Cinderella No More: Night Shift Bans and Women's Employment in India

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September 2025

Abstract

Night-shift bans are gender-specific restrictions that prevent women from working at night on the same terms as men. While most countries have repealed such laws, women's access to night work in India remains subject to gender-differentiated conditions, with several states permitting night employment only under specific safeguards and administrative requirements under the Shops and Establishments Acts. Our theoretical framework highlights the ambiguity of such reforms: lifting a binding constraint may expand women's employment opportunities, but new compliance costs could offset these gains. Exploiting the staggered rollout of state amendments and household survey data, we find that the reforms did not affect overall female employment levels but reshaped its composition. Women in treated states were 10.70% more likely to be employed in services and 5.5% less likely to be employed in non-services, with stronger effects in safer districts. These patterns remain robust after accounting for contemporaneous amendments to the Factories Act governing manufacturing, suggesting that the observed reallocation is not driven by parallel regulatory changes in non-service sectors. These results show that relaxing night-shift bans in services shifts women's employment across sectors, and the benefits of greater scheduling flexibility outweigh the compliance costs introduced by the reforms.

JEL Classification: J16, J21, J78, K31

1 Introduction

Night-shift bans are gender-specific restrictions that prevent women from working at night on the same terms as men. In 1971, 81 of 190 economies imposed such restrictions; by 2024, only 20 countries continued to do so (WorldBank, 2024). In India, these restrictions have historically played an important role. Provisions governing women's night work, embedded in labor laws covering factories, contract labor, and plantations, have varied in scope and enforcement across states, creating meaningful differences in women's access to night-time employment (Anand and Kaur, 2022). In 2025, India consolidated its labor legislation into four new labor codes. This 2025 reform formally removes blanket prohibitions on women's night shifts. Our analysis clarifies whether liberalizing gender-specific labor restrictions changes women's employment opportunities.

Night-shift bans impose a hard legal constraint on the number of women firms can employ. These bans reduce scheduling flexibility and may discourage firms from hiring women at all. Removing the restrictions increases flexibility but also raises compliance costs through welfare provisions mandated by the law. Reforms that lift night-shift bans, often require firms to fulfill certain transport, security, recordkeeping, and infrastructural requirements. Whether women's employment rises depends on the balance of these two forces. We study this tradeoff in the service sector, where states amended the Shops and Establishments Acts to relax night-shift prohibitions.

Exploiting the staggered rollout of these reforms, we find that removal of the night shift prohibitions in the services sector encourages women to move from non-service sector employment to service sector employment. To measure the likelihood of employment, we rely on the Annual Periodic Labour Force Surveys (PLFS) conducted between July 2017 and June 2022 by the Ministry of Statistics and Programme Implementation (MOSPI) in India. To estimate the impact, we rely on a two-way fixed effects model in which we compare the likelihood of service sector employment between states that passed one of the labor regulations targeting women and those that did not.

We do not find evidence of any change in women's overall labor force participation or employment levels following the reforms. Instead, the effect appears in the composition of employment. We find that women in treatment states were 10.70% more likely to be employed in services and 5.5% less likely to be employed in non-services sectors. Our results indicate that the benefits of greater scheduling flexibility in service sector employment outweigh the compliance costs introduced by the reforms. To validate this mechanism, we supplement our analysis with firm-level data from Prowess and find no significant increase in compliance costs for service-sector firms after the amendments.

We perform multiple analyses to address potential endogeneity in the treatment. We test whether, in the absence of the night-shift reform, women's employment outcomes in treated states would have followed a trajectory similar to those in untreated states. The

assumption could be violated if states that had distinct sectoral employment trends were also more likely to amend their Shops and Establishments Acts. To address this concern, we present evidence that employment trajectories in services and non-services were not systematically different between treated and untreated states prior to the amendments. We account for state-level characteristics that may have affected the passage of female-specific labor regulation: for instance, larger service sector presence in treatment states (like Karnataka, Andhra Pradesh) which may increase women's labor demand. We also account for time-varying factors. We also control for state-time variation in Net State Domestic Products (NSDP) and Gross Value Added (GVA)in service sectors of different states.

We conduct a series of robustness checks to assess the validity of our identification strategy. A simple Two way Fixed Effects analysis recovers a weighted average of all possible two-group, two-period difference-in-differences comparisons. In practice, this implies that already-treated states are also used as controls for states that have not yet implemented the reform. Because early adopters are no longer valid counterfactuals once treated, these comparisons can be contaminated. We implement alternative estimators designed for staggered policy adoption to get unbiased estimates of the effects. In particular, we apply the Callaway and Sant'Anna (2021) estimator as well as the Sun and Abraham (2021) method, both of which produce more credible estimates of treatment effects. Our results are robust across these approaches.

This paper documents the statutory language of state-level amendments, including their timing, scope, and applicability. It distinguishes between permissions-based and conditions-based Shops and Establishments reforms and acknowledged the firm-size thresholds embedded in the law. The paper demonstrates that interactions between the Shops Act and other labor regulations shape employment responses. The results indicate that employment effects are heterogeneous along legal dimensions, and that sectoral reallocation is driven by differences in statutory design. All amendments are traced to original legislative documents, which are reported in an appendix table.

We contribute to the global literature on restrictions to women's working hours, where evidence remains mixed. Legally restricting women's working hours could force employers to adjust their hiring preferences, potentially reducing women's employment opportunities (Ratner, 1980, Devaud and Levy, 1980, Politakis, 2001, Meilland, 2000). In Taiwan, the introduction of night-shift bans lowered women's likelihood of employment by one percentage point and reduced their hours by 6.1% (Zveglich and Rodgers, 2003). Repeal of these restrictions elsewhere improved women's outcomes. Removal of overtime limits in Japan increased women's probability of employment by 3.6 percentage points (Kato and Kodama, 2014), and the repeal of weekly hours regulations in U.S. industries lowered women's exit from regulated sectors by 1.9 pecentage points (Fishback et al., 2025).

These regulations may also encourage women to seek employment. In the nineteenth-

century United States, night-work laws increased women's employment by 8% as they made jobs more socially acceptable and enhanced non-wage incentives for women (Kattan and Haddad, forthcoming, Mccammon, 1996, Breen, 1988, Harvie et al., 1993). Similarly, Goldin (1988) finds that maximum-hours legislation reduced scheduled hours for both men and women by about 1.5 hours per week, suggesting that these policies reflected broader worker preferences for improved working conditions rather than merely employer mandates. Building on this, our analysis asks whether reforms to night-shift bans in India encouraged women to participate in the labor force. We also examine heterogeneity by district safety to assess how women's labor supply decisions are mediated by their safety environment.

Contrary to various other economies, India continues to retain the night-shift restrictions. The consequences of retaining work-hour restrictions may be particularly serious for developing countries, where women's labor supply is an important component of growth (Nataraj et al., 1998). Following the 1991 tariff reforms in India, establishments exposed to larger output tariff reductions reduced the share of female workers, reflecting employers' preference for male employees whose shifts were unrestricted. A decline in tariffs led to a 7 % increase in shifts per worker (Gupta, 2021). When output demand rises and production requires additional shifts, night-shift regulations for women cap the number of shifts they can work, thereby depressing women's employment opportunities. Employers may prefer male workers whose hours are not limited by law.

Gupta et al. (2025) provides direct evidence for this mechanism in manufacturing. They use firm-level data from the Annual Survey of Industries (ASI) and a difference-in-differences strategy that exploits the staggered removal of night-shift prohibitions under the Factories Act. Lifting the restrictions increased the number of female workers by 13% and their workforce share by 3.5% in large manufacturing firms, and also raised the likelihood that such a firm would employ any women by 2.6 percentage points. Our paper instead examines household-level outcomes of reforms to the Shops and Establishments Acts, which regulate service-sector employment. We focus on how these amendments shaped women's sectoral employment patterns, rather than firm-level hiring.

Our results extend the evidence on how restrictions on women's service sector employment shape women's work in India. Women have a comparative advantage in service-sector employment (Olivetti and Petrongolo, 2016, Ngai and Petrongolo, 2017). In India, agriculture still employs a large share of women, but rising mechanization and declining farm profitability have reduced demand for female labor (Mehrotra and Parida, 2017, Chatterjee et al., 2015). Klasen and Pieters (2015*a*) find that female-intensive sectors have grown less dynamically, limiting women's opportunities. Existing literature on labor laws either document the effect of laws regulating manufacturing firms (Chakraborty and Mahajan, 2023, Gupta et al., 2025), or study the broader labor law framework across states (Montag, 2011). Regulation of women's employment in services is therefore partic-

ularly consequential, since restrictions such as night-shift bans directly constrain access to the sector with the greatest potential to absorb female labor. By focusing on the Shops and Establishments Acts, we provide evidence on how service-sector regulations shape women's employment. These findings highlight that night-shift regulations affect not only firm-level hiring decisions but also the sectoral allocation of women across the economy.

The remainder of this paper is structured as follows. Section 2 reviews the institutional context, describing the legal landscape governing women's night-shift employment in India and recent reforms. Section 3 develops a simple theoretical framework to clarify the mechanisms through which lifting night-shift bans may affect women's employment. Section 4 introduces the data and Section 5 outlines the empirical strategy. Section 6 presents the results, examining women's labor force participation, employment patterns, sectoral shifts, and employment contracts, including heterogeneity by period of exposure. Section 7 reports robustness checks. Section 8 concludes by summarizing the key findings and discussing policy implications.

2 Institutional Context

Limitations on women's working hours in India first featured in the Factories Act, 1891. The Act capped women's hours at 11 per day. By 1896, men's working expanded with the adoption of electric lighting, however women's hours remained constrained. In 1921, India ratified International Labour Organisation Conventions 3 and 4, which prohibited women's night work in factories (Sen, 1999). Over time, ILO ratifications influenced the trajectory of Indian labour law.

India's state-level Shops and Establishments Acts emerged in the mid-20th century to regulate working conditions in shops, eateries, theaters, and other commercial establishments not covered by factory laws. According to the Model Shops and Establishments Act, 2022, the definition of a shop is "any premises (to which the provisions of the Factories Act 1948 do not apply) where goods are sold, either by retail or wholesale or where services are rendered to customers", and a commercial establishment is – "any premises (to which the provisions of the Factories Act 1948 do not apply) where any trade, business, manufacture, or any work in connection with, or incidental or ancillary thereto is carried on."

Under British rule, there were no such laws until the provincial governments gained more autonomy in 1937. Bombay led the way in 1939 with the first Shops and Establishments Act (Billon, 1949). Currently, every Indian state has enacted its own Shops and Establishments Act and subsidiary regulations (rules) under the Act.

From the outset, most state Shops and Establishments Acts included special provisions restricting women from night work, mirroring the protective approach of that era.

As of November 2025, nine of these state laws forbid the employers regulated under the Act to "require or allow" women to work beyond a specific time (for instance 7 PM) in the evening. These are enacted in Madhya Pradesh, Assam, Tripura, West Bengal, Meghalaya, Odisha, Manipur, Nagaland, and Sikkim. Three states– Bihar, Chhattisgarh and Gujarat – prohibit the night-shift employment, but can make exceptions if the employer takes an inspector's permission. Five states –Haryana, Himachal Pradesh, Punjab, Jharkhand, and Telangana – only exempt certain kinds of enterprises like cinemas and theatres, information and technology firms or hospitals from women's night shift employment restrictions.

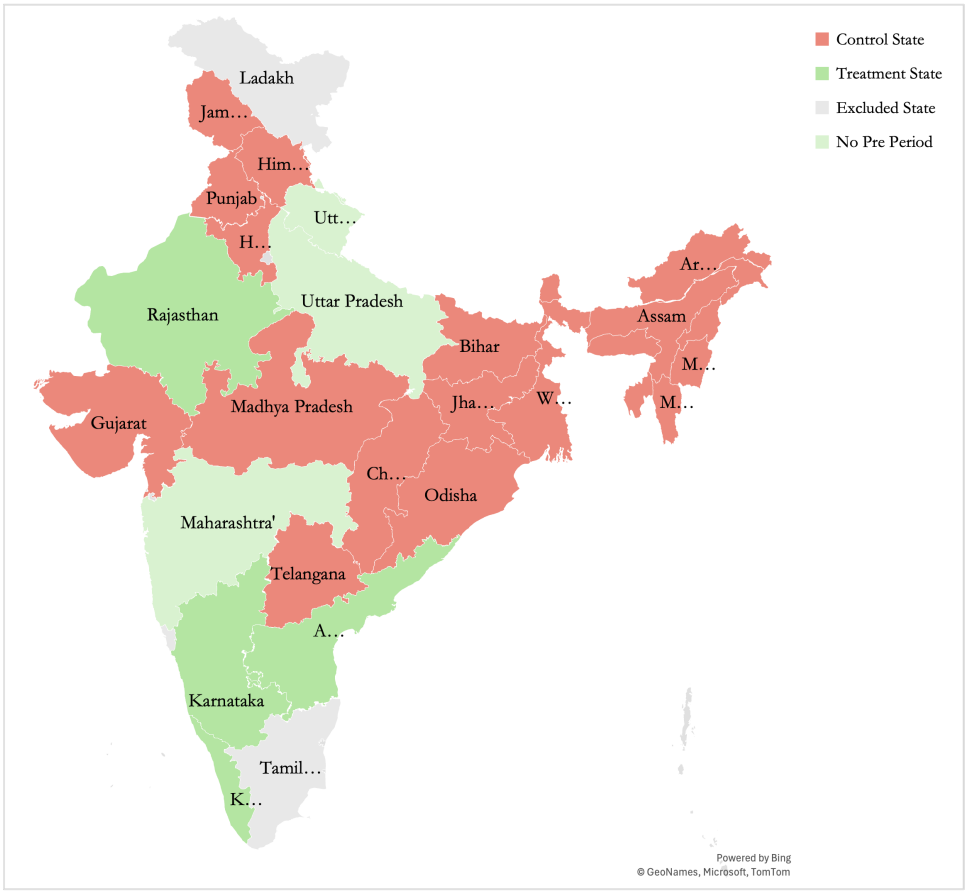


Figure 1: Treatment vs Control States based on Amendment of Shops and Establishments Act

Some Indian states have recently begun lifting these bans, provided that firms abide by certain welfare provisions. Seven Indian states allow employment of women if they comply with some conditions like arranging transportation services, security provisions etc. for women. These states are Maharashtra, Uttarakhand, Kerala, Andhra Pradesh, Uttar Pradesh, Karnataka, and Rajasthan. We consider these states as the states that introduced the treatment. Two states – Goa and Tamil Nadu – never had any night-shift employment restrictions for women. We consider the two states as already treated states.

The years of amendment of different State Shops and Establishments Acts are 2017, 2018 and 2020 (Anand and Kaur, 2022). The Gazette notifications of amendments to

State Shops and Establishments Acts are available in the online appendix. The amendments to the Shops and Establishments Act for Maharashtra, Uttar Pradesh, and Uttarakhand took place in 2017. PLFS didn't have pre-period data for these treatment states. As recommended by Callaway and Sant'Anna (2021), we excluded these states from the analysis. Therefore, the treatment states for the purposes of our analysis are– Kerala, Andhra Pradesh, Rajasthan and Karnataka.

Amendment Year	Number of States	State Names
July 2017- June 2018	3	Uttarakhand, Maharashtra, Uttar Pradesh
July 2018 - June 2019	2	Kerala and Andhra Pradesh
July 2019 - June 2020	1	Rajasthan
July 2020 - June 2021	1	Karnataka

Table 1: Year of Amendment in the Shops and Establishments Acts of the Treatment States

3 Theoretical Framework

A legal restriction previously prohibited firms in the service sector from employing women beyond 7 p.m. This night-shift prohibition effectively imposed a binding constraint on the employment of women, limiting firms' ability to hire female workers during evening hours. As a result, firms could not fully adjust their labour input in response to fluctuations in demand or operational requirements. The policy reform under consideration relaxed this restriction in certain states, thereby removing the quantity constraint on women's employment in the service sector. Following the reform, firms gain greater scheduling flexibility, which allows them to adjust labour input more effectively in response to fluctuations in demand and operational requirements (Gupta, 2021).

We consider a competitive labour market for women employed in the service sector. Let L denote the number of women employed in services and W the corresponding wage. On the demand side, firms hire women up to the point where the wage equals the marginal revenue product of labour. Suppose output is produced using women's labour according to a concave production function $F(L)$, with $F'(L) > 0$ and $F''(L) < 0$, and let p denote the output price. Labour demand therefore satisfies

$$W = pF'(L^d). \tag{1}$$

Following Hamermesh (1993), we adopt a one-input model of labour demand in which women's labour in the service sector is treated as a homogeneous input. In particular, we abstract from other production factors such as capital or male labour in order to isolate the firm's demand for female workers. This simplifying assumption eliminates substitution possibilities across inputs and allows us to focus directly on how regulatory changes affect the demand for women's employment. In addition, we assume that hours are fixed,

so that labour input corresponds directly to employment. That is, firms adjust labour solely along the extensive margin (number of workers) rather than through variations in hours worked.

Equivalently, labour demand can be written as

$$L_D = D(w), \qquad D'(w) < 0. \tag{2}$$

Because of diminishing marginal productivity, the demand curve is downward sloping. In Figure 2, this corresponds to the downward sloping curve L_D.

On the supply side, women's labour supply to the service sector is upward sloping:

$$L_S = S(w), \qquad S'(w) > 0. \tag{3}$$

In Figure 2, this corresponds to the upward sloping supply curve L_S. In the absence of regulation, the competitive equilibrium is at the intersection of labour demand and supply, yielding equilibrium employment Q and wage W.

Prior to the reform, female employment in the service sector was restricted by regulation, which we model as a binding quantity constraint:

$$L = \bar{L}, \qquad \bar{L} < Q. \tag{4}$$

Graphically, the vertical line at $\bar{L}$ truncates the labour market in Figure 2. Instead of reaching the competitive equilibrium (Q, W), the economy operates at the constrained outcome $(\bar{Q}, \bar{W})$, where $\bar{Q} = \bar{L}$ and $\bar{W}$ is determined on the supply curve. Because $\bar{Q} < Q$, the restriction generates a deadweight loss the shaded region (triangle ABC) between the demand and supply curves over the range $[\bar{Q}, Q]$. The regulation therefore results in lower employment and foregone gains from trade.

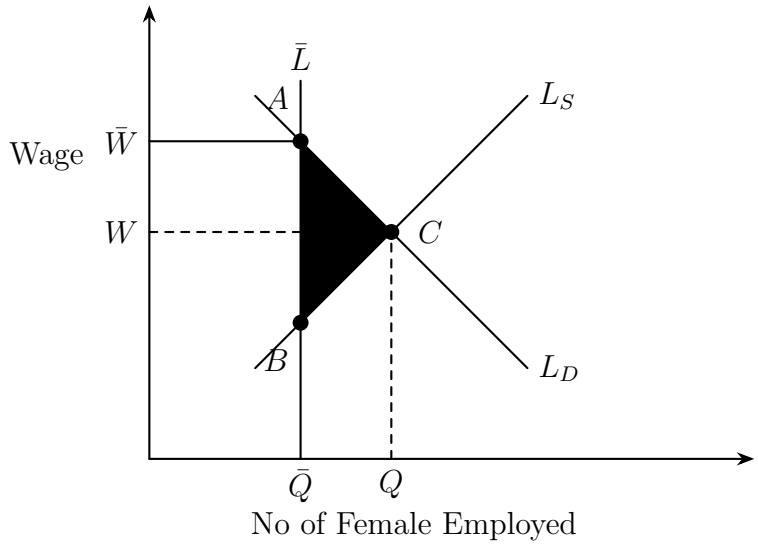


Figure 2: Service sector labour market equilibrium before the reform

Compliance Costs and Post-Reform Employment Adjustment

Following the reform, the statutory restriction on employing women beyond 7 p.m. is removed. As we know that $\bar{Q}$ denote the pre-reform level of women's employment in the service sector. In the absence of the regulatory constraint, firms may adjust employment toward the unconstrained competitive level Q. We define the post-reform change in employment as:

$$\Delta Q = Q - \bar{Q}.$$

The firm's decision is therefore whether to expand employment beyond the pre-reform level, i.e., whether $\Delta Q > 0$.

While the reform removes the quantitative restriction, employing women in night shifts typically requires firms to comply with additional regulatory and operational requirements, including arranging safe transport, providing security personnel, implementing monitoring systems, maintaining documentation, and adhering to administrative protocols. These requirements generate compliance costs associated with expanding women's employment.

In line with Hamermesh's (1993) framework of labour demand with adjustment costs, we model compliance expenditure as consisting of both a variable and a fixed component. Specifically, we assume that compliance costs take the form:

$$C(\Delta Q) = \gamma(\Delta Q)^{\alpha} + \begin{cases} K & \text{if } \Delta Q > 0, \\ 0 & \text{if } \Delta Q = 0, \end{cases} \quad 0 < \alpha < 1,\ \gamma > 0,\ K > 0.$$

The compliance costs are increasing at a decreasing rate in the size of the employment

expansion. Economically, this captures scale economies in compliance: initial expansion requires substantial organizational effort and setup, but once safety infrastructure and procedures are in place, the marginal cost of adding additional women to night shifts declines. The fixed component K represents a lumpy setup cost that must be incurred whenever the firm expands employment beyond $\bar{Q}$. This includes investments in transport systems, safety arrangements, documentation processes, and regulatory compliance mechanisms. If the firm does not expand employment (i.e., $\Delta Q = 0$), this fixed cost is not incurred.

Having specified the structure of compliance costs, we now characterize the firm's post-reform employment decision in terms of profit maximization. Let firm profit at employment level L be given by :

$$\pi(L) = pF(L) - wL. \tag{5}$$

The gross change in operating profit from adjusting employment from the constrained level $\bar{Q}$ to an alternative level Q is therefore

$$\Delta\pi = \big[pF(Q) - wQ\big] - \big[pF(\bar{Q}) - w\bar{Q}\big]. \tag{6}$$

Accordingly, the firm expands employment beyond $\bar{Q}$ only if the gross gain in operating profit exceeds the compliance cost associated with adjustment. The firm's decision rule can therefore be written as

$$\Delta\pi \geq C(\Delta Q).$$

If $\Delta\pi < C(\Delta Q)$, the firm does not expand employment and continues to operate at the pre-reform level $\bar{Q}$. Intuitively, although the reform removes the quantitative restriction on women's employment, expansion is not automatic. The firm weighs the additional operating surplus generated by higher employment against the regulatory and operational costs required to implement night-shift work. Only when the net gain from expansion is positive does employment increase.

