



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.**

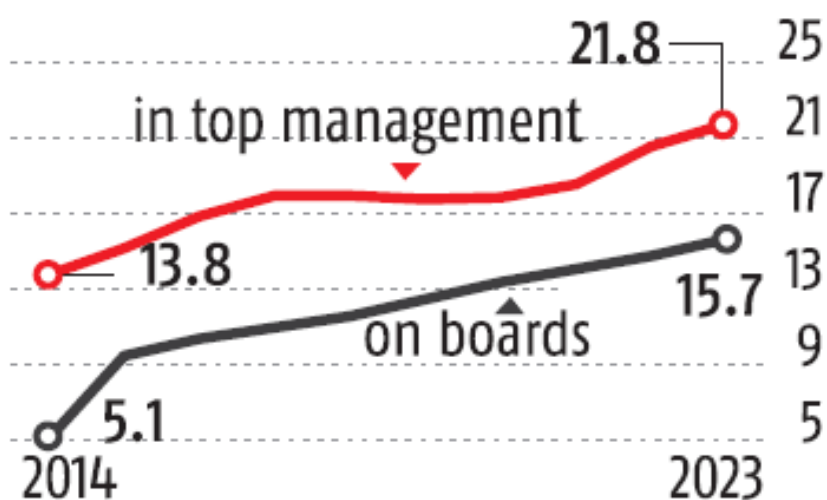
- The share of Women on Company Boards in India increased from around 5% in FY14 to nearly 16% in FY23.
- **The share of Women in Middle and Senior Management Roles in India** is only **20%** with a global average of 33%.
- **Share of Women Representation in NSE Listed Firms:**
 - Almost **60%** of the 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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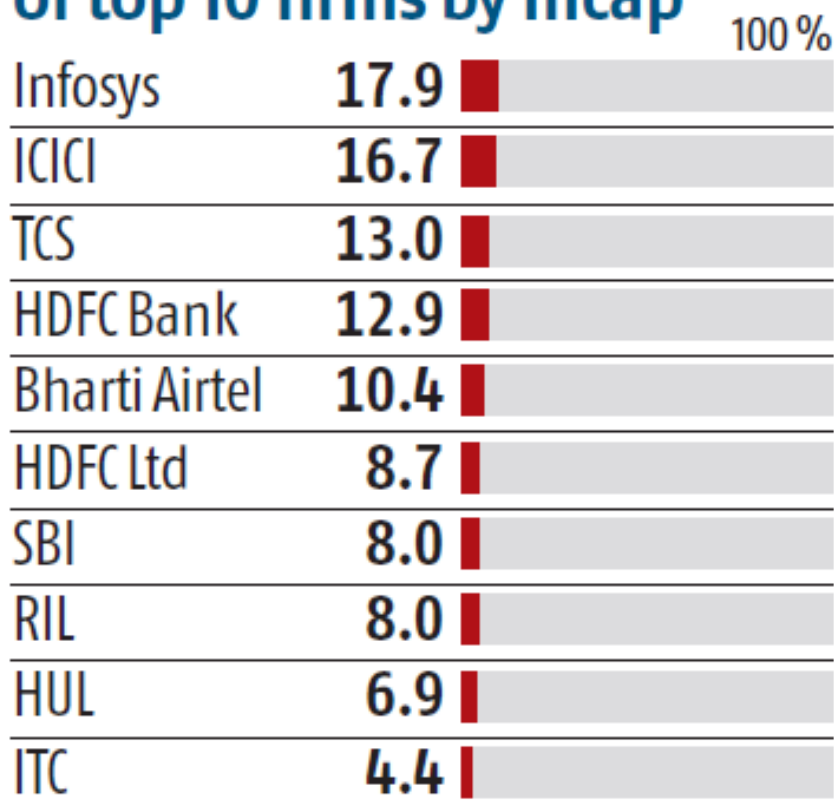


STATUS CHECK

% 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>

