



## Women's Representation in Corporates

**For Prelims:** India Employment Report 2024, [Unemployment](#) rates, Institute for Human Development (IHD), [International Labour Organisation \(ILO\)](#), [Labour Force Participation Rate \(LFPR\)](#).

**For Mains:** India Employment Report 2024: ILO, Major Issues Related to Unemployment in India.

[Source: BS](#)

### Why in News?

Recently, a report by the **National Council of Applied Economic Research (NCAER)** has revealed that women's representation in top management and company boards in India has increased but still lags behind the global average.

- In another study by the **World Bank**, it has been highlighted that India needs to assign a **specific priority sector tag** for **women-led rural enterprises** for easier access to credit.

### National Council of Applied Economic Research (NCAER)

- It is India's leading **independent economic research institute**. Founded in **1956**, it **focuses on practical economic analysis** through **surveys and data collection**.

### Priority Sector Lending

- The RBI mandates banks to **lend a certain portion of their funds to specified sectors**, like agriculture, [Micro, Small and Medium Enterprises \(MSMEs\)](#), export credit, education, housing, social infrastructure, and renewable energy among others.
  - All **scheduled commercial banks** and **foreign banks** (with a sizable presence in India) are mandated to set **aside 40%** of their Adjusted Net Bank Credit (ANDC) for lending to these sectors.
  - **Regional rural banks, cooperative banks** and **small finance banks** have to allocate **75%** of ANDC to PSL.
- The idea behind this is **to ensure that adequate institutional credit reaches some of the vulnerable sectors of the economy**, which otherwise may not be attractive for banks from the profitability point of view.

### What are the Key Findings of the NCAER on Women's Representation in Indian Corporates?

- **The share of Women in Top Management Positions increased from nearly 14% in FY14 to about 22% in FY23.**

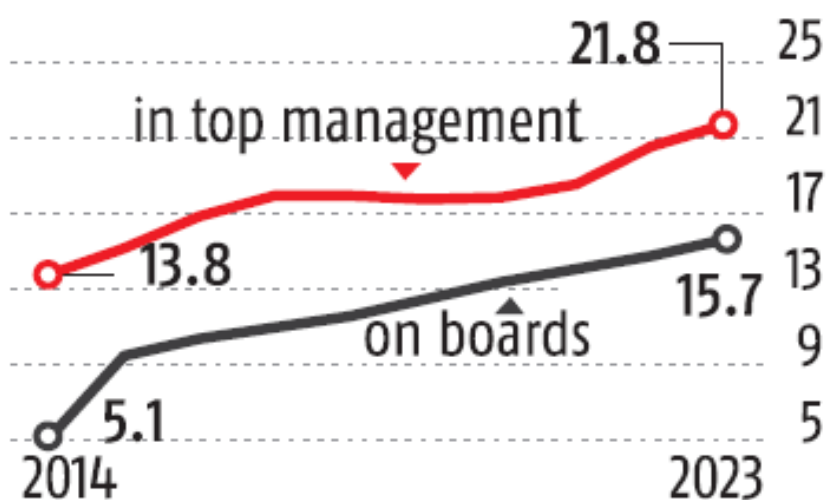
- The share of Women on Company Boards in India increased from around 5% in FY14 to nearly 16% in FY23.
- **The share of Women in Middle and Senior Management Roles in India** is only **20%** with a global average of 33%.
- **Share of Women Representation in NSE Listed Firms:**
  - Almost **60%** of the firms studied, including **5 of the top 10** NSE-listed firms by market capitalization, **did not have any women** in their top management teams as of March 2023.
  - About **10%** of the firms had **just one woman**.