If the reform induces an increase in women's employment in services, the additional women employed can come from multiple sources. The increase in service employment may reflect:

1. Women entering from out of the labour force,
2. Women transitioning from unemployment, or
3. Women reallocating from the non-service sector into services.

These are empirically distinct margins. Accordingly, in the empirical analysis we explicitly examine where the post-reform service-sector employment comes from by studying

changes in women's labour force status and sector of employment. If the observed increase in service employment is driven by reallocation from the non-service sector, we would expect corresponding adjustments in that sector. In particular, a decline in the supply of women to non-service activities should reduce women's employment in non-services and exert upward pressure on wages in that sector.

The impact of the reform on women's employment is likely to vary across districts depending on local socio-economic conditions, particularly crime levels and the prevalence of domestic violence. In districts characterized by higher crime rates or greater incidence of domestic violence, women may face stronger safety concerns and mobility constraints. As a result, the labour supply of women in the service sector may be relatively more inelastic compared to districts with lower levels of crime and domestic violence.

Consequently, even when the regulatory constraint is removed, the expansion in women's employment may be limited in high-crime or high-domestic-violence districts. We therefore hypothesize that districts with higher baseline levels of crime or domestic violence will experience smaller increases or potentially no change in women's service-sector employment following the reform, relative to districts where such constraints are less severe.

4 Data

We use the Periodic Labor Force Survey (PLFS) of India for employment and labor force statistics. The Periodic Labor Force Survey is a household survey conducted to measure the dynamics in labor force participation and employment status. It covers all of the Indian Union except some villages in Andaman and Nicobar Islands. The Periodic Labor Force Survey was initiated in 2017, therefore, our dataset spans over 5 years from June 2017 to June 2022.

The Periodic Labor Force Survey provides information on an individual's usual activity status, which refers to their activity during the 365 days prior to the survey date. This study focuses on the principal employment status of the female labor force, determined by the activity on which an individual spent the majority of their time during the same 365-day reference period.

Our dataset included 585,798 females, out of which 142,117 were working-age women participating in the labor force. Our sample consists of all working-age (willing to work) women across 5 years and 24 states. We estimate the likelihood that women who are willing and able to work find employment based on their principal employment status.

Table 2: Probability of a Woman in the Labor Force Finding a Specific Type of Employment

Employment Category	**Probability**
Unemployed	8%
Employed	92%
Non-Service Sectors	60%
Self-Employed	43%
Wage-Employed	17%
Service Sector	32%
Self-Employed	9%
Wage-Employed	23%

Notes: The statistics are calculated using pooled Periodic Labour Force Survey (PLFS) data for 2017–2022. The sample is restricted to women in the labour force, defined as those classified as employed or unemployed under principal usual status.

Out of the total number of women in the labor force (excluding the women employed in the manufacturing sector), nearly 8% women are unemployed. PLFS defines unemployed individuals as– "Persons, who, during the reference period, owing to lack of work, had not worked but either sought work through employment exchanges, intermediaries, friends or relatives or by making applications to prospective employers or expressed their willingness or availability for work". The remaining 92% of women were either employed in the non-services sectors (agriculture sector and the manufacturing sector) or the services sector (Refer Table 2).

Within the sectoral employment, women could be self-employed or wage employed. PLFS defines self-employed individuals as –"persons engaged independently in a profession or trade on own-account or with one or a few partners". Self employed women could further be categorised into (i) Own Account Workers– who operate their enterprises on their own account or with one or a few partners and who during the reference period; (ii) Employers– who run their enterprise by hiring labour; and (iii) Helpers– who do not run the household enterprise on their own but assist the related person living in the same household in running the household enterprise.

PLFS also categorizes workers employed in a wage-employment into– (i) Casual workers – "getting in return wage according to the terms of the daily or periodic work contract is a casual wage labor"; and (ii) Salaried workers –"Persons working in return of a salary or wages on a regular basis and not on the basis of daily or periodic renewal of work contract".

Table 3 shows that women in treatment states are, on average, slightly older, less educated, and less literate, and more likely to be married than those in control states.

Table 3: Baseline Summary Statistics (2017)

	Treatment	Control	Diff.	t-stat	N_T	N_C
Panel A: Individual & Household Characteristics						
Age (years)	38.68	37.54	1.14	6.82	6,959	17,436
	(0.14)	(0.09)	(0.17)			
Formal Education (Years)	6.71	7.21	-0.50	-5.91	6,959	17,436
	(0.07)	(0.04)	(0.08)			
Literate (share)	0.63	0.71	-0.08	-12.06	6,959	17,436
	(0.00)	(0.00)	(0.01)			
Married (share)	0.74	0.65	0.09	13.91	6,959	17,436
	(0.01)	(0.00)	(0.01)			
Household size	4.55	4.77	-0.21	-7.34	6,959	17,436
	(0.03)	(0.01)	(0.03)			
Urban household (share)	0.41	0.39	0.03	3.83	6,959	17,436
	(0.01)	(0.00)	(0.01)			
Monthly PCE (Rs.)	10,002.53	9,395.86	606.67	5.90	6,959	17,436
	(80.31)	(54.13)	(102.77)			
Panel B: Employment Composition (Principal Status)						
Female LFPR (share)	0.20	0.14	0.06	30.25	34,863	144,969
	(0.00)	(0.00)	(0.00)			
Female employment rate (share)	0.89	0.90	0.01	-3.22	6,959	17,436
	(0.00)	(0.00)	(0.00)			
Share employed in Agriculture	0.42	0.42	0.00	0.30	6,959	17,436
	(0.00)	(0.01)	(0.01)			
Share employed in Manufacturing	0.16	0.14	0.02	3.87	6,959	17,436
	(0.00)	(0.00)	(0.01)			
Share employed in Services	0.31	0.34	-0.04	-5.30	6,959	17,436
	(0.01)	(0.00)	(0.01)			
Self-employed (share)	0.40	0.49	-0.09	-12.78	6,959	17,436
	(0.01)	(0.00)	(0.01)			
Wage-employed (share)	0.49	0.41	0.08	11.00	6,959	17,436
	(0.01)	(0.00)	(0.01)			
Panel C: Baseline State-Level Controls (2017)						
NSDP per capita (Rs.)	1,51,522.3	1,23,860.5	27,661.7	0.75	4	22
	(20,715.82)	(14,705.43)	(35,962.7)			
Service GVA (Rs. Thousands)	45,095.0	17,268.55	27,827.39	2.73	4	22
	(10,492.35)	(3,994.67)	(10,189.18)			
Panel C: Baseline District-Level Information (2017)						
District Crimes against women	671.06	397.13	273.93	4.863	85	428
	(57.62)	(22.34)	(56.32)			

Notes: Baseline year is PLFS 2017. Means reported; standard errors in parentheses. Treatment states are the states that subsequently amended the Shops and Establishments Acts to permit women's night shifts. State-level statistics use the number of states S_T and S_C in each group.
Sources: Panel A and B variables are from the Periodic Labour Force Survey (PLFS), Ministry of Statistics and Programme Implementation (MoSPI). NSDP per capita and Service GVA from the Reserve Bank of India Handbook of Statistics on Indian States (RBI, 2017). Crime rates against women from the National Crime Records Bureau (NCRB, 2017). Female literacy rates from Census of India (2011) projected forward using NSSO Educational Attainment tables. "Diff." is Treatment minus Control; t-stat from two-sample tests of mean equality using robust standard errors.

These characteristics could bias our estimates if older or less educated women systematically face lower employability or weaker attachment to the labor force. In that case, the treatment effect could be underestimated, since treatment states might already have lower baseline employability regardless of policy change. Conversely, if married women in treatment states are more likely to seek wage stability or benefit from household income buffers, the estimated effect could be overstated, reflecting compositional differences rather than the amendment itself.

Household size is smaller, while per-capita consumption expenditure is higher, suggesting relatively higher living standards and possibly greater urbanization in treatment states. More prosperous households might exhibit lower female labor supply due to income effects, which would again bias the results downward. However, Panel B suggests that Treatment states display higher female labor-force participation.

Further, women in treatment states are more likely to be wage employed and less likely to be self employed. This suggests that women in these states are already more integrated into the formal sector. If these states had stronger baseline demand for female wage labor or a pre-existing preference for formal service employment, the observed post-reform increase in services employment could partly reflect pre-trend differences rather than the policy effect, thereby overstating the causal impact of the amendment. On the other hand, greater familiarity with wage employment may also mean a lower scope for additional gains post-reform, biasing estimates toward zero.

At the state level, treatment states have higher NSDP per capita and larger service-sector GVA, confirming that they were economically more advanced and more service-oriented even before the reform. These factors could bias estimates upward if economically dynamic states were simultaneously more likely to pass gender-progressive labor reforms and to generate service-sector employment.

Treatment states also record higher rates of crimes against women. A higher baseline incidence of crime shapes the environment in which the reform operates: where safety concerns are severe, women's responsiveness to new employment opportunities may remain limited. Accordingly, the paper explores heterogeneity in treatment effects by local safety environment to assess how the effectiveness of the reform depends on women's exposure to risk.

5 Empirical Strategy

5.1 Baseline Identification Strategy

In order to identify the causal effect of female-specific labor regulation on women's employment, it is necessary to address various sources of endogeneity. States that have implemented female-specific labor regulations may exhibit time-invariant characteristics

that lead to different levels of female employment compared to the states that have not. For instance, states adopting these regulations might have a more favorable legal environment for women overall. We observe a statistically significant difference between the average monthly expenditure on household consumption in the treatment and control states. This difference may indicate that the treatment states are more prosperous than the control states and, therefore, may house a greater demand for women's work.

Trends in the adoption of gender-specific labor regulations may have changed over time. Time-varying factors could simultaneously affect both the adoption of gender-specific labor regulations and labor market outcomes. For instance, during the COVID-19-induced lockdown in 2020, many workers returned to their home states, creating acute labor shortages for firms. In response to this constraint, firms may have sought to expand their available labor pool by hiring more women. To facilitate this, firms might have advocated for regulatory changes, such as the removal of night shift restrictions on women. If we fail to account for such time-varying shocks and responses, we risk attributing the effects of the lockdown to changes in night shift regulation, thereby biasing our estimates.

To deal with these sources of endogeneity, we include state and year-fixed effects in our identification strategy. Given that individual-level characteristics can influence employment decisions, we conduct our analysis at the individual level, which allows us to control for exogenous characteristics of individuals. Given that our treatment is the amendment of the Shops Act, we compare the pretreatment and posttreatment differences in outcomes for a treated group (women in states that introduce an amendment in their night-shift provisions) and a control group (women in states that do not modify their night-shift provisions).

To estimate the average treatment effects of female-specific labor regulations, we rely on the following generalized difference-in-differences specification:

$$\mathrm{Y}_{ist} = \alpha + \lambda_t + \gamma_s + \beta \mathrm{Amendment}_{st} + \delta \mathrm{X}'_{ist} + \rho \mathrm{Z'}_{st} + \epsilon_{ist} \tag{7}$$

Y_{ist} is the probability that a female i is employed in a state s at time t. The main independent variable of interest Amendment is a state-time varying indicator variable that equals one for all state-years when the night-shift restriction was inactive. It assigns a value of zero to states that never adopted the labor law in question and to those that did so, but only for the years preceding its passage. This binary indicator allows us to classify states into treated and control states, as well as time-period into pre- and post-treatment for treated states. The terms γ_s and λ_t are state and time fixed effects respectively; X'_{ist} is a list of individual level controls including age, marital status, and highest level of education attained, and their monthly household consumption expenditure. Z'_{ist} is a list of state-time level controls including the per capita net state domestic products and the

service sector gross value added of the included states. Finally, ϵ_{ist} is our error term.

Given that the variation in treatment occurs at the state level, we cluster standard errors at the level of the state (Bertrand et al., 2004). β measures the average treatment effect of the amendment to the Shops Act on the probability of a working-age woman in the labor force finding employment in states that introduced the amendment.

5.2 Dynamic Effects/ Event Study Design

We estimate the total number of workers and average working hours. We then estimate the Two Way Fixed Effects Difference in Differences (DiD) estimates to understand the effect of the amendment on outcomes for women in treatment states as compared to the states that did not introduce the amendment. A growing methods literature points out potential problems with two-way fixed effects (TWFE) DiD estimators when treatment is staggered in adoption and varies with time. In cases of staggered treatment timing, the coefficient β could be afflicted by bias because the coefficient is estimated using a weighted average of regressions that include the regressions where previously treated units are a control group for units that are treated later (Late Vs Early Regressions). Such regressions are considered 'bad' for they do not comply with the parallel trends assumption. To address these problems, we conduct a balanced event study aggregation to understand the dynamic effects of the treatment on states.

Our assumptions of exogeneity would fail if, in the absence of the amendment of the Shops Act, women's employment in the treatment and control states followed a different trend (potential violation of the parallel trends assumption). Proving the parallel trends assumption in a staggered treatment set-up is relatively challenging. Each group has different pre-treatment periods, making it harder to verify that all groups would have followed similar trends without treatment. Some groups may have different pre-treatment trends simply because they are treated later, leading to incorrect conclusions. Therefore, the literature recommends using the event study design to test for pre-trends.

We consider the dynamic impacts of the adoption of the three female-specific labor regulations on women's employment using the following event study specification:

$$Y_{ist} = \delta_i + \lambda_t + \gamma_s + \sum_{\tau=-3}^{\tau=3} \beta_\tau \text{Amendment}_{st}^{\tau} + \epsilon_{ist} \tag{8}$$

The main variable of interest, $\text{Amendment}_{st}^{\tau}$, is an indicator variable that takes a value of one for states that amend the labor reforms, τ periods from the amendment, and zero otherwise. The year of the amendment is denoted as event time 0. This variable measures the total duration (in years) since the state implemented the specific labor law by the time the year t arrives. Our parameter of interest is β.

The event-study graphs from this methodology confirm our parallel trends assumption. Specifically, we test whether $\beta_\tau > 0$ for years $\tau \geq 0$ differ from zero. If the amendments increase the proportion of female workers, then β_τ should be positive for periods after the amendment.

The parallel trends assumption requires that, in the absence of treatment, treated and control groups would have followed the same trend. In graphical terms, this means that the pre-treatment coefficients (coefficient for years -2 and -1) should be statistically indistinguishable from zero. According to the Figure 3, the near-zero, statistically insignificant coefficients in the pre-treatment periods indicate that there were no diverging trends between treated and control states before the policy change. After exposure to treatment, the point estimates begin to increase and become more positive with time. The upward trend suggests a potential positive impact of the amendment on women's service sector employment. This change after the amendment, contrasted with flat pre-treatment trends, supports the identification strategy.

6 Results

6.1 Labor Force Participation

Kattan and Haddad (forthcoming) document that in the nineteenth-century United States, the introduction of night-shift regulations increased female gainful employment by incentivising women to enter the labor force. They argue that such laws were perceived as welfare-enhancing, making formal work more socially acceptable and encouraging more women to join the workforce. Motivated by this historical evidence, we begin by asking whether the removal of night-shift restrictions in India had a similar effect on women's decision to participate in the labor force.

Table 4 reports the estimates of Amendment_{st} on female labor force participation. Each column represents a different specification of fixed effects to test the robustness of results to alternate controls for unobserved heterogeneity. The first column controls for state and year fixed effects, the second column controls for state fixed effects and month-year fixed effects, the third column controls for year fixed effects and district-state fixed effects, and the fourth column controls for month-year as well as district-state fixed effects.

Table 4: TWFE of the Amendment on the Likelihood of Women being in Labor Force

	Probability of a Woman Participating in Labor Force					
	(1)	(2)	(3)	(4)	(5)	(6)
$Amendment_{st}$	-0.0019	-0.0039	-0.0040	-0.0061	-0.0119	-0.0130
	(0.0154)	(0.0164)	(0.0144)	(0.0156)	(0.0169)	(0.0175)
Dep Variable Mean	0.24	0.24	0.24	0.24	0.24	0.24
R Squared	0.0599	0.0604	0.0886	0.0890	0.888	0.1697
Observations	5,85,798	5,85,798	5,85,798	5,85,798	5,62,161,	5,62,161
State Fixed Effects	Yes	Yes	–	–	–	–
Year Fixed Effects	Yes	–	Yes	–	–	–
Month-Year Fixed Effects	No	Yes	No	Yes	Yes	Yes
District-State Fixed Effects	No	No	Yes	Yes	Yes	Yes
State-time Controls	No	No	No	No	Yes	Yes
Individual Controls	No	No	No	No	No	Yes

Notes: The unit of observation is the individual, and the sample consists of women only. The dependent variable, female labour force participation, is a dummy equal to one if a woman is either employed or unemployed, based on principal usual status in the PLFS. The table reports two-way fixed effects (state and time) estimates. The independent variable, $Amendment_{st}$, is a state-level policy change indicator that takes the value of 1 if the amendment was implemented in state s at time t, and 0 otherwise. Fixed effects specifications vary across columns. State-time controls include per capita Net State Domestic Product and service-sector GVA. Standard errors (in parentheses) are clustered at the state level. Statistical significance is denoted as *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

Across all specifications, the coefficients are small in magnitude, ranging from –0.19 to –1.30 percentage points, and none are statistically significant. Given that the average labor force participation rate of women in the sample is 24%, these results indicate that the reform had no discernible effect on whether women entered or exited the labor force.

6.2 Employment

Having established that the law did not significantly alter women's decision to participate in the labor market, we next restrict attention to those women who are in the labor force and study whether the amendment affected their likelihood of being employed

Table 5 presents estimates from Two-Way Fixed Effects (TWFE) regressions that examine the impact of the amendment removing night-shift restrictions on the likelihood of employment of a working-age woman who is willing to participate in the economy.

Table 5: Estimated TWFE of the Amendment on the Likelihood of being Employed

	Probability of a Woman being Employed					
	(1)	(2)	(3)	(4)	(5)	(6)
$Amendment_{st}$	-0.00622	-0.00736	-0.00647	-0.00795	-0.00412	0.00123
	(0.00930)	(0.00949)	(0.00979)	(0.00997)	(0.00989)	(0.00882)
Adj. R^2	0.0546	0.0551	0.0763	0.0766	0.0766	0.259
Dep Variable Mean	0.920	0.920	0.920	0.920	0.920	0.920
Obs	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117
State Fixed Effects	Yes	Yes	–	–	–	–
Year Fixed Effects	Yes	–	Yes	–	–	–
Month-Year Fixed Effects	No	Yes	No	Yes	Yes	Yes
District-State Fixed Effects	No	No	Yes	Yes	Yes	Yes
State-time Controls	No	No	No	No	Yes	Yes
Individual Controls	No	No	No	No	No	Yes

Notes: The unit of observation is the individual, and the sample consists of women only who are in the labour force. The dependent variable, female employment, is a dummy equal to one if a woman employed, based on principal usual status in the PLFS. The table reports two-way fixed effects (state and time) estimates. The independent variable, $Amendment_{st}$, is a state-level policy change indicator that takes the value of 1 if the amendment was implemented in state s at time t, and 0 otherwise. Fixed effects specifications vary across columns. State-time controls include per capita Net State Domestic Product and service-sector GVA. Standard errors (in parentheses) are clustered at the state level. Statistical significance is denoted as *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

In the employment panel (Columns 1–6), the coefficient varies between -0.06 percentage points and -0.03 percentage points across different specifications. The estimates are consistently small in magnitude and statistically insignificant, indicating that the amendment had no discernible impact on the likelihood of a woman being employed. The fact that the coefficient remains close to zero across all models suggests robustness of the null result, regardless of the specific fixed effects included.

6.3 Sectoral Employment

While overall employment probabilities remained unchanged, the sectoral panels reveal significant compositional shifts in women's employment across industries. On average, approximately 31.7% of women are employed in the service sector. The amendment is associated with a significant increase in the likelihood of women being employed in services, ranging between 2.30 percentage points and 3.39 percentage points. This translates to a 7.26% to 10.70% increase in the probability of a working-age woman being employed in the service sector in states that amended their Shops and Establishments Act.

In contrast, the coefficients on Non-Service employment are negative and statistically significant. On average, about 60.3% of women are not employed in service sector. The amendment is associated with a decline in the likelihood of women being employed in

non - service sector, ranging between 2.92 percentage points and 3.30 percentage points. This corresponds to a 4.84% to 5.47% decline in the likelihood that a working-age woman is employed in non-service sectors such as manufacturing or agriculture, in states that implemented the reform.

Table 6: Estimated TWFE of the Amendment on Sectoral Employment

	Likelihood of a Woman Being Employed in											
	Non- Service						Service					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
$Amendment_{st}$	-0.0292*	-0.0315*	-0.0337**	-0.0372**	-0.0343**	-0.0330**	0.0230*	0.0241	0.0272**	0.0293**	0.0301 **	0.0297**
	(0.0141)	(0.0159)	(0.0135)	(0.0145)	(0.0152)	(0.0131)	(0.0127)	(0.0145)	(0.0102)	(0.0118)	(0.0128)	(0.0119)
Adj. R^2	0.0929	0.0944	0.184	0.185	0.185	0.242	0.0564	0.0575	0.134	0.134	0.134	0.148
Dep Variable Mean	0.603	0.603	0.603	0.603	0.603	0.603	0.317	0.317	0.317	0.317	0.317	0.317
Obs	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117
State Fixed Effects	Yes	Yes	–	–	–	–	Yes	Yes	–	–	–	–
Year Fixed Effects	Yes	–	Yes	–	–	–	Yes	–	Yes	–	–	–
Month-Year Fixed Effects	No	Yes	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes
District-State FE	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes
State-time Controls	No	No	No	No	Yes	Yes	No	No	No	No	Yes	Yes
Individual Controls	No	No	No	No	No	Yes	No	No	No	No	No	Yes

Notes: The unit of observation is the individual, and the sample consists of women only who are in the labour force. In Columns 1–6, the dependent variable is female employment in non-service sector, defined as a dummy equal to one if a woman is employed according to principal usual status and works in either manufacturing or agriculture, as classified by NIC codes in the PLFS. In Columns 7–12, the dependent variable is female employment in service sector, defined as a dummy equal to one if a woman is employed according to principal usual status and works in the service sector, as classified by NIC codes in the PLFS. The table reports two-way fixed effects (state and time) estimates. The independent variable, $Amendment_{st}$, is a state-level policy change indicator that takes the value of 1 if the amendment was implemented in state s at time t, and 0 otherwise. Fixed effects specifications vary across columns. State-time controls include per capita Net State Domestic Product and service-sector GVA. Individual-level controls include age, marital status, and religion. Standard errors (in parentheses) are clustered at the state level. Statistical significance is denoted as *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

Taken together, the results indicate that the removal of night-work restrictions did not expand women's aggregate employment, but instead reallocated female labor into the service sector.

