally mandated but currently account only for **nutrition, housing, and clothing**.
 - A **living wage**, in contrast, is calculated based on the **actual cost of living** in a given region and ensures **dignity and financial security** for workers and their families.
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Government Initiatives to Redefine Wage Standards

- The **Labour Ministry** is exploring the possibility of **including health and education expenses** in the minimum wage framework.
- From a women's perspective, such inclusions would reduce the **opportunity cost of employment**, especially in contexts involving **childcare and healthcare**.
- Experts highlight the **implementation challenges** in a diverse country like India and stress the need for **tripartite dialogue** involving the government, employers, and employees.

Structural Barriers to Women's Workforce Participation

- India's **female labour force participation rate (LFPR)** is at **32%**, compared to **77.1% for men**.
- Structural issues beyond wages hinder women's entry and retention in the workforce. These include:
 - **Lack of safe or affordable housing**
 - **Poor workplace environments**
 - **Limited mobility**
 - **Regulatory restrictions**
- **54 existing laws** restrict women's employment, including bans on night shifts.
- While reforms are underway, the **burden of ensuring women's safety**—especially in night shifts—often falls on employers, a challenge for **small businesses**.

Role of Industrial States in Promoting Female Employment

- States with strong **manufacturing ecosystems**, such as **Tamil Nadu, Karnataka, and Maharashtra**, lead in female workforce participation.
- Sectors like **electronics and automotive manufacturing** actively recruit women due to their **skills in finger dexterity and coordination**.
- These industries demonstrate how **sectoral demand** can drive female employment when matched with appropriate policy support.

Conclusion

The findings underline the need for **comprehensive reforms** to bridge the wage gap, redefine

wage standards, and remove systemic hurdles that limit women's participation in the workforce. Ensuring **decent pay, secure work conditions**, and **gender-responsive policies** will be essential for unlocking the full potential of India's female labour force.



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