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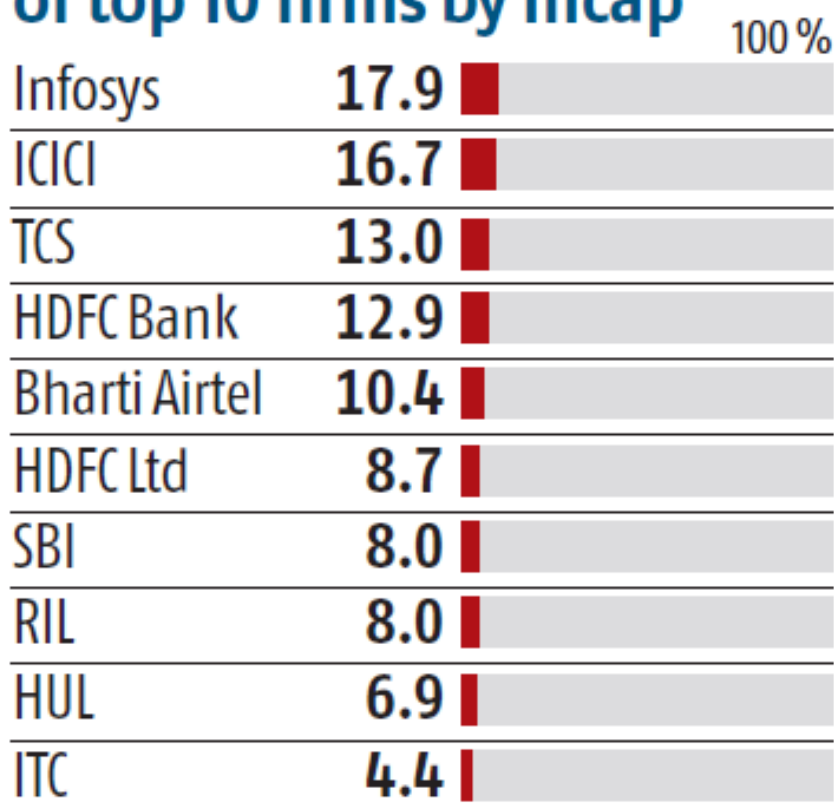


# STATUS CHECK

## % share of women



## % of women on boards of top 10 firms by mcap



Note: Data as of March 2023

Globally 33% women hold middle and senior management roles

Source: NCAER study: "Female Leadership in Corporate India: Firm Performance and Culture"



## Note

- As per the World Bank data, **women's global Labour Force Participation Rate (LFPR)** is slightly **above 50%, while men's is at 80%**.
- **Labour Force Participation Rate (LFPR)** is the ratio between the total labour force divided by the total working-age population. The working age population refers to people aged 15 to 64.
  - Women's LFPR in India has increased from 23% in 2017 to around 37% in 2023.

## What are the Key Recommendations of the World Bank on Boosting Employment Opportunities for Women in India?

- **Assign Priority Sector Tag for Women-led Rural Enterprises:** The [World Bank](#) study found that loans to women's micro-enterprises are not prioritised separately.
  - It suggests creating a new sub-category within the micro-enterprise sector to cater specifically to women-owned ventures with high growth potential.
- **Bridging the Digital Divide:** The report emphasised the need to **equip women entrepreneurs with digital literacy**, with **training programs for digital bookkeeping and payment systems to enhance their financial management capabilities**.
- **Graduation Programs for Sustainable Growth:** The report suggests implementing graduation programs to help micro-loan borrowers transition to mainstream commercial finance.
  - It also advocates for the strategic use of district-level data analytics by stakeholders, including banks, to make informed decisions and effectively promote women's entrepreneurship in rural India.
- **Strengthening the Institutional Ecosystem:** The report recommends **decentralising incubation centres in rural areas** for mentorship and business support.
  - It also suggests developing women's entrepreneur associations to foster community and peer learning.

### **Drishti Mains Question:**

Discuss the state of Women's workforce participation in Indian corporates. Also, suggest measures to enhance their participation in the workforce.

## UPSC Civil Services Examination, Previous Year Questions (PYQs)

### **Prelims**

#### **Q. Disguised unemployment generally means (2013)**

- (a) large number of people remain unemployed
- (b) alternative employment is not available
- (c) marginal productivity of labour is zero
- (d) productivity of workers is low

**Ans: (c)**

**Mains**

**Q.** Most of the unemployment in India is structural in nature. Examine the methodology adopted to compute unemployment in the country and suggest improvements. **(2023)**

PDF Refernece URL: <https://www.drishtias.com/printpdf/women-s-representation-in-corporates>