6.3.1 Bootstrapped Standard Errors

We bootstrap standard errors at the state level due to the relatively small number of clusters (24 states). Cross-sectional inference relies on a foundational assumption that the data are independent. Each observation is treated as a random draw from the same population, uncorrelated with the observation before or after it.

An important form of dependency arises in data with a group structure. Observations in the same group may be exposed to common shocks, unobserved factors, or policy treatments, which induce correlation in their error terms. These dependencies are termed the clustering problem because the observations within a group may not be independent. Cluster-robust standard errors allow arbitrary correlation of residuals within groups, while still assuming independence across groups. The effective sample size becomes the number of groups, not the number of individual observations.

If the number of clusters is small, the true sampling variability may be underestimated. This is because with few clusters, the sample covariance of residuals within clusters is a noisy estimate of the population covariance. The variance estimator underestimates the true variability, and small standard errors cause false positives.

Table 7: Estimated TWFE of the Amendment on Sectoral Employment

	Likelihood of a Woman Being Employed in											
	Non-Service						Service					
	(1)	(2)	(3)	(4)	(5)	(6)	(1)	(2)	(3)	(4)	(5)	(6)
$Amendment_{st}$	-0.0292**	-0.0315*	-0.0337**	-0.0372**	-0.0396**	-0.0330**	0.0230	0.0241	0.0272**	0.0293**	0.0313**	0.0303**
	(0.0141)	(0.0159)	(0.0135)	(0.0145)	(0.0141)	(0.0121)	(0.0127)	(0.0145)	(0.0102)	(0.0118)	(0.0120)	(0.0113)
Adj. R^2	0.0929	0.0944	0.184	0.185	0.185	0.242	0.0564	0.0575	0.134	0.134	0.134	0.148
Dep Variable Mean	0.603	0.603	0.603	0.603	0.603	0.603	0.317	0.317	0.317	0.317	0.317	0.317
Obs	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117
State Fixed Effects	Yes	Yes	–	–	–	–	Yes	Yes	–	–	–	–
Year Fixed Effects	Yes	–	Yes	–	–	–	Yes	–	Yes	–	–	–
Month-Year Fixed Effects	No	Yes	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes
District-State FE	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes
State-time Controls	No	No	No	No	Yes	Yes	No	No	No	No	Yes	Yes
Individual Controls	No	No	No	No	No	Yes	No	No	No	No	No	Yes

Notes: The unit of observation is the individual, and the sample consists of women only who are in the labour force. In Columns 1–6, the dependent variable is female employment in non-service sector, defined as a dummy equal to one if a woman is employed according to principal usual status and works in either manufacturing or agriculture, as classified by NIC codes in the PLFS. In Columns 7–12, the dependent variable is female employment in service sector, defined as a dummy equal to one if a woman is employed according to principal usual status and works in the service sector, as classified by NIC codes in the PLFS. The table reports two-way fixed effects (state and time) estimates. The independent variable, $Amendment_{st}$, is a state-level policy change indicator that takes the value of 1 if the amendment was implemented in state s at time t, and 0 otherwise. Fixed effects specifications vary across columns. State-time controls include per capita Net State Domestic Product and service-sector GVA. Individual-level controls include age, marital status, and religion. Standard errors (in parentheses) are obtained using the bootstrap procedure and are clustered at the state level. Statistical significance is denoted as *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

Bootstrap standard errors simulate the sampling distribution of the estimator by re-sampling the data many times and re-estimating the model. There are many ways to bootstrap standard errors. One of the ways, the parametric bootstrap, is to keep the values of the dependent variable fixed and draw from the distribution of residuals. This creates a new estimate of the dependent variable based on the predicted value. Wild-cluster bootstrap involves randomly flipping residuals with certain weights to simulate variability, rather than resampling the data. This maintains clustered dependence structure, avoids small sample bias, and gives valid inference with very few treated clusters.

In this section, we report regression results with cluster-robust standard errors in parentheses and p-values obtained from wild cluster bootstrap tests clustered at the state level. The bootstrap-based inference does not materially alter the findings. However, the level of statistical significance is occasionally attenuated. In some cases coefficients that were significant at the 1% level under conventional inference remain significant only at the 5% level, and a few coefficients that appeared significant at the 10% level lose significance once the wild cluster bootstrap is applied.

This pattern is consistent with the expectation that conventional cluster-robust methods can somewhat understate the true sampling variability when the number of clusters is modest. The substantive interpretation of the results is unchanged: the direction and magnitude of the estimated coefficients are stable, and the main inferences hold, albeit with slightly more conservative significance thresholds.

6.4 Type of Employment

To complement the sectoral shifts shown in Table 4 and Table 5 examine the type of employment within Non-Services and Services, respectively.

In services, women experience gains primarily in wage employment. Out of the 31.7% participating women employed in the services sector, 22.8% of women are wage-employed and 8.9% are self-employed. The amendment is associated with a significant increase in wage employment ranging between 2.9 and 3.4 percentage points, corresponding to a 13–15% increase in the probability of being wage-employed in services. The coefficients for self-employment in services are small and statistically insignificant, suggesting that there is no meaningful change in women's likelihood of being self-employed in the service sector.

Table 8: Estimated TWFE of Amendment on Type of Service Employment

	Probability of a Woman being											
	Wage- Employed						Self-Employed					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
$Amendment_{st}$	0.0291**	0.0304**	0.0315***	0.0337**	0.0336**	0.0319***	-0.00609	-0.00627	-0.00428	-0.00440	-0.00227	-0.00156
	(0.0123)	(0.0137)	(0.0108)	(0.0122)	(0.0122)	(0.0112)	(0.00433)	(0.00452)	(0.00433)	(0.00436)	(0.00431)	(0.00411)
Adj. R^2	0.0362	0.0370	0.0994	0.0999	0.0999	0.115	0.0347	0.0351	0.0484	0.0488	0.0489	0.0563
Dep Variable Mean	0.228	0.228	0.228	0.228	0.228	0.228	0.0891	0.0891	0.0891	0.0891	0.0891	0.0891
Obs	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117
State Fixed Effects	Yes	Yes	–	–	–	–	Yes	Yes	–	–	–	–
Year Fixed Effects	Yes	–	Yes	–	–	–	Yes	–	Yes	–	–	–
Month-Year Fixed Effects	No	Yes	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes
District-State Fixed Effects	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes
State-time Controls	No	No	No	No	Yes	Yes	No	No	No	No	Yes	Yes
Individual Controls	No	No	No	No	No	Yes	No	No	No	No	No	Yes

Notes: The unit of observation is the individual, and the sample consists of women who are in the labour force. In Columns 1–6, the dependent variable is female wage employment in the service sector, defined as a dummy equal to one if a woman is employed in the service sector as a salaried/regular worker or casual worker, according to principal usual status in the PLFS. In Columns 7–12, the dependent variable is female self-employment in the service sector, defined as a dummy equal to one if a woman is employed in the service sector as an own-account worker, employer in an own enterprise, or helper in a household enterprise, according to principal usual status in the PLFS. The table reports two-way fixed effects (state and time) estimates. The independent variable, $Amendment_{st}$, is a state-level policy change indicator that takes the value of 1 if the amendment was implemented in state s at time t, and 0 otherwise. Fixed effects specifications vary across columns. State-time controls include per capita Net State Domestic Product and service-sector GVA. Individual-level controls include age, marital status, and religion. Standard errors (in parentheses) are clustered at the state level. Statistical significance is denoted as *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

Within the 60.3% women employed in the Non- Service, 17.4% of women are wage-employed and 42.9% are self-employed. For wage-employed women in Non- Service sectors, coefficients are small and insignificant, indicating no systematic effect. By contrast, for self-employment, the coefficients are consistently negative, pointing toward a decline of about 0.26 to 0.33 percentage points in the likelihood of women being self-employed in Non-Service sectors.

Overall, the evidence suggests that the amendment induced a sectoral reallocation of women's employment from non-service activities into the service sector, with the gains concentrated in formal wage employment. The absence of an aggregate increase in women's employment, together with the decline in self-employment within non-service, indicates that the reform primarily enabled a transition away from non-service self-

employment toward salaried positions in services. This pattern is consistent with evidence that women in India specially in urban areas are disproportionately concentrated in informal and self-employment due to limited access to suitable salaried jobs (Klasen and Pieters, 2015*b*). When sector-specific labor demand expands in contexts where women face constrained access to formal employment, it can induce reallocation from home-based or informal activities into wage work. For instance, Heath and Mobarak (2015) document that manufacturing growth in Bangladesh led women to transition from household production into factory employment, while Jensen (2012) shows that the expansion of business process outsourcing in India increased female wage employment. Analogously, easing restrictions on women's work in regulated service establishments may have expanded access to suitable salaried jobs, thereby facilitating occupational reallocation rather than new labor force entry.

Table 9: Estimated TWFE of Amendment on Type of Non-Service Employment

	Probability of a Woman being											
	Wage- Employed						Self-Employed					
	(1)	(2)	(3)	(4)	(5)	(6)	(1)	(2)	(3)	(4)	(5)	(6)
$Amendment_{st}$	-0.00304	-0.00412	0.000280	-0.00102	-0.000246	0.0000518	-0.0262	-0.0274	-0.0340*	-0.0362*	-0.0393*	-0.0331*
	(0.00985)	(0.00987)	(0.00813)	(0.00814)	(0.00809)	(0.00803)	(0.0215)	(0.0230)	(0.0190)	(0.0199)	(0.0200)	(0.0184)
Adj. R^2	0.067	0.068	0.113	0.114	0.114	0.125	0.114	0.115	0.203	0.203	0.203	0.246
Dep Variable Mean	0.174	0.174	0.174	0.174	0.174	0.174	0.429	0.429	0.429	0.429	0.429	0.429
Obs	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117
State Fixed Effects	Yes	Yes	–	–	–	–	Yes	Yes	–	–	–	–
Year Fixed Effects	Yes	–	Yes	–	–	–	Yes	–	Yes	–	–	–
Month-Year Fixed Effects	No	Yes	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes
District-State Fixed Effects	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes
State-time Controls	No	No	No	No	Yes	Yes	No	No	No	No	Yes	Yes
Individual Controls	No	No	No	No	No	Yes	No	No	No	No	No	Yes

Notes: The unit of observation is the individual, and the sample consists of women who are in the labour force. In Columns 1–6, the dependent variable is female wage employment in the non - service sector, defined as a dummy equal to one if a woman is employed in the service sector as a salaried/regular worker or casual worker, according to principal usual status in the PLFS. In Columns 7–12, the dependent variable is female self-employment in the non -service sector, defined as a dummy equal to one if a woman is employed in the service sector as an own-account worker, employer in an own enterprise, or helper in a household enterprise, according to principal usual status in the PLFS. The table reports two-way fixed effects (state and time) estimates. The independent variable, $Amendment_{st}$, is a state-level policy change indicator that takes the value of 1 if the amendment was implemented in state s at time t, and 0 otherwise. Fixed effects specifications vary across columns. State-time controls include per capita Net State Domestic Product and service-sector GVA. Individual-level controls include age, marital status, and religion. Standard errors (in parentheses) are clustered at the state level. Statistical significance is denoted as *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$...

7 Mechanism Checks

7.0.1 Compliance Costs

Table 10 examines whether the amendment raised firms' compliance costs in the service sector, proxied by firm-level legal charges in Prowess.

To test this mechanism more directly, we complement our analysis with firm-level data from the CMIE Prowess database. The database consisted of information on legal charges for 1,975 service sector firms in treatment states and 8,763 firms in control states. Prowess contains detailed financial statements of service-sector firms, including expenditures on legal and regulatory charges. This includes fees paid to lawyers and consultants for legal

advice, litigation expenses, costs associated with regulatory compliance (such as preparing and filing statutory returns), and charges related to resolving disputes or defending cases. We use these reported legal charges as a proxy for compliance costs that service sector firms in treatment states might incur in response to the reform.

In our theoretical framework, the reform relaxes the binding employment constraint at $\bar{Q}$, and firms can expand women's employment by $\Delta Q \equiv Q - \bar{Q} > 0$. However, expansion is not automatic: a firm increases employment only if the compliance burden associated with expansion, $C(\Delta Q)$, is smaller than the resulting increase in net operating profit. Formally, employment rises only when

$$\Delta \pi^{op} \geq C(\Delta Q), \tag{9}$$

where $\Delta \pi^{op}$ is the change in operating profit from moving from $\bar{Q}$ to Q.

Empirically, we first find that women's employment in the service sector increases after the amendment. Consistent with the model, Table 11 shows no statistically significant increase in the compliance-cost proxy following the reform. This evidence suggests that, on average, the compliance costs associated with expanding women's night employment did not rise detectably after the policy change. Interpreted through the lens of the framework, the combination of (i) rising women's service-sector employment and (ii) no observable increase in compliance costs is most consistent with a setting in which $C(\Delta Q)$ is not large enough relative to $\Delta \pi^{op}$ to offset the profitability of expansion. Put differently, the data align with the model's "expansion" case: firms respond to the relaxation of the constraint by increasing women's employment because the incremental compliance burden $C(\Delta Q)$ does not dominate the net gains from expanding employment.

Table 10: Estimated TWFE of Amendment on Compliance Costs in Service Sector Firms

	Compliance Costs (INR Million)				
	(1)	(2)	(3)	(4)	(5)
$Amendment_{st}$	5.731	4.623	4.136	4.215	1.508
	(5.951)	(5.205)	(6.516)	(6.133)	(6.427)
Adj. R^2	0.0094	0.0375	0.0200	0.6359	0.636
Dep Variable Mean	36.79	36.82	36.80	37.83	37.82
Obs	25,507		25,507	24,709	24,701
State Fixed Effects	Yes	–	Yes	–	–
Year Fixed Effects	Yes	Yes	Yes	Yes	–
State-Ind Fixed Effects	Yes	Yes	Yes	Yes	–
Industry Fixed Effects	No	–	Yes	–	–
Company Fixed Effects	No	No	No	Yes	Yes
Industry-Year Fixed Effects	No		No	No	Yes

Notes: The unit of observation is the firm. The sample consists of firms in the service sector drawn from the Prowess database (2017-2022). The dependent variable is firm-level legal charges, used as a proxy for compliance costs. The table reports estimates of the effect of the amendment on firms located in amendment states. The independent variable, $Amendment_{st}$, is a state-level policy indicator equal to one for firms operating in states that implemented the amendment in the post-amendment period, and zero otherwise. Fixed effects specifications vary across columns. Standard errors (in parentheses) are clustered at the state level. Statistical significance is denoted as *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

Across all five specifications, legal charges for service-sector firms remain broadly un-

changed after the reform. The estimates are small in magnitude and statistically insignificant, suggesting that the compliance requirements did not translate into a measurable increase in reported legal or regulatory expenses.

7.0.2 Wages in Manufacturing Sector

The reform, while directly targeting the services sector, could have spillover effects on the manufacturing sector through general equilibrium channels. As the services sector becomes legally more accessible to female workers post-reform, female labor reallocates from manufacturing to services. This shift contracts the effective supply of women available to manufacturing firms. In turn, we would expect wages of female workers in manufacturing to rise, even though the reform did not directly target this sector. This wage increase reflects the higher marginal value of female labor in a tighter labor market.

Table 11: Estimated TWFE of Amendment on Women's Wages in Manufacturing Sector

	Wages in Manufacturing Firms (INR)		
	(1)	(2)	(3)
$Amendment_{st}$	5831.6**	4842.9*	4958.5**
	(2804.10)	(2627.7)	(2625.98)
Adj. R^2	0.0434	0.1604	0.1626
Dep Variable Mean	1,50,203.72	1,50,203.72	1,50,203.72
Obs	53,213	53,213	53,213
State Fixed Effects	Yes	Yes	Yes
Year Fixed Effects	Yes	Yes	Yes
Organisation Fixed Effects	No	Yes	Yes
Firm Controls	No	No	Yes

Notes: This table presents the Two-Way Fixed Effects (TWFE) estimates of the effect of the amendment on the average compliance costs in service sector enterprises. The dependent variable is the value of wages of a firm f in a specific year t documented in the ASI Dataset. The independent variable, $Amendment_{st}$, is a state-level policy change indicator that takes the value of 1 if the amendment was implemented in state s at time t, and 0 otherwise. Fixed effects specifications vary across columns. T-values are reported in parentheses. Statistical significance is denoted as *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

Table 11, which shows a statistically significant increase in the average wage paid to women in manufacturing firms following the reform. Across different specifications, we observe that wages rise by approximately ₹4,800–₹5,800 per female worker. The dependent variable in this regression is the firm-level average wage for directly employed women in manufacturing firms, suggesting that firms are paying more per woman worker post-reform. As female workers move to services, manufacturing firms face increased competition for a now scarcer pool of women workers. The observed wage increase supports the interpretation that the reform led to a reallocation of women from manufacturing to services, and that the manufacturing sector adjusted to this change through rising wages.

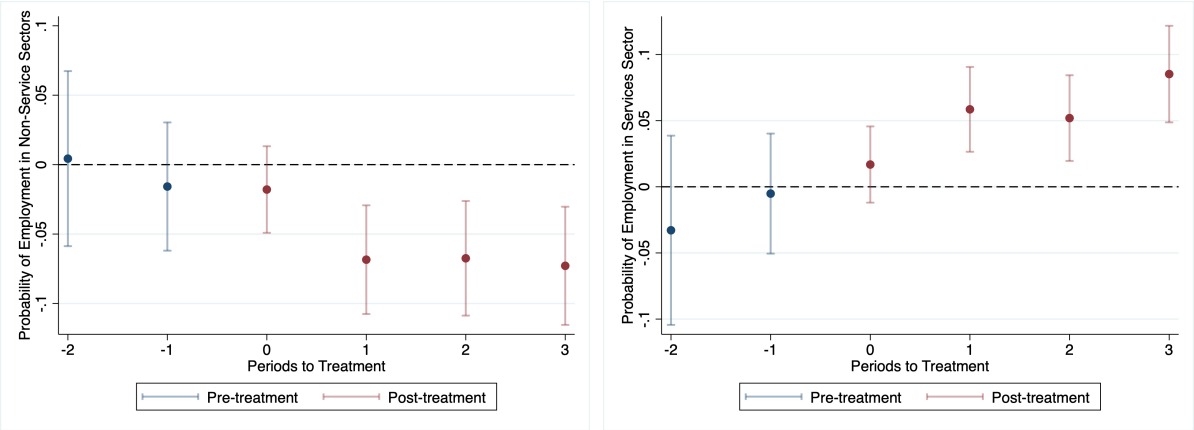
7.1 Heterogeneous Effects

7.1.1 Exposure to Treatment

The impact of the reform may unfold gradually, amplify with continued exposure, or dissipate over time, and tracing these patterns is essential to distinguish short-run adjustments from longer-run structural changes. We use an event study design to examine how the effects of the amendment evolve with exposure to treatment. The estimates show no evidence of differential pre-trends. In the years preceding the amendment, the coefficients are small, statistically insignificant, and close to zero, suggesting that treated and control states followed parallel paths prior to reform. This lends credibility to our identification strategy.

The event study is estimated using the Callaway and Sant'Anna (2021) methodology, which corrects for the potential bias in two-way fixed effects estimators under staggered adoption. In particular, this estimator avoids comparisons where early-treated units serve as "controls" for later-treated units, which can otherwise bias estimates of dynamic treatment effects. As a result, the coefficients we present reflect treatment effects relative to the appropriate counterfactual and provide a more credible picture of how the reform reshaped women's employment trajectories over time.

Figure 3: Event Study Plot of Treatment Effect on Probability of being employed in



(a) Non Services Sector

(b) Services Sector

Figure 3a plots the dynamic treatment effects of the amendment across sectors. In Panel that plots the effects in Non-Service Sector, the pre-treatment coefficients are close to zero and statistically insignificant, indicating no differential pre-trends between treated and control states. After the amendment, the coefficients become consistently negative and statistically significant, implying a decline in women's probability of employment in non-service sectors. The magnitude grows over time, suggesting a persistent adjustment rather than a transitory dip.

In figure 3b that plots the effects in Service Sector, pre-treatment estimates also hover

around zero, supporting the parallel-trends assumption. Post-treatment coefficients are positive and statistically significant, with the effect increasing in subsequent periods. This indicates a sustained rise in women's probability of employment in services following the reform.

Taken together, the policy appears to have reallocated female labor from non-service industries (manufacturing and agriculture) toward the service sector. The results suggest that the amendment was associated with changes in the sectoral composition of employment, than an expansion in overall employment.

7.1.2 District Safety

The impact of protective labor legislation depends critically on context. Kattan and Haddad (forthcoming) show that in nineteenth-century America, the introduction of night-work regulations increased women's labor force participation because such laws were perceived as welfare-enhancing, making formal employment more socially acceptable. Our evidence from contemporary India suggests that the elimination of night-work restrictions does not uniformly expand women's employment opportunities. Instead, the effects are mediated by the local security environment.

Table 12 examines whether the effects of the amendment vary across districts with different levels of crimes against women, using quartiles of district-level crime rates in 2015 as a proxy for baseline safety. District-level crime rates are constructed using reported crimes against women from the National Crime Records Bureau (NCRB), divided by the district female population as measured in the Census of India. The results indicate that the impact of the reform is heterogeneous and mediated by the local security environment.

