

# Is Pro-Labor Law Pro-Women? Evidence from India\*

Josef Montag<sup>†</sup>

Faculty of Law, Masaryk University and CERGE-EI<sup>‡</sup>

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## Abstract

I study the effects of state-level differences in labor regulation on labor market outcomes of women in India. Using a representative sample of urban households from 2005, I find that labor regulation has a large negative effect on women's economic activity, mainly employment. My estimates suggest that a one standard deviation increase in the labor regulation measure decreases the probability of a woman being economically active by 3% to 4%—the implied decrease in female labor force is between 15% and 18%. The effects on men's participation are around zero. I do not find labor regulation to have a significant effect on male wages or on the gender wage gap. Finally, labor regulation is associated with women having less say at home and a lower sex ratio.

## Abstrakt

Studie hodnotí efekty rozdílů v míře regulace pracovně-právních vztahů napříč indickými státy na postavení žen na trhu práce. V reprezentativním vzorku městských domácností z roku 2005 nacházím velké negativní dopady regulace trhů práce na ekonomickou aktivitu žen, zejména na zaměstnanost. Mé odhady naznačují, že zpřísnění regulace trhu práce o jednu standardní odchylku snižuje pravděpodobnost, že žena je ekonomicky aktivní o 3 % až 4 % – to je rovno snížení počtu pracujících žen o 15 % až 18 %. Odhady efektů na zaměstnanost mužů se pohybují kolem nuly. Nenacházím ani významné dopady regulace pracovních trhů na mzdy mužů či genderové rozdíly ve mzdách. Regulace trů práce je dále spojena se slabší pozicí žen v domácnostech a nižším podílem žen v populaci.

*Keywords:* gender gap, labor regulation, India.

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<sup>†</sup>Email: josef.montag@cerge-ei.cz.

<sup>‡</sup>Center for Economic Research and Graduate Education–Economics Institute, a joint workplace of Charles University in Prague and the Academy of Sciences of the Czech Republic. Address: CERGE-EI, Politických vězňů 7, Prague 1, 111 21, Czech Republic.