

Labour Market Discrimination and Earning Differentials - An Evidence from Uttar Pradesh Based on NSS Data

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Abstract

Economists consider discrimination in the labour market to take two forms i.e. wage discrimination and job discrimination. Gender specific segregation is regarded as a stable and rigid phenomenon that exists in traditional as well as modern societies (Rothboeck and Acharya, 1999). Various studies underline the persistence of gender segregated labour market globally, as being independent of the level of industrial development or occupational diversification (Jose, 1987). Some studies even point out that there exists a positive correlation between the level of occupational segregation, size of modern activities and diversification of occupations (Bakker, 1988).

Gender discrimination against women in the market place reduces the available talent in an economy, which has negative economic consequences. Gender discrimination takes many forms. Many social practices seen as normal from a religious or cultural point of view (which may have deep historical roots) leave women out of the economic mainstream. These social practices may have profound economic consequences because they do not allow society to take advantage of the talent inherent in women.

This paper investigates these economic consequences in the form of sex segregation and earnings differentials as it exists in Uttar Pradesh's labour market. So far less is addressed to the question of women and their employment mobility in our economy. Since labour market structure in developing countries differs from that existing in industrialised countries (Sethuraman, 1992), we have implied Duncan's method of studying sex segregation in the State of Uttar Pradesh.