Table 12: Heterogeneous Treatment Effects by District-Level Crimes Against Women (2015) Quartiles

	Probability of finding Employment based on Level of Crime in their District							
	Crime Quartile 1		Crime Quartile 2		Crime Quartile 3		Crime Quartile 4	
	Non-Services	Services	Non-Services	Services	Non-Services	Services	Non-Services	Services
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
$Amendment_{st}$	-0.0563***	0.0500***	-0.0459	0.0135	-0.0008	0.0108	-0.0470	0.0365
	(0.0217)	(0.0072)	(0.0381)	(0.0194)	(0.0225)	(0.0188)	(0.0266)	(0.0228)
Dep Variable Mean	0.57	0.34	0.58	0.34	0.64	0.27	0.61	0.31
R Squared	0.1828	0.1152	0.2041	0.1656	0.1607	0.1139	0.2047	0.1485
Observations	31,425	31,425	31,605	31,605	31,284	31,284	31,340	31,340
Month-Year Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
District-State Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: The unit of observation is the individual, and the sample consists of women who are in the labour force. The table reports heterogeneous treatment effects of the amendment by district-level baseline safety, proxied by quartiles of crimes against women in 2015. District-level crime rates are constructed using reported crimes against women from the National Crime Records Bureau (NCRB), divided by the district female population from the Census of India. Districts are grouped into quartiles based on this measure, with Quartile 1 representing districts with the lowest crime rates and Quartile 4 representing districts with the highest crime rates. The dependent variable is an indicator equal to one if a woman is employed, based on principal usual status in the PLFS. Separate estimates are reported for non-service and service sectors. All specifications include month-year fixed effects and district-state fixed effects. The independent variable, $Amendment_{st}$, is a state-level policy indicator equal to one if the amendment was implemented in state s at time t, and zero otherwise. Standard errors (in parentheses) are clustered at the state level. Statistical significance is denoted as *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

In districts with the lowest crime rates (Quartile 1), the amendment is associated with a significant decline of 5.6 percentage points in women's likelihood of being employed in non-services sectors, and a corresponding 5.0 percentage point increase in the probability of being employed in services. This suggests a strong reallocation of female labor into services where women perceive the reform as opening up new, safer opportunities.

By contrast, in districts with higher crime rates (Quartiles 2,3 and 4), the coefficients are small in magnitude and statistically insignificant. This indicates that in areas where safety concerns are more pronounced. Women do not take advantage of the reform to the same extent, and the amendment does not generate significant reallocation effects.

The empirical pattern is therefore consistent with the hypothesis in our theoretical framework that social constraints remain binding in high-crime districts, limiting the employment response to regulatory reform. In such districts, safety concerns and mobility risks raise the effective reservation wage of women, making the labour supply curve steeper. Consequently, even if firms experience positive net gains from expansion, the equilibrium increase in employment remains muted due to limited supply responsiveness.

Taken together, these results deepen our main finding: the amendment did not expand aggregate female employment but facilitated sectoral reallocation into services. Importantly, the heterogeneous effects highlight that women's willingness to shift into service-sector night work depends critically on the local crime environment. Women appear to respond positively to legal reforms only where they can reasonably expect workplace and commuting safety, suggesting that institutional reforms alone may be insufficient without parallel improvements in public safety and enforcement.

7.1.3 Domestic Violence and Gender Norms

A growing literature examines the relationship between violence against women and their labor market outcomes. In the Indian context, Mukesh Eswaran (2011) and Bhattacharya (2011) document a positive association between spousal domestic violence and women's participation in paid work. These findings suggest that household bargaining dynamics and control over women's earnings may shape labor supply decisions. Motivated by this literature, we examine whether the impact of the amendment varies systematically with pre-existing levels of domestic violence across districts.

We use data from the fourth round of the National Family Health Survey (NFHS-4), conducted in 2015–16. NFHS-4 is a nationally representative household survey covering all states and union territories of India and providing district-level identifiers. The survey collects detailed information on demographic characteristics, education, health outcomes, household conditions, and women's status, including a dedicated domestic violence module.

The domestic violence module records women's self-reported experiences of physical

(less severe and severe) and sexual violence committed by their spouse. Following the standard NFHS classification, we construct an individual-level indicator equal to one if a woman reports experiencing any form of less severe, severe, or sexual violence, and zero otherwise. We then aggregate this measure to the district level by computing the proportion of women reporting any domestic violence within each district.

Our final dataset covers 640 districts across 36 states and union territories. The district-level domestic violence prevalence has a mean of approximately 0.30, with substantial cross-district variation (standard deviation ≈ 0.13), indicating meaningful heterogeneity in baseline social norms and household constraints. We classify districts into quartiles based on this baseline domestic violence prevalence to study heterogeneity in the employment response to the reform.

Table 13 presents heterogeneous treatment effects by domestic-violence quartiles. We find that in districts with high baseline domestic violence (Quartile 4), the amendment leads to a statistically significant decline in women's employment in non-service sectors (7.1 percentage points) and a simultaneous increase in service-sector employment (6.3 percentage points). In contrast, effects are smaller and often statistically insignificant in districts with lower baseline domestic violence.

These findings refine the predictions of our theoretical framework. In the baseline model, employment expands when firms' gains from relaxing the regulatory constraint exceed compliance costs, with realized equilibrium outcomes depending on women's labor supply responsiveness. Domestic violence can influence labor supply through multiple channels. On one hand, higher violence may increase safety concerns and mobility constraints, potentially dampening supply responses. On the other hand, as emphasized by Gedikli (2022), violence may also function as a mechanism of rent extraction within households, increasing women's participation in paid work while limiting their control over earnings.

The empirical pattern in high domestic-violence districts is consistent with the latter mechanism. Following the reform, women reallocate from non-service sectors into service-sector employment. Given the baseline wage differential in favor of services, this reallocation suggests that women in high-violence districts respond to improved employment opportunities in sectors offering relatively higher wages and potentially more predictable hours. Rather than suppressing labor supply, domestic violence appears to shape the sectoral allocation of women's work, consistent with household bargaining constraints interacting with improved market opportunities.

Table 13: Heterogeneous Treatment Effects by District-Level Domestic Violence (2015-16) Quartiles

	Probability of finding Employment based on Level of domestic violence in their District							
	Quartile 1		Quartile 2		Quartile 3		Quartile 4	
	Non-Services	Services	Non-Services	Services	Non-Services	Services	Non-Services	Services
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
$Amendment_{st}$	-0.017	0.034	-0.033*	0.0151	-0.043*	0.023	-0.071***	0.063**
	(0 .025)	(0.021)	(0.016)	(0.014)	(0.021)	(0.022)	(0.023)	(0.0213)
Dep Variable Mean	0.54	0.34	0.57	0.35	0.64	0.30	0.64	0.30
R Squared	0.2033	0.1994	0.2095	0.1325	0.1527	0.1212	0.1480	0.1134
Observations	33,925	33,925	33,679	33,679	33,690	33,690	33,656	33,656
Month-Year Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
District-State Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: Notes: The unit of observation is the individual, and the sample consists of women who are in the labour force. The table reports heterogeneous treatment effects of the amendment by district-level baseline domestic violence, proxied by quartiles of domestic violence prevalence in 2015–16. District-level domestic violence measures are constructed using data from the National Family Health Survey (NFHS) 2015–16 and take the value one if a woman reports experiencing any form of less severe, severe, or sexual violence, and zero if she reports experiencing none of these forms of violence. Districts are grouped into quartiles based on this measure, with Quartile 1 representing districts with the lowest prevalence of domestic violence and Quartile 4 representing districts with the highest prevalence. The dependent variable is an indicator equal to one if a woman is employed, based on principal usual status in the PLFS. Separate estimates are reported for non-service and service sectors. All specifications include month-year fixed effects and district-state fixed effects. The independent variable, $Amendment_{st}$, is a state-level policy indicator equal to one if the amendment was implemented in state s at time t, and zero otherwise. Standard errors (in parentheses) are clustered at the state level. Statistical significance is denoted as *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

7.1.4 Region: Rural and Urban

In rural areas Table 14, the amendment has a small but statistically significant negative effect on the likelihood of women being employed in non-service sectors (columns 4–6). The coefficients range between –0.026 and –0.020, suggesting that, following the amendment, rural women became 2.0–2.6 percentage points less likely to be employed in non-service industries. The coefficients for service-sector employment in rural areas are close to zero and statistically insignificant, indicating that the amendment did not change rural women's participation in services.

Table 14: Estimated TWFE of Amendment on Type of Employment in Rural Areas

	Probability of a Woman being											
	Non-Services						Services					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
$Amendment_{st}$	-0.0219	-0.0232	-0.0239	-0.0261*	-0.0234*	-0.0204*	0.0101	0.0101	0.0119	0.0128	0.0109	0.0103
	(0.0130)	(0.0144)	(0.0125)	(0.0138)	(0.0118)	(0.0104)	(0.0105)	(0.0113)	(0.0096)	(0.0105)	(0.0090)	(0.0086)
Adj. R^2	0.1047	0.1051	0.1447	0.1450	0.1451	0.2052	0.0621	0.0624	0.0954	0.0958	0.0958	0.1065
Dep Variable Mean	0.4158	0.4158	0.4158	0.4158	0.4158	0.4158	0.3764	0.3764	0.3764	0.3764	0.3764	0.3764
Obs	91,532	91,532	91,532	91,532	91,531	91,531	91,532	91,532	91,532	91,532	91,531	91,531
State Fixed Effects	Yes	Yes	–	–	–	–	Yes	Yes	–	–	–	–
Year Fixed Effects	Yes	–	Yes	–	–	–	Yes	–	Yes	–	–	–
Month-Year Fixed Effects	No	Yes	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes
District-State Fixed Effects	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes
State-time Controls	No	No	No	No	Yes	Yes	No	No	No	No	Yes	Yes
Individual Controls	No	No	No	No	No	Yes	No	No	No	No	No	Yes

Notes: The unit of observation is the individual, and the sample consists of women only who are in the labour force. The sample is restrict to the rural areas. In Columns 1–6, the dependent variable is female employment in non-service sector, defined as a dummy equal to one if a woman is employed according to principal usual status and works in either manufacturing or agriculture, as classified by NIC codes in the PLFS. In Columns 7–12, the dependent variable is female employment in service sector, defined as a dummy equal to one if a woman is employed according to principal usual status and works in the service sector, as classified by NIC codes in the PLFS. The table reports two-way fixed effects (state and time) estimates. The independent variable, $Amendment_{st}$, is a state-level policy change indicator that takes the value of 1 if the amendment was implemented in state s at time t, and 0 otherwise. Fixed effects specifications vary across columns. State-time controls include per capita Net State Domestic Product and service-sector GVA. Individual-level controls include age, marital status, and religion. Standard errors (in parentheses) are obtained using the bootstrap procedure and are clustered at the state level. Statistical significance is denoted as *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

The results for urban areas Table 15 show a clear and significant shift toward the service sector. The coefficients in columns (1)–(6) for non-services are negative and significant, while the coefficients for services are positive and significant. This implies that after the amendment, urban women became approximately 3–3.6 percentage points more likely to be employed in services and 2.6-3 percentage points less likely to be in non-service employment.

Table 15: Estimated TWFE of Amendment on Type of Employment in Urban Areas

	Probability of a Woman being											
	Non-Services						Services					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
$Amendment_{st}$	-0.0279	-0.0293	-0.0306	-0.0313	-0.0331*	-0.0265*	0.0323***	0.0337***	0.0345***	0.0343***	0.0342**	0.0364***
	(0.0170)	(0.0165)	(0.0183)	(0.0185)	(0.0186)	(0.0176)	(0.0110)	(0.0115)	(0.0105)	(0.0116)	(0.0123)	(0.0122)
Adj. R^2	0.0281	0.0298	0.0850	0.0863	0.0863	0.1200	0.0236	0.0249	0.0693	0.0706	0.0705	0.1038
Dep Variable Mean	0.4526	0.4526	0.4526	0.4526	0.4526	0.4526	0.4933	0.4933	0.4933	0.4933	0.4933	0.4933
Obs	50,585	50,585	50,579	50,579	50,579	50,579	50,585	50,585	50,579	50,579	50,579	50,579
State Fixed Effects	Yes	Yes	–	–	–	–	Yes	Yes	–	–	–	–
Year Fixed Effects	Yes	–	Yes	–	–	–	Yes	–	Yes	–	–	–
Month-Year Fixed Effects	No	Yes	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes
District-State Fixed Effects	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes
State-time Controls	No	No	No	No	Yes	Yes	No	No	No	No	Yes	Yes
Individual Controls	No	No	No	No	No	Yes	No	No	No	No	No	Yes

Notes: The unit of observation is the individual, and the sample consists of women only who are in the labour force. The sample is restrict to the urban areas. In Columns 1–6, the dependent variable is female employment in non-service sector, defined as a dummy equal to one if a woman is employed according to principal usual status and works in either manufacturing or agriculture, as classified by NIC codes in the PLFS. In Columns 7–12, the dependent variable is female employment in service sector, defined as a dummy equal to one if a woman is employed according to principal usual status and works in the service sector, as classified by NIC codes in the PLFS. The table reports two-way fixed effects (state and time) estimates. The independent variable, $Amendment_{st}$, is a state-level policy change indicator that takes the value of 1 if the amendment was implemented in state s at time t, and 0 otherwise. Fixed effects specifications vary across columns. State-time controls include per capita Net State Domestic Product and service-sector GVA. Individual-level controls include age, marital status, and religion. Standard errors (in parentheses) are obtained using the bootstrap procedure and are clustered at the state level. Statistical significance is denoted as *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

The rural–urban heterogeneity results point clearly to sectoral reallocation in urban areas. They may also hint at some spatial adjustment. Rural women show a small decline in non-service employment, but no rise in rural service employment. Urban women, however, display a clear shift from non-services into services. This asymmetry could be consistent with some women moving toward urban service jobs. PLFS data cannot confirm such movement because it doesn't track the same individual over time, so this remains a tentative interpretation. The reforms expanded feasible employment options primarily in urban service markets, where night-shift work is concentrated.

8 Robustness Checks

We implement robustness checks for our results on the impact of the removal of night shift bans on the sectoral shifts in women's employment.

8.1 Adoption of Factories Act

During the same period in which several states amended their Shops and Establishments Acts to relax restrictions on women's night-shift employment in services, there were also contemporaneous amendments to the Factories Act. The Factories Act primarily governs employment conditions in manufacturing activities, and includes provisions restricting night shifts work. As a result, changes to the Factories Act may influence women's employment outcomes in non-service sectors.

Our baseline empirical strategy focuses on the Shops and Establishments Act and analyzes its impact on women's sectoral employment. This approach does not account for the possibility that states simultaneously adjusted other gender-relevant labor regulations. If reforms to the Factories Act were adopted alongside, or in anticipation of, changes to the Shops Act, these parallel legal changes could confound the estimated effects. In particular, states that liberalized the Shops Act while also modifying the Factories Act may already have been on different employment trajectories relative to states that did not undertake such reforms.

The Factories Act applies primarily to non-service sectors. Its interaction with the Shops Act is theoretically ambiguous. On the one hand, amendments to the Factories Act that relax restrictions on women's employment could partially offset the reallocation of women from non-service to service sectors induced by the Shops Act. On the other hand, if the Factories Act continues to impose relatively stricter constraints on women's employment in manufacturing, liberalization under the Shops Act may instead accelerate the movement of women out of non-service activities and into services.

To address these concerns, we explicitly control for contemporaneous amendments to the Factories Act by including a state–time indicator for Factories Act changes along-

side our main treatment variable. This allows us to isolate the effect of the Shops Act amendment on women's sectoral employment while accounting for parallel regulatory changes affecting non-service sectors. Under the Factories Act, we again consider states that allowed women to work at night subject to conditions as treated states. States that amended their Acts to permit night work for women where the employer is required to take permission from the state are included in the control group. The states that amended the Act on a conditional basis either prior to or during the our study period include Andhra Pradesh (2015)[1], Punjab (2014)[2], Karnataka (2019)[3] and Assam (2016)[4]. Haryana (2017)[5] is also included in the control group, as exemptions there were granted on the basis of employer permission. For the purpose of constructing the control group using Factories Act amendments, Himachal Pradesh is excluded, as its treatment status switched during the COVID-19 period.[6]

Table 16: Estimated TWFE of Amendment on Sectoral Employment after Controlling for Factories Act Changes

	Likelihood of a Woman Being Employed in											
	Non- Service						Service					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
$Amendment_{st}$	-0.0331**	-0.0366**	-0.0380**	-0.0428***	-0.0434***	-0.0359***	0.0276*	0.0296*	0.0319***	0.0348**	0.0354***	0.0343***
	(0.0147)	(0.0167)	(0.0139)	(0.0150)	(0.0147)	(0.0126)	(0.0138)	(0.0157)	(0.0107)	(0.0124)	(0.0125)	(0.0116)
Adj. R^2	0.0843	0.0860	0.179	0.181	0.181	0.237	0.0480	0.0493	0.128	0.128	0.128	0.142
Dep Variable Mean	0.590	0.590	0.590	0.590	0.590	0.590	0.329	0.329	0.329	0.329	0.329	0.329
Obs	1,33,999	1,33,999	1,33,999	1,33,999	1,33,999	1,33,999	1,33,999	1,33,999	1,33,999	1,33,999	1,33,999	1,33,999
Factories Act Amendment	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
State Fixed Effects	Yes	Yes	–	–	–	–	Yes	Yes	–	–	–	–
Year Fixed Effects	Yes	–	Yes	–	–	–	Yes	–	Yes	–	–	–
Month-Year Fixed Effects	No	Yes	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes
District-State FE	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes
State-time Controls	No	No	No	No	Yes	Yes	No	No	No	No	Yes	Yes
Individual Controls	No	No	No	No	No	Yes	No	No	No	No	No	Yes

Notes: The unit of observation is the individual, and the sample consists of women only who are in the labour force. In Columns 1–6, the dependent variable is female employment in non-service sector, defined as a dummy equal to one if a woman is employed according to principal usual status and works in either manufacturing or agriculture, as classified by NIC codes in the PLFS. In Columns 7–12, the dependent variable is female employment in service sector, defined as a dummy equal to one if a woman is employed according to principal usual status and works in the service sector, as classified by NIC codes in the PLFS. The table reports two-way fixed effects (state and time) estimates. The independent variable, $Amendment_{st}$, is a state-level policy change indicator that takes the value of 1 if the amendment was implemented in state s at time t, and 0 otherwise.In this table we included a state–time indicator for contemporaneous amendments to the Factories Act. This control accounts for overlapping labour law reforms that may affect employment outcomes. Fixed effects specifications vary across columns. State-time controls include per capita Net State Domestic Product and service-sector GVA. Individual-level controls include age, marital status, and religion. Standard errors (in parentheses) are obtained using the bootstrap procedure and are clustered at the state level. Statistical significance is denoted as *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

Even after accounting for Factories Act changes, the amendment to the Shops Act is associated with a statistically significant decline in women's employment in non-service sectors, ranging between 3.31 and 3.59 percentage points across specifications. At the same time, the likelihood of women being employed in the service sector increases by approximately 2.76 to 3.43 percentage points, with the estimates remaining statistically significant in the more saturated specifications.

[1]Indian Express, 2015
[2]Hindustan Times,2014
[3]Vasantha and a Case of Gender Diversity at Workplace,2019
[4]Government of Assam, 2016
[5]Article, 2017
[6]Labour & Employment Department, 2020

Controlling for Factories Act amendments does not attenuate the estimated effects of the Shops Act reform. During our period of analysis, there was a positive wage differential between the wages offered by the services and non-services sectors. Further, while the Factories Act removed restrictions on women's working hours, it continues to regulate women's employment in tasks deemed hazardous or involving heavy lifting. Therefore, the regulatory and labor market environment in manufacturing may have been relatively less conducive to female employment compared to services, even after removal of night shift bans in the Factories Act.

Further the reallocation of women's employment from non-service to service sectors, in our baseline specification, is driven primarily by liberalization under the Shops and Establishments Act, rather than by contemporaneous reforms to the Factories Act.

8.2 Changing the Definition of Treatment

In our baseline specification, we define treatment states as those that amended their Shops and Establishments Acts to allow the employment of women during night shifts, conditional on employers complying with a set of prescribed safety and welfare requirements. These amendments represent a relatively liberal regulatory approach, as they create a clear and predictable legal framework under which firms can employ women without requiring discretionary approval from the state.

However, four additional states follow a different regulatory regime. In these states, night-shift employment of women is formally prohibited, but exemptions can be granted on a case-by-case basis if the employer obtains prior permission from a labor inspector or the state government. This permission-based system is plausibly more restrictive: it introduces uncertainty, administrative costs, and discretionary enforcement, all of which are likely to dampen firms' incentives to hire women relative to regimes that rely on ex ante compliance with clearly defined conditions.

If firms respond to regulatory certainty rather than to nominal legal permissibility alone, then grouping permission-based states together with condition-based states should attenuate the estimated effects of the reform. To examine this hypothesis, we first broaden the treatment definition to include both types of regimes. We then explicitly separate the effects of condition-based amendments from those of permission-based exemptions.

Table 17 reports estimates where both condition-based amendments and permission-based exemptions are jointly classified as treatment. when treatment is broadly defined, the estimated effects on women's sectoral employment are weaker and less precisely estimated than in the baseline specification. In non-service sectors, the amendment is associated with a decline in women's employment of roughly 2–3 percentage points, which becomes marginally statistically significant only in the most saturated specifications. In the service sector, the point estimates are positive throughout but remain statistically

Table 17: Estimated TWFE of Types of Conditions and Permissions on Sectoral Employment

	Likelihood of a Woman Being Employed in											
	Non- Service						Service					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
$Amendment_{st}$	-0.0176	-0.0200	-0.0250	-0.0284*	-0.0310*	-0.0247*	0.0103	0.0111	0.0169	0.0185	0.0210	0.0203
	(0.0157)	(0.0172)	(0.0151)	(0.0163)	(0.0155)	(0.0131)	(0.0134)	(0.0149)	(0.0121)	(0.0136)	(0.0132)	(0.0129)
Adj. R^2	0.0947	0.0963	0.184	0.185	0.185	0.242	0.0578	0.0589	0.134	0.134	0.134	0.148
Dep Variable Mean	0.600	0.600	0.600	0.600	0.600	0.600	0.319	0.319	0.319	0.319	0.319	0.319
Obs	1,35,411	1,35,411	1,35,411	1,35,411	1,35,411	1,35,411	1,35,411	1,35,411	1,35,411	1,35,411	1,35,411	1,35,411
State Fixed Effects	Yes	Yes	–	–	–	–	Yes	Yes	–	–	–	–
Year Fixed Effects	Yes	–	Yes	–	–	–	Yes	–	Yes	–	–	–
Month-Year Fixed Effects	No	Yes	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes
District-State FE	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes
State-time Controls	No	No	No	No	Yes	Yes	No	No	No	No	Yes	Yes
Individual Controls	No	No	No	No	No	Yes	No	No	No	No	No	Yes

Notes: The unit of observation is the individual, and the sample consists of women only who are in the labour force. In Columns 1–6, the dependent variable is female employment in non-service sector, defined as a dummy equal to one if a woman is employed according to principal usual status and works in either manufacturing or agriculture, as classified by NIC codes in the PLFS. In Columns 7–12, the dependent variable is female employment in service sector, defined as a dummy equal to one if a woman is employed according to principal usual status and works in the service sector, as classified by NIC codes in the PLFS. The table reports two-way fixed effects (state and time) estimates. The independent variable, $Amendment_{st}$, is a state-level policy indicator equal to one if a state implemented either a condition-based amendment or a permission-based exemption, with both types of reforms jointly classified as treatment, and zero otherwise.Out of the four states that introduced case-by-case permissions, Jharkhand and Bihar introduced the policy in 2015. These states are considered always treated and excluded for the purposes of this analysis. Fixed effects specifications vary across columns. State-time controls include per capita Net State Domestic Product and service-sector GVA. Individual-level controls include age, marital status, and religion. Standard errors (in parentheses) are obtained using the bootstrap procedure and are clustered at the state level. Statistical significance is denoted as *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

insignificant across all specifications. This attenuation is consistent with the hypothesis that permission-based regimes do not meaningfully relax constraints on women's employment.

