

General Studies-1; Topic – Social empowerment

India's Maternity Benefits

1) Introduction

- The Maternity Benefit (Amendment) Act 2017 increased women's leave entitlements from 12 to 26 weeks for all women in establishments with greater than 10 employees.
- It also mandates that crèche facilities should be provided within a prescribed distance and women be allowed up to four visits a day to the crèche.
- However, the entire cost of these facilities must be borne by the employer.
- There are concerns that the Maternity Benefit (Amendment) Act 2017 has a negative impact in the labour market.

2) Impacts of the Amendment

- There are positive impacts of this policy for women's health and well-being.
- Women getting longer paid leave, and consequently greater job security, are a positive development.
- However, it has certain unintended negative impacts, which could lead to a reduction in demand for female employees.
- Amendment reinforces the notion that the responsibility of child-care lies solely on women.
- By providing these 'benefits' of maternity leave, and crèches only to women, the law effectively places the onus of upbringing squarely on women.

3) Present Status

- A recently released Teamlease study finds that 26 weeks of paid maternity leave could have a negative bearing on the hiring of women in the short-term.
- The report found a negative or mixed response from IT and e-commerce companies.
- The Report projects up to 1.2 crore job losses across all sectors.
- It has created a gap between costs to a company for male and female employees.

4) Arguments against paid maternity leave

- Any benefit has to be relative to income levels, even though socially desirable.
- While the cost of hiring a male candidate would be restricted to salary and other statutory benefits, for women the cost to company would include the 26 weeks of paid maternity leave, cost of creating crèches, as well as the cost of a temporary employee who would need to be hired to fill the gap.
- The International Labour Organisation recommends 14 weeks of maternity leave, while the World Health Organisation recommends 24 weeks.
- Many of India's competitors don't offer similar benefits.
- US provide up to 12 weeks leave, but that is unpaid.
- China mandates a 14-week maternity leave during which the female employee receives a maternity allowance, assuming she has contributed to maternity insurance.
- Canada and the UK bear either part of the parental-benefit costs or reimburse employers.
- India offers one of the longest maternity leaves amongst BRICS group thereby increasing the cost of female labour to private sector.

- India would possibly be able to better its female workforce participation if it did the same instead of making employers bearing the entire responsibility.

5) **Concerns / Challenges**

- It is being estimated that 12 million jobs will be lost by women in 2018-19, solely owing to 2017 amendment.
- In India, where barely 6.5 per cent of women are in the formal sector, it will be disastrous if extended maternity leave further deters employers from hiring women.
- Already, we have falling female labour participation, especially due to inadequate jobs for women.
- The 2017 Act does not apply to women working in informal sector, nor is it clear how it can cover women working on family farms, doing home-based work, the urban self-employed, or casual workers on contract.
- India is the only BRICS economy where there is no paternity or shared parental leave.

6) **Way Forward**

- We need more comprehensive and gender-balanced measures.
- Childcare should not be treated solely as women's responsibility.
- Some 55 per cent countries recognise the father's role and give parental leave or paternity leave in varying degrees.
- Matching paternity and maternity leave would create a more level playing field for women and reduce potential employer discrimination.
- Companies are less likely to discriminate against women if the government supports financially.
- The 2018 ILO report emphasises the need for government support up to at least two-thirds of the costs of maternity benefits, under ILO Convention 183.
- Providing good crèches and childcare centres as the child will need care even after six months of maternity leave.
- Flexible work time for both sexes can additionally help with work-life balance.
- In Japan, the government's expansion of high quality childcare centres has significantly increased women's work participation.
- In western countries, companies which allow flexible work time find increase in worker productivity.
- We need serious efforts including media campaigns, to change social norms favouring childcare by fathers.
- The law needs to lead society in recognising that child-care is not the mother's responsibility alone.

7) **Conclusion**

- Increased parity in parental leave is a necessity to prevent women from being disadvantaged, and to ensure that there is a continued movement towards sharing the responsibilities of child-care.