Table 18 clarifies this distinction by estimating separate effects for condition-based amendments and permission-based exemptions. States that allowed night-shift employment subject to compliance with explicit conditions experienced large, statistically significant sectoral reallocation of women's employment. They increased women's employment in the service sector by about 2–3 percentage points. By contrast, permission-based regimes exhibit no statistically significant effects. This null result suggests that discretionary exemptions, despite formally allowing women to work at night, do not generate meaningful changes in firms' hiring behavior.

8.3 Assignment of Placebo treatments

As an additional robustness check, we first assign placebo treatment dates to randomly selected control states. From the pool of states that never amended their Shops and Establishments Acts, we randomly draw a set of states equal in number to the actual treated states. Each of these placebo states is then assigned a treatment year drawn from the distribution of actual amendment years (2017–2020). We re-estimate our baseline regression under this placebo assignment and repeat the procedure many times to generate a distribution of placebo treatment effects.

We also assign the actual treatment dates of the reforming states to randomly selected control states. For instance, if Maharashtra amended its Act in 2017, a randomly cho-

Table 18: Estimated TWFE of Conditions and Permissions on Sectoral Employment

	Likelihood of a Woman Being Employed in											
	Non- Service						Service					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
$Conditions_{st}$	-0.0252*	-0.0278*	-0.0320**	-0.0358**	-0.0388**	-0.0317**	0.0181	0.0193	0.0244**	0.0264**	0.0293**	0.0283**
	(0.0144)	(0.0162)	(0.0140)	(0.0151)	(0.0147)	(0.0129)	(0.0122)	(0.0140)	(0.0101)	(0.0118)	(0.0121)	(0.0114)
$Permissions_{st}$	0.00767	0.00624	-0.000893	-0.00293	-0.00466	-0.00137	-0.0160	-0.0162	-0.00898	-0.00847	-0.00681	-0.00663
	(0.0324)	(0.0336)	(0.0324)	(0.0344)	(0.0320)	(0.0241)	(0.0313)	(0.0329)	(0.0301)	(0.0322)	(0.0299)	(0.0297)
Adj. R^2	0.0947	0.0964	0.184	0.185	0.185	0.242	0.0578	0.0590	0.134	0.134	0.135	0.148
Dep Variable Mean	0.600	0.600	0.600	0.600	0.600	0.600	0.319	0.319	0.319	0.319	0.319	0.319
Obs	1,35,411	1,35,411	1,35,411	1,35,411	1,35,411	1,35,411	1,35,411	1,35,411	1,35,411	1,35,411	1,35,411	1,35,411
State Fixed Effects	Yes	Yes	–	–	–	–	Yes	Yes	–	–	–	–
Year Fixed Effects	Yes	–	Yes	–	–	–	Yes	–	Yes	–	–	–
Month-Year Fixed Effects	No	Yes	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes
District-State FE	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes
State-time Controls	No	No	No	No	Yes	Yes	No	No	No	No	Yes	Yes
Individual Controls	No	No	No	No	No	Yes	No	No	No	No	No	Yes

Notes: The unit of observation is the individual, and the sample consists of women only who are in the labour force. In Columns 1–6, the dependent variable is female employment in non-service sector, defined as a dummy equal to one if a woman is employed according to principal usual status and works in either manufacturing or agriculture, as classified by NIC codes in the PLFS. In Columns 7–12, the dependent variable is female employment in service sector, defined as a dummy equal to one if a woman is employed according to principal usual status and works in the service sector, as classified by NIC codes in the PLFS. The table reports two-way fixed effects (state and time) estimates with separate treatment indicators for different types of labour law reforms. The independent variables include a state-level indicator for condition-based amendments and a separate state-level indicator for permission-based exemptions, each equal to one if the respective reform was implemented in state s at time t, and zero otherwise. Out of the four states that introduced case-by-case permissions, Jharkhand and Bihar introduced the policy in 2015. These states are considered always treated and excluded for the purposes of this analysis. Fixed effects specifications vary across columns. State-time controls include per capita Net State Domestic Product and service-sector GVA. Individual-level controls include age, marital status, and religion. Standard errors (in parentheses) are obtained using the bootstrap procedure and are clustered at the state level. Statistical significance is denoted as *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

sen control state is "treated" in 2017. We then re-estimate the difference-in-differences specification under this assignment. If our results were merely capturing common time shocks rather than the reform itself, we would expect to observe significant effects even in these placebo regressions.

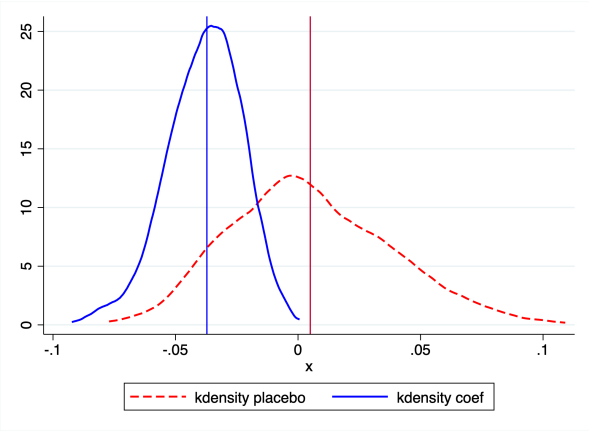
Taken together, these placebo exercises help assess whether our main results are driven by chance correlations or broader time shocks. The expectation is that the placebo effects will center around zero, while the actual treatment effect lies outside the distribution of placebo estimates. This strengthens our confidence that the estimated effects reflect the causal impact of the reform.

Figure 4 shows the distribution of placebo coefficients when the placebo treatment dates are randomly assigned to control states. The red vertical line is the mean placebo effect (close to zero). The actual treatment effects, represented by a blue line, for non-services sectors (–0.0372) and services (0.0292) are fairly away from the placebo coefficients.

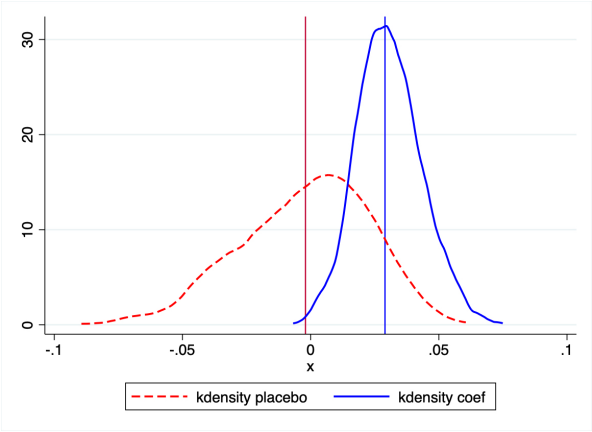
To plot figure 5, control states are assigned the real treatment dates of the reforming states. The placebo distributions concentrate tightly around zero. The placebo distributions are centered at zero, so the exercises still confirm that the "average placebo effect" is not very different from zero, unlike the actual treatment effect.

While the placebo effects themselves are centered at zero, we cannot statistically rule out that the observed effects arise by chance.

Figure 4: Distribution of Placebo (Dates and States) Treatments and Actual Treatment

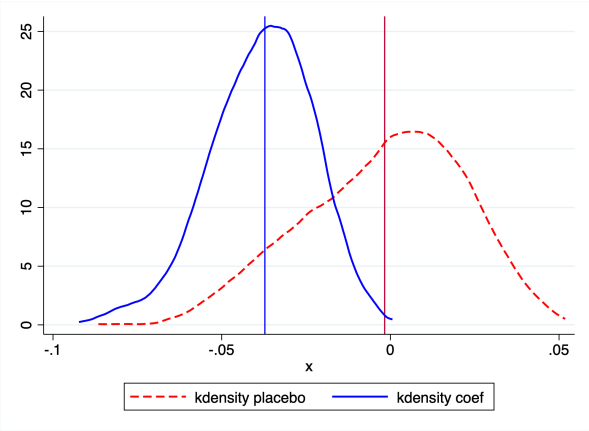


(a) Non-Services Sectors

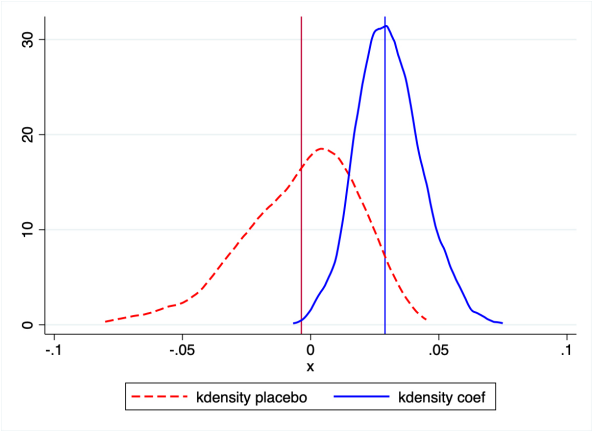


(b) Services Sectors

Figure 5: Distribution of Placebo (States) Treatments and Actual Treatment



(a) Non-Services Sectors



(b) Services Sectors

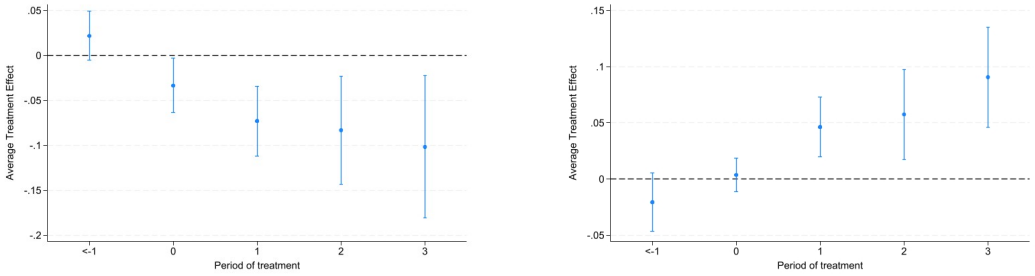
8.4 Alternate Estimation Methods for Staggered Treatment

To further assess the robustness of our findings, we implement the interaction-weighted event-study estimator proposed by Sun and Abraham (2021). This method addresses the bias that arises in staggered difference-in-differences settings when treatment effects are heterogeneous across cohorts. By plotting dynamic treatment effects relative to the year of reform, we are able to verify the parallel trends assumption and examine how the impact of the reform evolves over time across sectors.

Figure 6 presents event-study plots of the effect of the reform on women's employment in services and non-services. The dynamics show a clear divergence: in services, the coefficients turn positive after treatment and increase over time, while in non-services they decline and remain negative. Pre-treatment coefficients are close to zero, providing support for the parallel trends assumption.

Taken together, the Sun and Abraham (2021) estimates reinforce our main findings: the reform did not generate overall employment gains but reallocated women's labor from

Figure 6: Event-study plots of treatment effects on probability of female employment by sector



(a) Non-Service Sectors

(b) Services Sector

Estimates use the Sun and Abraham (2021) interaction-weighted estimator with state and year fixed effects.

non-service activities toward wage employment in the service sector.

To ensure that our results are not an artifact of estimator choice, we estimated the staggered treatment effects on a district-level panel using three approaches that are now standard in the staggered DiD literature: Sun and Abraham (2021), Callaway and Sant'Anna (2021), and the conventional two-way fixed effects estimator. Table 10 reports the average treatment effects on female employment in non-service and service sectors across these estimators.

Across all specifications, the results are remarkably consistent. The reforms led to a significant decline in women's employment in non-service sectors and a corresponding increase in services. The estimated effect on non-services ranges from –0.073 pecentage points to –0.050 percentage points, while the effect on services ranges from +0.039 percentage points to +0.050 percentage points. Expressed in percentage terms, the estimated increase in service employment lies within a bandwidth of approximately 12-16% across the three estimators—15.5% using Sun and Abraham (2021),14.6% under the two-way fixed effects specification, 12.18% using Callaway and Sant'Anna (2021). The close alignment of these estimates across methodologies underscores the robustness of the findings and suggests that the observed changes reflect a genuine reallocation of female labor from non-services to services following the reform, rather than an artifact of estimator choice.

Table 19: Sectoral Average Treatment Effects (ATT) by Estimator

	Sun & Abraham		Callaway & Santanna		TWFE	
	Non-Service	Service	Non-Service	Service	Non-Service	Service
ATT	-0.0728***	0.0495***	-.05001***	0.0393***	-0.0622***	0.0447***
	(0.0260)	(0.0155)	(0.0150)	(0.0119)	(.0190)	(0.0159)
Dep Variable Mean	0.55	0.32	0.55	0.32	0.55	0.32
Observations	2,464	2,464	2,450	2,450	2,464	2,464
State FE	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes

Notes: Notes: The unit of observation is the individual, and the sample consists of women who are in the labour force. The table reports average treatment effect on the treated (ATT) estimates obtained using three difference-in-differences estimators: Sun and Abraham (2021), Callaway and Sant'Anna (2021) and the conventional two-way fixed effects (TWFE) estimator. The treatment variable is defined as in the baseline analysis. All specifications include State fixed effects and year fixed effects. Standard errors (in parentheses) are clustered at the state level. Statistical significance is denoted as *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

The close alignment across estimators reinforces the robustness of our findings. Regardless of whether we rely on the event-study correction of Sun and Abraham, the group-time decomposition of Callaway and Sant'Anna, or the more traditional TWFE specification, the evidence points to the same conclusion: the removal of night-work restrictions reallocated women out of non-service sectors and into services.

8.5 Effect of the Reform on Firms outside the Ambit of the Act

The Shops and Establishments Acts, during our period of analysis, primarily applied to establishments employing 10 or more workers. Amendments expanding coverage to firms with more workers (such as 20 workers) are a much more recent phenomenon and fall outside our sample period. We should therefore observe changes in women's employment only in service sector firms that are large enough to be legally covered by the Act, and no effects in smaller firms. Table 20 tests this by estimating the effect of the amendment separately by firm size.

The results are consistent with this institutional logic. Among firms with fewer than 10 workers, the estimated coefficients on the amendment are small and statistically insignificant. This holds regardless of whether state-time controls are included. The absence of any detectable effect in this segment provides a strong placebo-style validation of our empirical strategy. In contrast, among firms with more than 10 workers, the amendment has large, statistically significant, and sector-specific effects. In the services sector, the amendment increases the probability of women's employment by about 6–7 percentage points. The employment effects can thus be linked to the legal reach of the Shops and Establishments Act, rather than to broader labor market trends.

	Probability of finding Employment in							
	Firms with fewer than 10 workers				Firms with more than 10 workers			
	Non-Services		Services		Non-Services		Services	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
$Amendment_{st}$	0.0405	0.0192	0.0289	0.0284	-0.0623**	-0.05473**	0.0683**	0.0643**
	(0.0446)	(0.0340)	(0.0199)	(0.0187)	(0.0219)	(0.0174)	(0.0226)	(0.0211)
Dep Variable Mean	0.12	0.12	0.27	0.27	0.22	0.22	0.67	0.67
R Squared	0.0773	0.0802	0.1243	0.1243	0.0852	0.0852	0.1639	0.1640
Observations	62,559	62,559	62,559	62,559	17,525	17,525	17,525	17,525
Month-Year Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
District-State Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
State-time Controls	No	Yes	No	Yes	No	Yes	No	Yes

Notes: The unit of observation is the individual, and the sample consists of women who are in the labour force. Columns (1)–(4) restrict the sample to women employed in firms with fewer than 10 workers, while Columns (5)–(8) restrict the sample to women employed in firms with 10 or more workers . In Columns (1), (2), (5), and (6), the dependent variable is female employment in the non-service sector, defined as a dummy equal to one if a woman is employed in the non-service sector according to principal usual status in the PLFS. In Columns (3), (4), (7), and (8), the dependent variable is female employment in the service sector, defined as a dummy equal to one if a woman is employed in the service sector according to principal usual status in the PLFS. The table reports two-way fixed effects (state and time) estimates. The independent variable, $Amendment_{st}$, is a state-level policy change indicator that takes the value of 1 if the amendment was implemented in state s at time t, and 0 otherwise. Fixed effects specifications vary across columns. State-time controls include per capita Net State Domestic Product and service-sector GVA. Standard errors (in parentheses) are clustered at the state level. Statistical significance is denoted as *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

Table 20: Heterogeneity of Effect on Employment of Women based on the Firm Size

8.6 Effect of the Reform on Sectoral Employment of Men

One concern is that the observed increase in women's service-sector employment may reflect a contemporaneous increase in labor demand rather than the causal effect of the amendment. To address this possibility, we implement the same identification strategy for men's sectoral employment. Table 21 reports the estimated impact of the amendment on male employment in treated states relative to control states. We find a weakly significant decline in male employment in the non-service sector, which disappears once district, month, and individual fixed effects are included. Importantly, we find no statistically significant effect of the amendment on men's employment in the service sector.

Taken together, these results suggest that the increase in women's service-sector employment is unlikely to be driven by a general increase in labor demand. Instead, the absence of corresponding effects for men supports the interpretation that the observed reallocation reflects a gender-specific response to the amendment rather than sector-wide demand shocks.

Table 21: Estimated TWFE of the Amendment on Likelihood of a Male's Sectoral Employment

	Likelihood of a Male Being Employed in											
	Non-Service						Service					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
$Amendment_{st}$	-0.0102*	-0.00928*	-0.0114*	-0.0109**	-0.0114	-0.00926	-0.00446	-0.00598	-0.00260	-0.00386	-0.00294	-0.00297
	(0.00504)	(0.00469)	(0.00556)	(0.00516)	(0.00739)	(0.00724)	(0.00591)	(0.00588)	(0.00643)	(0.00638)	(0.00844)	(0.00783)
Adj. R^2	0.0158	0.0166	0.0569	0.0573	0.0573	0.0852	0.0140	0.0147	0.0519	0.0523	0.0523	0.0683
Dep Variable Mean	0.551	0.551	0.551	0.551	0.551	0.551	0.385	0.385	0.385	0.385	0.385	0.385
Obs	4,38,167	4,38,167	4,38,167	4,38,167	4,38,167	4,38,159	4,38,167	4,38,167	4,38,167	4,38,167	4,38,167	4,38,159
State Fixed Effects	Yes	Yes	–	–	–	–	Yes	Yes	–	–	–	–
Year Fixed Effects	Yes	–	Yes	–	–	–	Yes	–	Yes	–	–	–
Month-Year Fixed Effects	No	Yes	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes
District-State FE	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes
State-time Controls	No	No	No	No	Yes	Yes	No	No	No	No	Yes	Yes
Individual Controls	No	No	No	No	No	Yes	No	No	No	No	No	Yes

Notes: The unit of observation is the individual, and the sample consists of men only who are in the labour force. In Columns 1–6, the dependent variable is male employment in non-service sector, defined as a dummy equal to one if a man is employed according to principal usual status and works in either manufacturing or agriculture, as classified by NIC codes in the PLFS. In Columns 7–12, the dependent variable is male employment in service sector, defined as a dummy equal to one if a man is employed according to principal usual status and works in the service sector, as classified by NIC codes in the PLFS. The table reports two-way fixed effects (state and time) estimates. The independent variable, $Amendment_{st}$, is a state-level policy change indicator that takes the value of 1 if the amendment was implemented in state s at time t, and 0 otherwise. Fixed effects specifications vary across columns. State-time controls include per capita Net State Domestic Product and service-sector GVA. Individual-level controls include age, marital status, and religion. Standard errors (in parentheses) are obtained using the bootstrap procedure and are clustered at the state level. Statistical significance is denoted as *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

9 Conclusion

If fewer women work night shifts, it might appear to reflect personal preference or constraints, when in fact it may be the consequence of a rule that systemically restricts women's labor market opportunities. This paper assesses whether reforming night-shift bans would change employment outcomes for women looking for work.

We find that removing night-shift bans in India's service sector did not change women's overall employment or labor force participation rates, but it did alter the composition of their work. Women in states that lifted the bans became substantially more likely to work in services and less likely to work in non-services. This reallocation indicates that the benefits of greater scheduling flexibility outweighed the costs of compliance for employers. The effects were strongest in safer districts, suggesting that women's willingness to supply labor interacts with local safety conditions and that regulatory reform alone cannot fully relax social and infrastructural constraints on women's work.

The heterogeneity analysis shows that these shifts are stronger with longer exposure to the reform. These pattern may imply that compliance systems, transport arrangements, and managerial adjustments take time to scale, and once established, the flexibility benefits rise relative to fixed compliance costs, intensifying reallocation. The results also hint towards urban sectoral reallocation and possibly some movement of rural women toward urban service jobs.

These findings have important implications for both research and policy. In the In-

dian context, they show that gender-specific labor laws can unintentionally distort the structure of employment even when they aim to promote women's welfare. The Shops and Establishments Acts regulate the very sector that has the greatest potential to absorb female labor as the economy shifts from agriculture and manufacturing toward services. Reforming these laws, while maintaining credible safety standards, could therefore play a critical role in expanding women's access to paid work.

In India today, more than 330 million working-age women are not employed, a number nearly equal to the entire population of the United States. Even modest improvements in policy design could help unlock this vast, unrealised potential.

More broadly, the results speak to a global literature on gender-specific labor regulation, which has long debated whether such laws protect or constrain women. By providing evidence from the service sector of a large developing economy, this study shows that the effects of gendered work regulations depend crucially on the sectors they target, the compliance costs they impose, and the social environments in which they operate.

Future research could compare the outcomes of similar reforms across countries. This would deepen our understanding of how sectoral composition and institutional design mediate the impact of gender-specific labor laws. This extension would help clarify not only how legal reforms influence women's employment, but also how policy can better harness the expanding service sector as a driver of gender-equitable growth across the world.

10 Appendix A: Additional Tables and Figures

Shops & Establishments: State classification and Sources

State	Regime type	Night Shift Provision	Status	Source
Andhra Pradesh	Conditions based Reform	Night work allowed if welfare/safety conditions are met on 23rd November 2018	Treated	See extract
Assam	Hard ban	"Require or allow" women beyond specified evening time (e.g., 7 PM) prohibited	Control	See extract
Bihar	Inspector Permissions	Night work prohibited unless inspector permission obtained	Control	See extract
Chhattisgarh	Inspector Permissions	Night work prohibited unless inspector permission obtained	Control	See extract
Gujarat	Inspector Permissions	Night work prohibited unless inspector permission obtained	Control	See extract
Haryana	Sectoral exemptions	Restriction applies generally; exemptions for specified sectors (e.g., nurses, hospitals)	Control	See extract
Himachal Pradesh	Sectoral exemptions	Restriction applies generally; exemptions for specified sectors (e.g., nurses, hospitals)	Control	See extract
Jammu and Kashmir	Hard ban	"Require or allow" women beyond specified evening time (e.g., 7 PM) prohibited	Control	See extract

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State	Regime type	Night Shift Provision	Status	Source
Jharkhand	Sector exemptions only	Restriction applies generally; exemptions for specified sectors (e.g., cinemas/theatres)	Control	See extract
Karnataka	Conditions based Reform	Night work allowed if welfare/safety conditions are met on 19 October 2020	Treated	See extract
Kerala	Conditions based Reform	Night work allowed if welfare/safety conditions are met on 21 December 2018	Treated	See extract
Madhya Pradesh	Hard ban	"Require or allow" women beyond specified evening time (e.g., 7 PM) prohibited	Control	See extract
Maharashtra	Conditions based Reform	Night work allowed if welfare/safety conditions are met on 06 September 2017	Always Treated	See extract
Manipur	Hard ban	"Require or allow" women beyond specified evening time (e.g., 7 PM) prohibited	Control	See extract
Meghalaya	Hard ban	"Require or allow" women beyond specified evening time (e.g., 7 PM) prohibited	Control	See extract

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State	Regime type	Night Shift Provision	Status	Source
Nagaland	Hard ban	"Require or allow" women beyond specified evening time (e.g., 7 PM) prohibited	Control	See extract
Odisha	Hard ban	"Require or allow" women beyond specified evening time (e.g., 7 PM) prohibited	Control	See extract
Punjab	Sector exemptions only	Restriction applies generally; exemptions for specified sectors (e.g., Nurses, hospitals)	Control	See extract
Rajasthan	Conditions based Reform	Night work allowed if welfare/safety conditions are met (e.g., transport, security, consent)	Treated	See extract
Sikkim	Hard ban	"Require or allow" women beyond specified evening time (e.g., 7 PM) prohibited	Control	See extract
Telangana	Sector exemptions only	Restriction applies generally; exemptions for specified sectors (e.g., cinemas/theatres)	Control	See extract
Tripura	Hard ban	"Require or allow" women beyond specified evening time (e.g., 7 PM) prohibited	Control	See extract
Uttar Pradesh	Conditions based Reform	Night work allowed if welfare/safety conditions are met on 05 May 2018	Always Treated	See extract

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State	Regime type	Night Shift Provision	Status	Source
Uttarakhand	Conditions based Reform	Night work allowed if welfare/safety conditions are met on March 2018	Always Treated	See extract
West Bengal	Hard ban	"Require or allow" women beyond specified evening time (e.g., 7 PM) prohibited	Control	See extract

10.1 Alternative Regulations to Employ women

An important feature of India's labor regulatory regime is the widespread use of contract labor as a mechanism through which firms sidestep rigid employment protection and compliance requirements. The Contract Labour (Regulation and Abolition) Act, 1970 (CLA) governs the employment of workers hired through contractors rather than directly by the principal employer.

Contract labor has been used to circumvent restrictive provisions on firing, working hours, and gender-specific protections, particularly in states with stricter labor enforcement (Ramaswamy, 2003, Hasan et al., 2007, Ahsan and Pagés, 2009, Dougherty et al., 2011, Chaurey, 2015). By outsourcing employment relationships to contractors, firms are able to adjust labor input more easily in response to demand fluctuations and regulatory constraints.

The Contract Labour Act is implemented through state-specific rules, and these rules differ in whether they impose restrictions on women's night-shift employment. Some states explicitly prohibit or restrict the employment of women during night hours even under contract labor arrangements, while others do not impose such bans. This creates an additional layer of heterogeneity in the effective regulatory environment faced by firms.

In states with night-shift bans embedded in the Contract Labour Act, firms are unable to rely on contract labor as a regulatory workaround to employ women during night hours. For these firms, the amendment to the Shops Act represents a meaningful relaxation of a binding constraint, creating a new margin through which women can be employed in night-shift service-sector jobs.

In states without night-shift restrictions under the Contract Labour Act, firms could already employ women at night by routing employment through contract labor arrangements. In such settings, the Shops Act amendment is less likely to generate large employment responses, as it does not substantially alter the effective regulatory environment faced by firms. As a result, the scope for additional expansion of women's employment following the Shops Act reform is expected to be more limited.

Table 23 examines whether the employment effects of the Shops and Establishments Act amendment vary across states depending on whether night-shift employment of women is restricted under the Contract Labour Act (CLA). In states without night-shift bans under the Contract Labour Act, the estimated effects of the Shops Act amendment on women's salaried employment are small and statistically insignificant in both non-service and service sectors. This suggests that, in these states, firms were already able to rely on contract labor to employ women at night, so the amendment did not materially alter their effective hiring constraints. In contrast, in states with night-shift bans under the Contract Labour Act, the amendment is associated with a large and statistically significant increase in women's salaried employment in the service sector. The

	Probability of a woman being wage employed							
	States with No Night shift bans on Contract Labor				States with Night shift bans on Contract Labor			
	Non-Services		Services		Non-Services		Services	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
$Amendment_{st}$	0.001	0.001	0.0102	0.0106	-0.0126	-0.0124	.04991**	0.0499**
	(0.0060)	(0.0058)	(0.0113)	(0.0120)	(0.0186)	(0.0190)	(0.0205)	(0.0205)
Dep Variable Mean	0.15	0.15	0.20	0.20	0.22	0.22	0.20	0.20
R Squared	0.1212	0.1211	0.1016	0.1016	0.0852	0.0852	0.0985	0.0985
Observations	72,843	72,843	72,843	72,843	61,795	61,795	61,795	61,795
Month-Year Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
District-State Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
State-time Controls	No	Yes	No	Yes	No	Yes	No	Yes

Notes: The unit of observation is the individual, and the sample consists of women who are in the labour force. Columns (1)–(4) restrict the sample to states without night-shift bans on contract labour, while Columns (5)–(8) restrict the sample to states with night-shift bans on contract labour. In Columns (1), (2), (5), and (6), the dependent variable is female wage employment in the non-service sector, defined as a dummy equal to one if a woman is employed in the non-service sector as a salaried/regular worker or casual worker, according to principal usual status in the PLFS. In Columns (3), (4), (7), and (8), the dependent variable is female wage employment in the service sector, defined as a dummy equal to one if a woman is employed in the service sector as a salaried/regular worker or casual worker, according to principal usual status in the PLFS. The table reports two-way fixed effects (state and time) estimates. The independent variable, $Amendment_{st}$, is a state-level policy change indicator that takes the value of 1 if the amendment was implemented in state s at time t, and 0 otherwise. Fixed effects specifications vary across columns. State-time controls include per capita Net State Domestic Product and service-sector GVA. Standard errors (in parentheses) are clustered at the state level. Statistical significance is denoted as *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

Table 23: Heterogeneity of Effect on Women's Employment in States with and without Night Shift Bans in the Contract Labor Act

point estimates indicate an increase of approximately 5 percentage points, relative to a baseline mean of 20 %, representing a substantial expansion in women's access to salaried service-sector jobs.

These findings indicate that the employment response to the Shops Act amendment is concentrated precisely in states where alternative regulatory workarounds, such as contract labor, were unavailable due to night-shift restrictions. This heterogeneity provides evidence that firms' responses to gender-targeted labor reforms depend on the interaction between overlapping labor laws.

10.2 Sectoral Employment with Agriculture

10.2.1 Two Way Fixed Effects

While overall employment probabilities remained unchanged, the sectoral panels reveal significant compositional shifts in women's employment across industries. Across all six specifications in table 6, the coefficient on $\text{Amendment}_{s(t)}$ is positive and statistically significant. On average, approximately 31.7% of women are employed in the service sector. The amendment is associated with a significant increase in the likelihood of women being employed in services, ranging between 2.30 percentage points and 3.39 percentage points. This translates to a 7.26% to 10.70% increase in the probability of a working-age woman being employed in the service sector in states that amended their Shops and Establishments Act.

In contrast, the coefficients on manufacturing employment are negative and statistically significant. On average, about 15.3% of women are employed in manufacturing. The amendment is associated with a decline in the likelihood of women being employed

in manufacturing, ranging between 1.62 percentage points and 2.03 percentage points. This implies a 10.6% to 13.3% decrease in the probability of a working-age woman being employed in manufacturing in states that implemented the reform.

For agriculture and mining, the coefficients are negative across all specifications, but they are small in magnitude and statistically insignificant. This suggests that the amendment did not meaningfully alter women's employment likelihood in agriculture or mining.

Table 24: Estimated TWFE of the Amendment on Sectoral Employment

	Likelihood of a Woman Being Employed in																	
	Agriculture and Mining						Manufacturing						Service					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(111)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
$Amendment_{st}$	-0.0172	-0.0167	-0.0175	-0.0184	-0.0185	-0.0127	-0.0120	-0.0148*	-0.0162**	-0.0189***	-0.0211***	-0.0203***	0.0230*	0.0241*	0.0272**	0.0293**	0.0313**	0.0303**
	(0.0184)	(0.0203)	(0.0145)	(0.0161)	(0.0152)	(0.0139)	(0.0076)	(0.0074)	(0.0070)	(0.0067)	(0.0065)	(0.0071)	(0.0127)	(0.0145)	(0.0102)	(0.0118)	(0.0120)	(0.0113)
Adj. R^2	0.1288	0.1303	0.2535	0.2544	0.2544	0.3078	0.0336	0.0344	0.0861	0.0868	0.0868	0.0957	0.0564	0.0575	0.134	0.134	0.134	0.148
Dep Variable Mean	0.450	0.450	0.450	0.450	0.450	0.450	0.153	0.153	0.153	0.153	0.153	0.153	0.317	0.317	0.317	0.317	0.317	0.317
Obs	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117	1,42,117
State Fixed Effects	Yes	Yes	–	–	–	–	Yes	Yes	–	–	–	–	Yes	Yes	–	–	–	–
Year Fixed Effects	Yes	–	Yes	–	–	–	Yes	–	Yes	–	–	–	Yes	–	Yes	–	–	–
Month-Year Fixed Effects	No	Yes	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes
District-State FE	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes
State-time Controls	No	No	No	No	Yes	Yes	No	No	No	No	Yes	Yes	No	No	No	No	Yes	Yes
Individual Controls	No	No	No	No	No	Yes	No	No	No	No	No	Yes	No	No	No	No	No	Yes

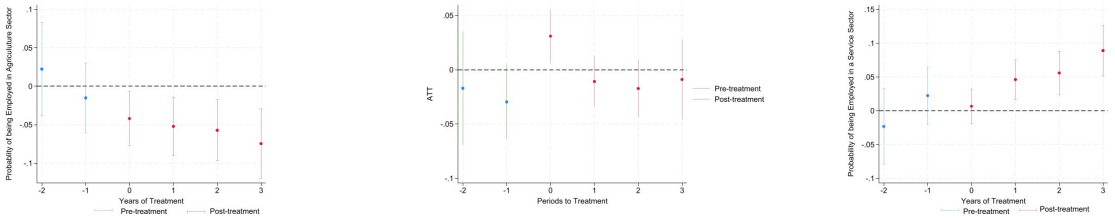
Notes: The unit of observation is the individual, and the sample consists of women who are in the labour force. In Columns 1–6, the dependent variable is female employment in the agriculture and mining sector, as classified by NIC codes in the PLFS, defined as a dummy equal to one if a woman is employed according to principal usual status. In Columns 7–12, the dependent variable is female employment in the manufacturing sector, as classified by NIC codes in the PLFS, defined as a dummy equal to one if a woman is employed according to principal usual status. In Columns 13–18, the dependent variable is male employment in the service sector, defined as a dummy equal to one if a man is employed according to principal usual status and works in the service sector, as classified by NIC codes in the PLFS. The table reports two-way fixed effects (state and time) estimates. The independent variable, $Amendment_{st}$, is a state-level policy change indicator that takes the value of 1 if the amendment was implemented in state s at time t, and 0 otherwise. Fixed effects specifications vary across columns. State-time controls include per capita Net State Domestic Product and service-sector GVA. Individual-level controls include age, marital status, and religion. Standard errors (in parentheses) are obtained using the bootstrap procedure and are clustered at the state level. Statistical significance is denoted as *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

Taken together, the results indicate that the removal of night-work restrictions did not expand women's aggregate employment, but instead reallocated female labor away from manufacturing into the service sector, with no significant changes in agriculture or mining.

10.2.2 Callaway and Santanna Estimates

Figures 8 plots the dynamic treatment effects across sectors. In agriculture (Figure 8 (a)), the post-treatment coefficients are consistently negative, though imprecisely estimated, suggesting a weak decline in the probability of women being employed in the sector. In manufacturing (Figure 8 (b)), the event study estimates suggest a decline in women's employment. The coefficients remain imprecisely estimated, and the confidence intervals include zero throughout the post-treatment period. Thus, while the point estimates are consistent with a downward shift, we cannot conclude statistical significance. In services (Figure 8(c)), the post-treatment coefficients show a clear upward trajectory, with the likelihood of women being employed in services increasing gradually over time and becoming strongly positive three years after the reform.

Figure 7: Event Study Plot of Treatment Effect on Probability of being employed in



(a) Agriculture Sector (b) Manufacturing Sector (c) Services Sector

10.3 Excluding Rajasthan

Table 25: Estimated TWFE of the Amendment on Sectoral Employment

	Likelihood of a Woman Being Employed in											
	Non- Service						Service					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
$Amendment_{st}$	-0.0377**	-0.0427**	-0.0370**	-0.0431**	-0.0469***	-0.0403***	0.0345***	0.0376***	0.0348***	0.0387***	0.0424***	0.0401***
	(0.0144)	(0.0158)	(0.0155)	(0.0166)	(0.0161)	(0.0132)	(0.0103)	(0.0122)	(0.00966)	(0.0112)	(0.0105)	(0.0102)
Adj. R^2	0.0870	0.0885	0.179	0.181	0.181	0.237	0.0515	0.0527	0.130	0.130	0.130	0.144
Dep Variable Mean	0.590	0.590	0.590	0.590	0.590	0.590	0.327	0.327	0.327	0.327	0.327	0.327
Obs	1,32,979	1,32,979	1,32,979	1,32,979	1,32,979	1,32,979	1,32,979	1,32,979	1,32,979	1,32,979	1,32,979	1,32,979
State Fixed Effects	Yes	Yes	–	–	–	–	Yes	Yes	–	–	–	–
Year Fixed Effects	Yes	–	Yes	–	–	–	Yes	–	Yes	–	–	–
Month-Year Fixed Effects	No	Yes	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes
District-State FE	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes
State-time Controls	No	No	No	No	Yes	Yes	No	No	No	No	Yes	Yes
Individual Controls	No	No	No	No	No	Yes	No	No	No	No	No	Yes

Notes: The unit of observation is the individual, and the sample consists of women only who are in the labour force. In Columns 1–6, the dependent variable is female employment in non-service sector, defined as a dummy equal to one if a woman is employed according to principal usual status and works in either manufacturing or agriculture, as classified by NIC codes in the PLFS. In Columns 7–12, the dependent variable is female employment in service sector, defined as a dummy equal to one if a woman is employed according to principal usual status and works in the service sector, as classified by NIC codes in the PLFS. The table reports two-way fixed effects (state and time) estimates. The independent variable, $Amendment_{st}$, is a state-level policy change indicator that takes the value of 1 if the amendment was implemented in state s at time t, and 0 otherwise. Fixed effects specifications vary across columns. State-time controls include per capita Net State Domestic Product and service-sector GVA. Individual-level controls include age, marital status, and religion. Standard errors (in parentheses) are clustered at the state level. Statistical significance is denoted as *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

10.4 Social Security Benefits

We measure access to social security benefits using records of whether an employee is covered under any employer-arranged or employer-contributed social security scheme, including provident fund or pension, gratuity, and health care or maternity benefits. The survey distinguishes between workers who are eligible for at least one of these benefits and those who are not eligible for any social security benefit. This question is asked only of wage-employed and casual workers, for whom employer-provided social security coverage is relevant. We therefore restrict the analysis to women who are wage-employed or casually employed. We construct a binary indicator equal to one if the worker reports eligibility for at least one social security benefit and zero otherwise.

Table 26 reports TWFE estimates of the effect of the amendment on women's access to social security benefits. In the non-service sector, the amendment is associated with a statistically significant decline in the probability that a woman is employed in a job

providing any social security benefit. Across specifications, the estimated effect ranges from –1.2 to –2.6 percentage points, relative to a pre-amendment mean of 3.8 %. This implies a 30–65 % reduction in women's access to benefit-bearing jobs in non-service activities following the amendment. In contrast, the estimated effects for the service sector are small in magnitude and statistically insignificant across all specifications.

Table 26: Estimated TWFE of the Amendment on Social Security Benefit

	Likelihood of a Woman Getting Social Security Benefit in											
	Non-Service						Service					
	(1)	(2)	(3)	(4)	(5)	(6)	(1)	(2)	(3)	(4)	(5)	(6)
$Amendment_{st}$	-0.0258***	-0.0274***	-0.0163***	-0.0175***	-0.0125**	-0.0125**	-0.0004	0.0067	0.0045	0.0122	0.0167	0.0186
	(0.0081)	(0.0082)	(0.0052)	(0.0055)	(0.0049)	(0.0048)	(0.0215)	(0.0220)	(0.0165)	(0.0169)	(0.0151)	(0.0153)
Adj. R^2	0.0194	0.0207	0.0658	0.0670	0.0675	0.0694	0.0872	0.0883	0.120	0.121	0.121	0.140
Dep Variable Mean	0.038	0.038	0.038	0.038	0.038	0.038	0.308	0.308	0.308	0.308	0.308	0.308
Obs	43,596	43,596	43,590	43,590	43,590	43,590	43,596	43,596	43,590	43,590	43,590	43,590
State Fixed Effects	Yes	Yes	–	–	–	–	Yes	Yes	–	–	–	–
Year Fixed Effects	Yes	–	Yes	–	–	–	Yes	–	Yes	–	–	–
Month-Year Fixed Effects	No	Yes	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes
District-State FE	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes
State-time Controls	No	No	No	No	Yes	Yes	No	No	No	No	Yes	Yes
Individual Controls	No	No	No	No	No	Yes	No	No	No	No	No	Yes

Notes: The unit of observation is the individual, and the sample consists of women only who are in the labour force. In Columns 1–6, the dependent variable is a dummy equal to one if a woman is eligible for any social security benefit, including provident fund/pension, gratuity, or health care/maternity benefits (either individually or in combination), and zero if she is not eligible for any social security benefits in the non- service sector. In Columns 7–12, the dependent variable is a dummy equal to one if a woman is eligible for any social security benefit, including provident fund/pension, gratuity, or health care/maternity benefits (either individually or in combination), and zero if she is not eligible for any social security benefits in the service sector. The table reports two-way fixed effects (state and time) estimates. The independent variable, $Amendment_{st}$, is a state-level policy change indicator that takes the value of 1 if the amendment was implemented in state s at time t, and 0 otherwise. Fixed effects specifications vary across columns. State-time controls include per capita Net State Domestic Product and service-sector GVA. Individual-level controls include age, marital status, and religion. Standard errors (in parentheses) are clustered at the state level. Statistical significance is denoted as *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

Taken together, these results suggest that the amendment affected women's employment quality through different adjustment margins across sectors. In the service sector, earlier results show increases in women's employment; however, the absence of any corresponding increase in social security coverage indicates that this expansion occurred largely in jobs that do not provide statutory benefits.

10.5 Heterogeneity by Age

	Probability of finding Employment based on Age							
	5-29		30-38		39-47		48-98	
	Non-Services	Services	Non-Services	Services	Non-Services	Services	Non-Services	Services
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
$Amendment_{st}$	-0.0591**	0.0269	-0.056***	0.057***	-0.0199	0.0232	-0.0212	0.0237*
	(0.027)	(0.022)	(0.0132)	(0.016)	(0.016)	(0.014)	(0.013)	(0.013)
Dep Variable Mean	0.47	0.28	0.60	0.35	0.67	0.32	0.70	0.29
R Squared	0.2526	0.1250	0.2060	0.1500	0.1797	0.1697	0.2061	0.2026
Observations	35,823	35,823	36,849	36,849	34,908	34,908	34,521	34,521
Month-Year Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
District-State Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: The unit of observation is the individual. The sample consists of women, with labour force participation defined using principal usual status classifications in the PLFS. The sample includes women across the full age distribution observed in the PLFS. Individuals coded as employed or unemployed are classified as being in the labour force, and all others are classified as not in the labour force. Columns (1) and (2) restrict the sample to women aged 5–29 years, Columns (3) and (4) restrict the sample to women aged 30–38 years, Columns (5) and (6) restrict the sample to women aged 39–47 years, and Columns (7) and (8) restrict the sample to women aged 48–98 years. In Columns (1), (3), (5), and (7), the dependent variable is female employment in the non-service sector, defined as a dummy equal to one if a woman is employed in the non-service sector according to principal usual status in the PLFS. In Columns (2), (4), (6), and (8), the dependent variable is female employment in the service sector, defined as a dummy equal to one if a woman is employed in the service sector according to principal usual status in the PLFS. The table reports two-way fixed effects (state and time) estimates. The independent variable, $Amendment_{st}$, is a state-level policy change indicator that takes the value of 1 if the amendment was implemented in state s at time t, and 0 otherwise. Fixed effects specifications vary across columns. State-time controls include per capita Net State Domestic Product and service-sector GVA. Standard errors (in parentheses) are clustered at the state level. Statistical significance is denoted as *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

Table 27: Heterogeneity of Effect on Women based on Highest Level of Education Achieved

10.6 Heterogeneity by Education

	Probability of finding Employment based on Highest Level of Education Attained							
	No Formal Schooling		Upto Primary		Middle-Higher Secondary		Graduate and Above	
	Non-Services	Services	Non-Services	Services	Non-Services	Services	Non-Services	Services
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
$Amendment_{st}$	-0.0119	0.0101	-0.0173	0.0158	-0.0422*	0.0395*	-0.0143	0.0080
	(0.010)	(0.0099)	(0.014)	(0.0121)	(1.94)	(0.022)	(0.012)	(.0197)
Dep Variable Mean	0.85	0.14	0.78	0.21	0.57	0.36	0.08	0.63
R Squared	0.1825	0.1801	0.1445	0.1409	0.1531	0.1180	0.0835	0.0984
Observations	42,694	42,694	26,113	26,113	47,793	47,793	23,388	23,388
Month-Year Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
District-State Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: The unit of observation is the individual. The sample consists of women, with labour force participation defined using principal usual status classifications in the PLFS. Columns (1) and (2) restrict the sample to women who did not attend schools, Columns (3) and (4) restrict the sample to women who attended school upto the primary level, Columns (5) and (6) restrict the sample to women did higher secondary education, and Columns (7) and (8) restrict the sample to women who graduated. In Columns (1), (3), (5), and (7), the dependent variable is female employment in the non-service sector, defined as a dummy equal to one if a woman is employed in the non-service sector according to principal usual status in the PLFS. In Columns (2), (4), (6), and (8), the dependent variable is female employment in the service sector, defined as a dummy equal to one if a woman is employed in the service sector according to principal usual status in the PLFS. The table reports two-way fixed effects (state and time) estimates. The independent variable, $Amendment_{st}$, is a state-level policy change indicator that takes the value of 1 if the amendment was implemented in state s at time t, and 0 otherwise. Fixed effects specifications vary across columns. State-time controls include per capita Net State Domestic Product and service-sector GVA. Standard errors (in parentheses) are clustered at the state level. Statistical significance is denoted as *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

Table 28: Heterogeneity of Effect on Women based on Highest Level of Education Achieved

10.7 Heterogeneity by Marital Status

=	Probability of finding Employment based on Marital Status							
	Never Married		Currently Married		Widowed		Separated	
	Non-Services	Services	Non-Services	Services	Non-Services	Services	Non-Services	Services
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
$Amendment_{st}$	-0.0623**	0.0403**	-0.0282*	0.0344**	-0.0344*	0.0356*	-0.0090	0.0022
	(0.016)	(0.019)	(0.015)	(0.012)	(0.02)	(0.02)	(0.04)	(0.05)
Dep Variable Mean	0.31	0.36	0.68	0.28	0.61	0.39	0.42	0.54
R Squared	0.1862	0.1165	0.1938	0.1567	0.1690	0.1664	0.2643	0.2564
Observations	23,332	23,332	99,840	99,840	16,705	16,705	2,119	2,119
Month-Year Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
District-State Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table 29: Heterogeneity of Effect on Women based on Marital Status

Notes: The unit of observation is the individual. The sample consists of women, with labour force participation defined using principal usual status classifications in the PLFS. Columns (1) and (2) restrict the sample to women who have never married, Columns (3) and (4) restrict the sample to women who are currently married at the time of the survey, Columns (5) and (6) restrict the sample to widowed women, and Columns (7) and (8) restrict the sample to separated women. In Columns (1), (3), (5), and (7), the dependent variable is female employment in the non-service sector, defined as a dummy equal to one if a woman is employed in the non-service sector according to principal usual status in the PLFS. In Columns (2), (4), (6), and (8), the dependent variable is female employment in the service sector, defined as a dummy equal to one if a woman is employed in the service sector according to principal usual status in the PLFS. The table reports two-way fixed effects (state and time) estimates. The independent variable, $Amendment_{st}$, is a state-level policy change indicator that takes the value of 1 if the amendment was implemented in state s at time t, and 0 otherwise. Fixed effects specifications vary across columns. State-time controls include per capita Net State Domestic Product and service-sector GVA. Standard errors (in parentheses) are clustered at the state level. Statistical significance is denoted as *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

11 Appendix B: Source Documents

19. Holidays - (1) Every employee in any establishment shall be allowed in each week a holiday of one whole day:

Provided that, nothing in this sub-section shall apply to any employee whose total period of employment in the week, including any days spent on authorised leave is less than six days.

(2) The Government may, by notification, require in respect of any specified class of establishments that every employee therein shall be allowed in each week an additional holiday of one half-day commencing at such hour in the afternoon as may be fixed by the Government.

(3) The Government may, for the purposes of sub-section (2), fix different hours for different classes of establishments or for different areas or for different times of the year.

(4) No deduction shall be made from the wages of any employee in an establishment on account of any day or part of a day on which a holiday has been allowed in accordance with this section and if such employee is employed on the basis that he would not ordinarily receive wages for such day or part of a day, he shall non the less be paid for such day or part of a day the wages he would have drawn, had the holiday not been allowed on that day or part of a day.

(5) It shall not be lawful for the employer to call an employee at or for the employee to go to, his establishment or any other place for any work in connection with the business of his establishment on any day or part of a day on which a holiday has been allowed in accordance with this section.

CHAPTER-V
EMPLOYMENT OF WOMEN, CHILDREN AND YOUNG PERSONS

20. Children not to work in establishment - No Child shall be required or allowed to work in any establishment.

21. Special provision for young persons - No young person shall be required or allowed to work in any establishment before 6 a.m. and after 7 p.m.

22. Daily and weekly hours of work for young persons - Notwithstanding anything in this Act, no young person shall be required or allowed to work in any establishment for more than 7 hours in any day and forty-two hours in any week nor shall such person be allowed to work overtime.

23. Special provision for women – [1][No Woman employee shall be required or allowed to work in any establishment before 6-00 a.m. and after 8-30 p.m.:

Provided that the women employees may be required or allowed to work between 8.30 p.m. and 6.00 a.m. in any establishment in which adequate safety security measures and other safeguards as my be prescribed by the State Government are provided. The safety and security measures shall include provision of shelter, rest rooms, lunch rooms, night crèches and ladies, toilets, adequate protection of their privacy, dignity, honour and safety, protection from sexual harassment, employment of at least five (5) women employees together and their transportation between factory premises and the doorstep of their residence:

Provided further that the above relaxation shall not be allowed to a woman employee during a period of sixteen (16) weeks before and after her childbirth, of which at least eight (8) weeks shall be before the expected childbirth, and for such additional period, if any, as specified in the medical certificate stating that it is necessary for the health of the woman employee or her child].

[1] . . Substituted by the Act No. 36 of 2018, S.4.

(5) The decisions of the appellate authority shall be final and binding on both the parties, not be liable to be questioned in any court of law, and be given effect to within such time as may be specified in the order of the appellate authority

(6) Any compensation required to be paid by the employer under sub-section (3) and (4) but not paid by him shall be recoverable as arrears of land revenue under the provisions of the Revenue Recovery Act, 1890 (Act 1 of 1890) for the time being in force.

CHAPTER V

EMPLOYMENT OF CHILDEREN AND WOMAN

19. Prohibition of employment of children

No child shall be required or allowed to work in any establishment except as an apprentice in such employment as may be specified by the State Government.

20. Prohibition of employment of women and persons below seventeen years during night

No women or any person who has not attained the age of seventeen shall be required or allowed to work whether as an employee or otherwise in any establishment before 6 A.M. or after 7 P.M.

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CHAPTER VI

HEALTH AND SAFETY

21. Cleanliness, ventilation and lighting

(1) The premises of every establishment shall be kept clean and free from alluvia arising from any drain or privy or other nuisance and shall be cleaned at such times and by such methods as may be prescribed and these methods may include lime washing, colour washing painting, varnishing, disinfection and deodorizing.

(2) The premises of every establishment shall be ventilated and sufficiently lighted during all working hours, with such standards and by such methods as may be prescribed.

(3) If it appears to an Inspector that the premises of any establishment within his jurisdiction are not sufficiently kept clean or lighted or ventilated, he may serve on the employer an order in writing specifying the measures which in his opinion, should be adopted and requiring him to be carried out before a specified date.

22. Precaution against fire

Every employer shall take proper precaution against fire in such manner as may be prescribed.

23. Appeals

Against any order of the Inspector under this chapter, an appeal shall lie to such authority and within such time as may be prescribed.

24. Apportionment of expenses under preceding sections

CHAPTER III
Employment of children and young persons

13. No child to work in an establishment.—No children below the age of [1][fourteen years shall be required or allowed to work as an employee in any establishment to which this Act applies.

[2][14. Young person and women.— No young person or women shall be required or allowed to work whether as an employee or otherwise in any establishment to which this Act applies before 8 A.M. or after 10 P.M.

[3][" Provided that if the State Government is satisfied owing to the nature of work carried on or other circumstances, that it is unreasonable to regulate the periods of work of any women employee, it may by written order relax or modify the above provisions for particular establishment/category of establishments.

Provided further that before passing any order safety and welfare issues of women employee shall be kept in mind."

15. Daily and weekly hours of work for young persons.—(1) Notwithstanding anything contained in this Act—

(a) no [4][xxx] young person shall be allowed to work as an employee in any establishment to which this Act applies for more than —

(i) [5][xxx]

(ii) seven hours in any day or forty-two hours in any week in the case of a young person;

(b) no [4][xxx] young person shall be required or allowed to work in such establishment for more than four hours continuously in any day unless he has an interval for rest and meals of at least one hour.

(2) [5][xxx]

CHAPTER IV
Leave with wages.

16. Annual leave with wages.—(1) Every employee who has worked for two hundred and forty days or more in an establishment during a calendar year and who has not been involved in an illegal strike, shall be allowed, during the subsequent calendar year, leave with wages for a number of days calculated at the rate of –

(i) [6][xxx]

(ii) [6][xxx] one day for every twenty days of work performed by him during the previous calendar year.

Explanation.—For the purpose of this sub-section—

(a) any day of lay off, by agreement or contract or as permissible under the standing orders and any days of lock-out;

(b) in the case of a female employee, maternity leave for any number of days not exceeding twelve weeks; and

(c) the leave earned in the year prior to that in which the leave is enjoyed;

shall be deemed to be days on which the employee has worked in an establishment for the purpose of computation of the period of 240 days or more, but he shall not earn leave for these days.

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1. Subs by the word "fourteen" in place of "twelve" by Amendment Act of 2013.
2. "Section 14" Subs. by *ibid*.
3. substituted by act of 2015.
4. Words "child or" repealed by Amendment Act of 2013
5. Sub-Section (i) of Section 15(1)(a) and Sub-Section (2) repealed by *ibid*.
6. Clause (i) of Sub-Section (1) of Section (16) and Words 'in any other case' used in clause (ii) deleted by Act 25 of 2013.

CHAPTER VI

EMPLOYMENT OF CHILDREN, YOUNG PERSONS AND WOMEN

24 . No child to work in any establishment -- No child shall be required or allowed to work whether as an employee or otherwise in an y establishment not withstanding that such chi ld is a member of the family of the employer .

25 . Young persons and w omen to work between 7 a . m . to 9 p. m . --

No young person or women s hall be required or allowed to work whether as an employee or other wise in any establishment before 7 a . m. and after 9 p . m. notwithstanding that such young person or women is a member of the family of the employer .

25A . Daily hours of work for young person -- (1) Not withstanding anything contained in this Act, no young per son shall be required or allowed to work whether as an employee or otherwise, in an y establishment for more than five hours in any day.

(2) No young person, shall be required or allowed to work whet her as an employee or other wise, in an y establishment for more than three hours in any day unless he had an interval for rest of at least half an hour .

25B . Prohibition of employment of young persons and w omen in dangerous work -- No young person or woman working in any establishment, whether as an employee or otherwise, shall be required or allowed to perform such work as ma y be declared b y the State Government, b y notification, to be work involving danger to life, health or morals .

Provided that, if the Inspector does not receive the information but he is otherwise satisfied that any shop or establishment has been closed, he may remove the entry of such shop or establishment from the register of establishments and cancel such certificate.

CHAPTER III

DUTIES OF EMPLOYER

Health and safety of worker.

11. (1) Every employer shall take such measures relating to the health and safety of the worker including cleanliness, lighting, ventilation and prevention of fire as may be prescribed.

(2) Every employer shall be responsible for providing constant adequate supervision of the worker employed in the shop or establishment and to ensure the compliance with the rules relating to health and safety made under sub-section (1) and for taking steps necessary to prevent accidents.

Fixing of hours of work.

12. Subject to the other provisions of this Act, no worker shall be required or allowed to work in any shop or establishment for more than nine hours in any day and forty-eight hours in a week. No worker shall be compelled to work continuously for more than five hours unless he has been given a break of not less than half an hour:

Provided that, the working hours or weekly holiday may be relaxed in case of work of urgent nature with the previous permission of the Inspector.

Prohibition of discrimination of women.

13. (1) No woman worker shall be discriminated in the matter of recruitment, training, transfer or promotion or wages.

(2) No woman worker shall be required or allowed to work in any establishment except between the hours of 6 a.m. and 9 p.m.:

Provided that, where the Inspector or any person, authorized by it in this behalf, is satisfied that the provisions of shelter, rest room, night *crèche*, ladies toilet, adequate protection of dignity, honour and safety, protection from sexual harassment, and their transportation from the shop or

(4) No person who has been awarded compensation under this section shall be entitled to bring a civil suit in respect of the same claim.

23. Notice by employee. -- (1) No employee, who has been in the service of the employer continuously for a period of three months shall terminate his employment unless he has given to his employer seven days previous notice or pay in lieu thereof.

(2) Where an employee contravenes the provisions of sub-section (1) his employer may forfeit his unpaid wages for a period not exceeding seven days.

24. *[Omitted vide Punjab Act, 1 of 1964]*

25. Provisions as to trading elsewhere than in establishment. -- Save as otherwise provided by any law for the time being in force, it shall not be lawful in any locality to carry on in any place not being an establishment, retail trade or business of any class at any time if it is unlawful in that locality to keep an establishment open for the purpose of such retail trade or business, and if any person carried on any trade or business in contravention of this section, this Act shall apply as if he were the employer of the establishment which was being kept open in contravention of the Act.

26. Penalties. -- Subject to the other provisions of this Act whoever contravenes any of the provisions of this Act or the rules made thereunder and no penalty has been provided for such contravention in this Act, shall be liable, on conviction, to a fine, not exceeding one hundred rupees for the first offence, and three hundred rupees for every subsequent office:

Provided that the fine in respect of every subsequent offence within the same year shall not be less than one hundred rupee sin any case.

27. Protection of officers and their agents from personal liability. -- No suit, prosecution or other legal proceeding shall lie against any public servant or any other person in the service of the Central or State Government, acting under direction of any such public servant, for anything in good faith done or intended to be done in pursuance of the provisions of this Act or of any rule made thereunder.

28. Power to grant exemptions. -- Government or any officer empowered by the Government in this behalf may, by notification in the official Gazette, exempt from the operation of all or any of the provisions of this Act for any period it considers desirable any establishment or any class thereof or any employer or employees or class of employers or employees to whom this Act applies on such conditions as it may think fit.

29. Prohibition of employment of children. -- No child who has not completed the age of fourteen years shall be employed in any establishment.

30. Condition of Employment of women. -- (1) No woman shall be required or allowed to work whether as an employee or otherwise in any establishment during night:

23. Notice by employee.—(1) No employee, who has been in the service of the employer continuously for a period of three months, shall terminate his employment unless he has given to his employer ten days previous notice or wages in lieu thereof.

(2) Where an employee contravenes the provisions of sub-section (1), his employer may forfeit his unpaid wages for a period not exceeding ten days.

24. Provisions as to trading elsewhere than in establishment.—Save as otherwise provided by any law for the time being in force, it shall not be lawful in any locality to carry on in any place not being an establishment, retail trade or business of any class at any time if it is unlawful in that locality to keep an establishment open for the purpose of such retail trade or business, and if any person carries on any trade or business in contravention of this section, this Act shall apply as if he were the employer of the establishment which was being kept open in contravention of this Act.

25. Penalties.—Subject to the other provisions of this Act, whoever contravenes any of the provisions of this Act, or the rules made thereunder and no penalty has been provided for such contravention in this Act, shall be liable, on conviction, to a fine not exceeding one hundred rupees for the first offence, and three hundred rupees for every subsequent offence:

Provided that the fine in respect of every subsequent offence within the same year shall not be less than one hundred rupees in any case.

26. Protection of officers and their agents from personal liability.—No suit, prosecution or other legal proceeding shall lie against any public servant or any other person in the service of the Central or State Government, or the Government of Himachal Pradesh, acting under direction of any such public servant, for anything in good faith done or intended to be done in pursuance of the provisions of this Act or of any rule made thereunder.

27. Power to grant exemptions. —The Government may, if it considers it necessary in the public interest so to do, by notification, exempt for any period it considers desirable any establishment or class of establishments from the operation of all or any of the provisions of this Act.

28. Prohibition of employment of children.—No child who has not completed the age of fourteen years shall be employed in any establishment.

29. Conditions of employment of women.—(1) No woman shall be required or allowed to work whether as an employee or otherwise in any establishment during night:

1. For such exemption, see Not. appended.

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23. Holiday in a week — (1) Every employee in a theatre or other place of public amusement or entertainment shall be given at least one day in a week as a holiday.
(2) It shall not be lawful for in employer to call an employee, at, or for an employee to go to, his theatre or other place of public amusement or entertainment or any other place for any work in connection with the business of his theatre or place of public amusement or entertainment on a day on which such employee has a holiday.
(3) No deduction shall be made from the wages of an employee in a theatre or other place of public amusement or entertainment on account of any holiday given to him under sub-section (1), if any employee is employed on a daily wage he shall none the less be paid wages for weekly holiday equal to the average of the daily wages earned by him during the preceding six working days.

CHAPTER VI

Employment of Children, Young Persons and Women

24. No child to work in any establishment — No child shall be required or allowed to work whether as an employee or otherwise in any establishment.
25. Daily hours of work for young persons — Notwithstanding anything contained in this Act, no young person or woman shall be required or allowed to work, whether as an employee or otherwise in any establishment for more than six hours on any day and before 7 A. M. and after 9 P. M.

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CHAPTER VII

Leave With Pay and Payment of Wages

26. Employee's fight for casual and privilege leave — (1) A person employed in an establishment to which this Act applies shall be entitled-

(a) after every 12 months continues employment, to privilege leave for a total period of one month; and

(b) in every year to casual leave for a total period not exceeding 14 days:

Provided that the leave under sub-clause (a) shall not at any time accumulate for a total period exceeding 3 months;
Provided further that holidays under sections 13, 18, 23 falling during the period of such leave shall be included in the leave so granted;
Provided further that casual leave shall not be combined with privilege leave.
(2) If an employee entitled to leave under sub-section (1) is discharged by his employer before he has been allowed the leave, or if, having applied for and having been refused the leave, he quits his employment before he has been allowed the leave, the employer shall pay him the amount payable under section 27 in respect of the leave.
(3) If an employee entitled to leave under sub-section (1) is refused the leave, he may give intimation to the Inspector or any other officer authorised in this behalf by the Government regarding such refusal. The Inspector shall enter such information in a register kept in such form as may be prescribed.
Explanation.— An employee shall be deemed to have completed a period of twelve months continuous service in an establishment not-withstanding any interruption in the service

immediately preceding such leave. The wages for the remaining half period of such leave shall be payable to him alongwith wages for the first wage period after he resumes duty. The wages for the period of sick leave shall be payable to the employee alongwith his wages for the first wage period after he resumes duty.

[1][**18. Power to increase the amount of leave.**— Notwithstanding anything contained in sections 16 and 16A, the State Government may by notification increase the total amount of leave and the minimum number of days up to which such leave may be accumulated in respect of such establishments or class of establishments as may be specified in the notification.

18A. Power to exempt establishment.—Where the State Government is satisfied that the leave rules applicable to employees in an establishment provide benefits which in its opinion are not less favourable than those for which this Chapter makes provision, it may by written order, exempt the establishment from all or any of the provisions of this Chapter subject to such conditions as may he specified in the order.

CHAPTER V
Wages.

19. Responsibility for payments of wages.— Every employer shall be responsible for the payment to his employees of all wages required to be paid under this Act.

20. Fixation of wage period.— (1) Every employer shall fix period in respect of which such wages shall be payable.

(2) No wage period shall exceed one month.

21. Extra pay for overtime.— (1) Where an employee is required to work in an establishment for more than nine hours in any day or for more than forty-eight hours in any week, he shall be entitled in respect of the overtime to wages at the rate which shall be twice the ordinary rate of his wages.

Explanation.— For the purpose of this section, the expression "ordinary rate of wages", in relation to an employee means the basic rates of wages and such allowances as the employee is for the time being entitled to but does not include a bonus.

(2) The State Government may prescribe the registers that shall be maintained in an establishment for the purpose of securing compliance with the provision of this section.

22. Payment, when to be made.—An employee, who has been allowed leave for not less than five days in the case of a child and four days in any other case, shall before his leave begins, be paid the wages due for the period of the leave allowed.

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1. Subs. by *ibid*.

and the rules made thereunder by the State Government for the time being in force shall *mutatis mutandis* apply to employees and employers of shops and commercial establishments.

[1]**[23. x x x]**[1]

1. Omitted by Act 4 of 1969 w.e.f. 16.5.1969.

CHAPTER VI

EMPLOYMENT OF CHILDREN AND WOMEN

24. Prohibition of employment of children.—No child shall be required or allowed to work in any establishment.

25. Prohibition of employment of women and young persons during night.—No woman, or a young person [1][x x x][1], shall be required or allowed to work whether as an employee or otherwise in any establishment during night:

1. Omitted by Act 25 of 1997 w.e.f. 12.2.1998.

[1][Provided that the State Government may, by notification exempt any establishment of Information Technology or Information Technology enabled service from the provisions of this section relating to employment of women during night subject to the condition that the establishment provides facilities of transportation and security to such women employees and subject to any other condition as may be specified in the notification.][1]

1. Inserted by Act 14 of 2002 w.e.f. 2.11.2002 by notification. Text of notification is at the end of the Act.

CHAPTER VII

ENFORCEMENT AND INSPECTION

26. Inspectors.—(1) The State Government may by notification appoint such persons or such class of persons as it thinks fit, to be Inspectors and Assistant Inspectors for the purposes of this Act within such local limits as it may assign to them respectively.

[1][(2) The State Government may, by notification, appoint such public officers as it thinks fit to be additional Inspectors for all or any of the

"11. *Grant of weekly holidays.*—(1) Every person employed in a shop or a commercial establishment shall be allowed in each week a holiday of one whole day:

Provided that nothing in this sub-section shall apply to any person whose total period of employment in the week including any day spent on authorised leave, is less than six days.

(2) No deduction shall be made from the wages of any employee in an establishment on account of any day on which a holiday has been allowed in accordance with this section and if such person is employed on the basis that he would not ordinarily receive wages for such day, he shall nonetheless be paid for such day the wages he would have drawn had the holiday not been allowed on that day.".

4. *Amendment of section 20.*—In section 20 of the principal Act,—

(i) for the figure and letters "7 P. M." the figure and letters "9 P. M." shall be substituted;

(ii) the following proviso shall be added, namely:—

"Provided that an employer may employ women employees between 9 P. M. and 6 A. M., after obtaining the consent of such women employees and ensuring that no female employee is employed between those hours other than in groups consisting of at least five employees having a minimum of two female employees and adequate protection of their dignity, honour and safety, protection from sexual harassment and facility for transportation from the shop or establishment to the doorstep of their residence.".

5. *Insertion of new section 21B.*—After section 21A of the principal Act, the following section shall be inserted, namely:—

"*21B. Seating facilities.*—In every shop and establishment suitable arrangements for sitting shall be provided for all employees so as to avoid 'on their toes' situation throughout the duty time, so that they may take advantage of any opportunity to sit which may occur in the course of their work.

[1][23-A. **The employer in a theatre etc. to furnish identity card to employee.**–The employer shall furnish every employee in a theatre, or other places of public amusement or entertainment an identity card which shall be kept by the employee when on duty and shall be produced on demand by an Inspector. Such card shall contain the following and such other particulars as may be prescribed, namely:–

(a) the name of the employer;
(b) the name, if any, and the postal address of the establishment;
(c) the name and age of the employee;
(d) the hours of work, the interval of rest, if any, and the holiday of the employer;
(e) the signature (with date) of the employer;
(f) the identity mark of an employee; and
(g) signature or thumb impression of the employee.]

[1][CHAPTER VI

EMPLOYMENT OF CHILDREN, YOUNG PERSONS AND WOMEN

24. No child to work in any establishment.– No child shall be required or allowed to work whether as an employee or otherwise in any establishment, notwithstanding that such child is a member of the family of the employer.

25. Young persons and women to work between 7 a.m. to 9 p.m.– No young person or woman shall be required or allowed to work whether as an employee or otherwise in any establishment before 7 a.m. and after 9 p.m. notwithstanding that such young person or woman is a member of the family of the employer.

25-A. Daily hours of work for young persons.– (1) Notwithstanding anything contained in this Act, no young person shall be required or allowed to work whether as an employee or otherwise, in any establishment for more than five hours in any day.

(2) No young person, shall be required or allowed to work whether as an employee or otherwise, in any establishment for more than three hours in any day unless he had an interval for rest of at least half an hour.

25-B. Prohibition of employment of young persons and women in dangerous work.– No young person or woman working in any establishment, whether as an employee or otherwise, shall be required or allowed to perform such work as may be declared by the State Government, by notification, to be work involving danger to life, health or morals.]

CHAPTER VII

LEAVE WITH PAY AND PAYMENT OF WAGES

26. Employee's right for casual and privilege leave.- (1) A person employed in an establishment to which this Act applies shall be entitled—

(a) after every 12 months' continuous employment, to privilege leave for a total period of one month; and

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1. Substituted by M.P. Act No. 19 of 1967. Published in M.P. Rajpatra (Asadharan) dated 28.10.1967 at page 2719.

Closing of establishment to be communicated to Facilitator.

10. The employer shall notify to the Facilitator within thirty days from the date of closing of the business that the establishment has been closed for business in such form and manner, as may be prescribed. The Facilitator on receiving the information and on being satisfied about its correctness shall remove such establishment from the register of establishments and cancel the registration certificate:

Provided that, if the Facilitator does not receive the information but he is otherwise satisfied that any establishment has been closed, he may remove such establishment from such register of establishments and cancel such certificate.

CHAPTER III

Opening and Closing Hours, Hours of Work, Interval for Rest, Spread-Over, Wages for Overtime and Weekly Off

Opening and closing hours of establishment.

11. Notwithstanding anything contained in this Act, the State Government may, fix, by notification in the *Official Gazette*, in the public interest, such hours for opening and closing of different classes of establishments and for different premises, shopping complex or mall or for different area or areas and for different period.

Daily and weekly hours of work in establishment and interval for rest.

12. Subject to the other provisions of this Act, no adult worker shall be required or allowed to work in any establishment for more than nine hours in any day and forty-eight hours in any week. No adult worker shall be asked to work continuously for more than five hours unless he has been given a break of not less than half an hour:

Provided that, the working hours or weekly holiday may be relaxed in case of work of urgent nature with the previous permission of the Facilitator.

Prohibition of discrimination against woman worker.

13. (*1*) No woman worker shall be discriminated in the matter of recruitment, training, transfers or promotion or wages.

(*2*) No woman worker shall be required or allowed to work in any establishment except between the hours of 7 a.m. and 9-30 p.m. :

Provided that, the woman worker with her consent, shall be allowed to work during 9-30 p.m. and 7-00 a.m. in any establishment in which adequate protection of their dignity, honour and safety, protection from sexual harassment and their transportation from the establishment to the doorstep of their residence as may be prescribed are provided by the employer or his authorised representative or manager or supervisor.

(*3*) Notwithstanding anything contained in the preceding sub-sections, the State Government may, by notification in the *Official Gazette*, in the public interest, prohibit or regulate the employment of women workers after 9-30 p.m. and before 7-00 a.m. in such shops, establishments, hotels, restaurants, residential hotels, permit rooms, bars, spa-massage parlours, lodges or any business or any trade or occupation in such area or areas as it may deem fit.

Spread-over in establishments.

14. The spread-over of a worker in establishment shall not exceed ten and half hours in any day, and in case a worker entrusted with intermittent nature of work or urgent work, the spread over shall not exceed twelve hours.

Wages for overtime.

15. Where a worker in any establishment is required to work beyond nine hours a day or forty-eight hours a week, he shall be entitled, in respect of the overtime work, wages at the rate of twice his ordinary rate of wages. The total number of overtime hours shall not exceed one hundred and twenty-five hours in a period of three months.

(m) Excise shops;

(n) Persons whose work is inherently intermittent, such as a traveller, a canvasser, a watchman, a messenger or a caretaker;

(o) Persons exclusively employed in connection with the collection, despatch, delivery or conveyance of goods or the customs formalities thereof; and

(p) Such other shops, establishment or persons or such classes of any of them as the State Government may, by notification in the Official Gazette exempt from the operation of all or any of the provisions of this Act.

(2) Notwithstanding anything contained in sub-section (1), the State Government may, by notification in the Official Gazette declare that any shop, establishment or person specified in that sub-section shall not be exempt from the operation of such provisions of this Act as may be specified in the notification and that, this provisions of this Act specified in such notification shall apply to such shop, establishment or person.

5. Suspension of provisions of the Act

Prior to or during a festival or other special occasions the State Government may suspend, by order notified in the Official Gazette, the operation of all or any of the provisions of this Act for such period and subject to such conditions as it may deem fit.

CHAPTER – II

EMPLOYMENT OF WOMAN AND YOUNG-MAN

6. Exemption of child

No child shall be employed in any shop or establishment.

7. Woman and young man to work only between 7 a.m. and 7 p.m.

Notwithstanding anything contained in this Act. No man who has not attained majority under the Indian Majority Act, 1875 (IX of 1875) and no woman shall be required or allowed to work whether as an employee or otherwise in a shop or an establishment before 7 ante meridiem and after 7 post meridiem.

8. Daily and weekly hours of work for woman and young man

Notwithstanding anything contained in this Act;

(a) No man who has not attained majority under the Indian Majority Act, 1875 (IX of 1875) and no woman shall be required or allowed to work as an employee in a shop or an establishment for more than seven hours in a day or forty-two hours in a week; and

(b) No such man and no woman shall be required or allowed to work in a shop or an establishment for more than four hours continuously in a day unless such an employee has had an interval for rest of at least one hour.

Explanation: The period of “seven hours” or “forty-two hours” referred to in clause (a) does not include the intervals for rest.

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(e) Barber's and hair dresser's shops

Prohibition of employment of Children	7	No child shall be employed in any establishment
Prohibition of employment of women and persons below seventeen years during night	8	No women or any person who has not attained the age of seventeen shall be required or allowed to work whether as an employee otherwise in any establishment before 6 A.M or after 7 P. M " Provided that the State Government shall by notification in the Official Gazette relax the prohibition of employment of women in certain establishment from the application of Section 8 above"
Payment of Wages	9	(1) Every employer shall fix periods in respect of which wages to the employees shall be payable and shall be responsible for the payment to persons employed by him of all wages required to be paid under this Act. (2) No wages period so fixed shall exceed one month. (3) The wages of every employee in any shop or establishment shall be paid on a working day before the expiry of the seventh day of the last day of the wage period in respect of which wages are payable. (4) All wages shall be paid in cash. (5) Where the employee has been discharged, the wages earned by him shall be paid before the expiry on the second working day after the day on which he has been discharged. (6) No deduction shall be made from the wages on account of closure of any establishment (or of any establishment) or of any holiday allowed under this Act.
Wages overtime	10	An employee shall be entitled to wages at the rates of twice the ordinary rate of wages in respect of overtime work. Explanation- For the purpose of this section "Ordinary rate of Wages" means the basic wages plus such allowance, including the cash equivalent of the advantage occurring through the supply of meals and the concessional sale to employee is of food grains and other articles as the employee is for the time being entitled to, but does not include bonus.

provisions of the Revenue Recovery Act, 1990 (Act 1 of 1890) for the time being in enforce.

Chapter V

EMPLOYMENT OF CHILDREN AND WOMEN

Prohibition of employment of children

19. No child shall be required or allowed to work in any establishment except as an apprentice in such employment as may be specified by the State Government.

Prohibition of employment of women and persons below seventeen years during night

20. No women or any person who has not attained the age of seventeen, shall be required or allowed to work whether as an employee or otherwise in any establishment before 6 A.M. or after 7 P.M.

Chapter VI

HEALTH AND SAFETY

Cleanliness, ventilation and lighting

21. (i) The premises of every establishment shall be kept clean and free from a fluvial arising from any drain or opivy or other nuisance and shall be cleaned at such times and by methods as may be prescribed and these methods may include lime washing, colour, washing, painting, varnishing, disinfection and deodorising.

(ii) The premises of every establishment shall be ventilated and sufficiently lighted during all working hours, with such standards and by such methods as may be prescribed.

(iii) If it appears to an Inspector that the premises of any establishment within his jurisdiction are not sufficiently kept clean or lighted or ventilated, he may serve on the employer, an order in writing specifying the measures which in his opinion, should be adopted and requiring him to be carried out before a specified date.

Precaution against fire

22. Every employer shall take proper precaution against fire in such manner as may be prescribed.

provisions thereof shall apply to all or any class of employees in any establishment to which this Act applies.

(2) On the application of the provisions of the said Act to any establishment under Sub-section (1), the Inspector or the Chief Inspector appointed under this Act shall be deemed to be the Inspector for the purposes of the enforcement of the provisions of the said Act within the local limits of his jurisdiction.

21. Gratuity. - An employee who has completed ten or more years of continuous service with full wages shall, on quitting the service for reasons that may be prescribed or on his death, his legal heir be entitled to a gratuity equivalent to fifteen days' wages last drawn for each year of service.

CHAPTER VI

Employment of children and women

22. Prohibition of employment of children. - No child [1][x x x] shall be required or allowed to work in any establishment.

23. Prohibition of employment of women or children during night. - No woman or [2][an adolescent] shall be required or allowed to work whether as an employee of otherwise in any establishment during night.

24. Prohibition of employment during certain periods. - No woman shall engage herself in employment in any establishment during the six weeks following the day on which she is delivered of a child and no owner or manager of an establishment shall knowingly employ such woman.

25. Notice of presence of pregnancy. - (1) If any woman employed in an establishment is pregnant and gives notice in writing in the prescribed form to the employer that the expects to be delivered of a child within six weeks from the date of such notice, the employer shall permit her, if, she so desires, to absent herself from work up to the day of her delivery ;

Provided that before granting such permission the employer may, at his own cost require the woman to be examined by a qualified medical practitioner or midwife, and if the woman refuses to submit herself to such examination or is certified on such examination as not pregnant or not likely to be delivered of a child within six weeks, he may refuse such permission.

(2) The examination referred to in the proviso to Sub-section (1) shall, if the woman so desires, be carried out by a midwife.

26. Maternity leave. - The absence of a woman during the period she is entitled to maternity benefit under this Act or, due to illness medically certified to arise out of pregnancy or confinement, shall be treated as authorised absence on leave.

27. Maternity benefit. - (1) Every woman employed in an establishment who has been continuously employed in such establishment or in establishments

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1. *Omitted vide Orissa Gazette, Extraordinary No. 824, Dated. 30.05.2018*
2. *Substituted vide Orissa Gazette, Extraordinary No. 824, Dated. 30.05.2018*

(4) No person who has been awarded compensation under this section shall be entitled to bring a civil suit in respect of the same claim.

23. Notice by employee. -- (1) No employee, who has been in the service of the employer continuously for a period of three months shall terminate his employment unless he has given to his employer seven days previous notice or pay in lieu thereof.

(2) Where an employee contravenes the provisions of sub-section (1) his employer may forfeit his unpaid wages for a period not exceeding seven days.

24. *[Omitted vide Punjab Act, 1 of 1964]*

25. Provisions as to trading elsewhere than in establishment. -- Save as otherwise provided by any law for the time being in force, it shall not be lawful in any locality to carry on in any place not being an establishment, retail trade or business of any class at any time if it is unlawful in that locality to keep an establishment open for the purpose of such retail trade or business, and if any person carried on any trade or business in contravention of this section, this Act shall apply as if he were the employer of the establishment which was being kept open in contravention of the Act.

26. Penalties. -- Subject to the other provisions of this Act whoever contravenes any of the provisions of this Act or the rules made thereunder and no penalty has been provided for such contravention in this Act, shall be liable, on conviction, to a fine, not exceeding one hundred rupees for the first offence, and three hundred rupees for every subsequent office:

Provided that the fine in respect of every subsequent offence within the same year shall not be less than one hundred rupee sin any case.

27. Protection of officers and their agents from personal liability. -- No suit, prosecution or other legal proceeding shall lie against any public servant or any other person in the service of the Central or State Government, acting under direction of any such public servant, for anything in good faith done or intended to be done in pursuance of the provisions of this Act or of any rule made thereunder.

28. Power to grant exemptions. -- Government or any officer empowered by the Government in this behalf may, by notification in the official Gazette, exempt from the operation of all or any of the provisions of this Act for any period it considers desirable any establishment or any class thereof or any employer or employees or class of employers or employees to whom this Act applies on such conditions as it may think fit.

29. Prohibition of employment of children. -- No child who has not completed the age of fourteen years shall be employed in any establishment.

30. Condition of Employment of women. -- (1) No woman shall be required or allowed to work whether as an employee or otherwise in any establishment during night:

राजस्थान सरकार
श्रम विभाग

क्रमांकः–एफ.14(11)श्रम/विधि/2017 जयपुर, दिनांकः 9.5.2020

अधिसूचना

राजस्थान दुकान एवं वाणिज्यिक संस्थान अधिनियम, 1958 (1958 का अधिनियम 31) की धारा 3 की उपधारा (2) में प्रदत्त शक्तियों के प्रयोग में राज्य सरकार एतद्द्वारा अधिनियम के अन्तर्गत पंजीकृत दुकान एवं वाणिज्यिक संस्थानों को उक्त अधिनियम की धारा 22 के प्रावधानों से, इस अधिसूचना के राजस्थान राजपत्र में प्रकाशन होने की तिथि से तीन वर्ष की अवधि के लिए निम्नलिखित शर्तों के अध्यधीन छूट प्रदान करती हैः–

1. महिला कर्मचारी की सहमति प्राप्त करने के बाद ही नियोजक द्वारा रात्रिकाल में नियोजित करने के लिए अनुमति प्रदान की जावेगी।
2. सभी महिला कर्मियों को नियोजक द्वारा नियुक्ति पत्र एवं फोटो सहित पहचान पत्र जारी किये जाएंगे।
3. महिला कर्मचारियों के रात्रि में कार्य करने की स्थिति में उनकी पूर्ण सुरक्षा का दायित्व नियोजक का होगा तथा महिला कर्मचारियों को रात्रि में घर से कार्यस्थल तक आने व वापिस जाने के लिए सुरक्षित यातायात व्यवस्था नियोजक द्वारा उपलब्ध कराई जावेगी।
4. कार्य स्थल पर महिला कर्मियों के लिए पृथक विश्राम गृह व सामान रखने के लिए लोकर (Locker) उपलब्ध कराए जाएंगे।
5. किसी गर्भवती महिला को उसकी सम्भावित प्रसूति तिथि से 3 माह पूर्व तथा बच्चे को जन्म देने के पश्चात् 3 माह की अवधि में रात्रि में कार्य पर नहीं बुलाया जाएगा।
6. नियोजक द्वारा कार्यस्थल में सम्भावित यौन उत्पीडन के कृत्य या घटना होने की रोकथाम की व्यवस्था सुनिश्चित की जावेगी।
7. किसी दुकान एवं वाणिज्यिक संस्थान द्वारा उपरोक्त शर्तों का उल्लंघन करने पर दी गई उक्त छूट स्वतः समाप्त मानी जावेगी तथा नियोजक इसके परिणामस्वरूप उक्त धारा एवं अन्य कानूनों के अंतर्गत विधिसम्मत कार्यवाही के लिए स्वयं जिम्मेदार होंगे।
8. जिन दुकानों एवं वाणिज्यिक संस्थानों में नियोजक स्वयं महिला हो तथा स्वयं महिला द्वारा ही संचालित किया जाता हो और उसमें नियोजित सभी कर्मचारी महिलायें हो, उन संस्थानों के लिए छूट की अवधि 4 वर्ष होगी।

राज्यपाल के आदेश से,

(पतंजलि भू)
अति0 श्रम आयुक्त एवं
पदेन संयुक्त शासन सचिव

क्रमांकः–एफ.14(11)श्रम/विधि/2017 जयपुर, दिनांकः 9.5.2020

प्रतिलिपि निम्न को सूचनार्थ एवं आवश्यक कार्यवाही हेतु प्रेषित हैः–

1. निदेशक, मुद्रण एवं लेखन सामग्री विभाग, राजस्थान, जयपुर को राजस्थान राजपत्र विशेषांक में प्रकाशनार्थ।
2. निजी सचिव, शासन सचिव, श्रम एवं नियोजन, राज0, जयपुर।
3. निजी सचिव, श्रम आयुक्त, राज0, जयपुर।
4. अतिरिक्त श्रम आयुक्त (मु0)/(औद्योगिक संबंध), मुख्यालय, जयपुर।
5. संयुक्त/उप/सहायक श्रम आयुक्त/श्रम कल्याण अधिकारी(समस्त)
6. उपनिदेशक (A.C.P) IT Cell मुख्यालय जयपुर को भेजकर लेख है कि उक्त अधिसूचना का क्र.सं. 1 में वर्णित विभाग से प्रकाशन करावें।
7. गार्ड पत्रावली।

अति0 श्रम आयुक्त एवं
पदेन संयुक्त शासन सचिव

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CHAPTER VI

EMPLOY MENT OF CHILDREN, YOUNG PERSONS AND WOMEN

No child to work in any establishment.

31. No child shall be required or allowed to work as an employee or otherwise in any establishment notwithstanding that such child is a member of the family of the employer.

Young persons and women to work between 6 a. m. and after 6 p.m.

32. No young person and women shall be required or allowed to work whether as an employee or otherwise in any establishment before 6 a.m.; and after 7 p.m. notwithstanding that such young person or women is a member of the family of the employer.

Daily hour of work for young person.

33. (1) Notwithstanding anything contained in this Act, no young person shall be required or allowed to work whether as an employee or otherwise in any establishment for more than six hours in a day.

(2) No young person shall be required or allowed to work whether as an employee or otherwise in any establishment for more than three hours in any day unless he has had an interval [or rest of at least half an hour.

Prohibition of employment of young person and women in dangerous work.

34. No young person or women working in any establishment, whether as an employee or otherwise, shall be required or allowed to perform work as may be declared by State Government, by notification to be work involving danger to life, health or morals.

Prohibition of employment during certain periods.

35. No woman shall engage herself in employment in any establishment during the six weeks following the day on which she is delivered of a child and no owner or manager of an establishment shall knowingly employ such woman.

Notice of presence of pregnancy.

36. (1) If any woman employed in an establishment is pregnant and gives notice in writing to the employer that she expect to be delivered of a child within six weeks from the date of such notice, the employer shall permit her, if she so desires, to absent herself from work up to the day of her delivery:

Provided that before granting such permission the employer may, at his own cost require the woman to be examined by a qualified medical practitioner or midwife, and if the woman refuses to submit herself to such examination or is certified on such examination as not pregnant or not likely to be delivered of a child within six weeks, he may refuse such permission.

(2) The examination referred to in the proviso to sub- section (1) shall, if the woman so desire, be carried out by a midwife.

Maternity leave.

37. The absence of a woman during the period she is entitled to maternity benefit under this Act or, due to illness medically certified to arise out of pregnancy or confinement shall be treated as authorized absence on leave.

(3) For the purposes of stock taking and preparation of accounts, an employer may, with the previous intimation to the Inspector, require or allow any employee to work in an establishment for not more than any six days in a year, in excess of the period fixed in sub-section (1) on payment of overtime wages; so however, that the excess period shall not, in the aggregate, exceed twenty-four hours.

17. Interval for rest. - No employee in any establishment shall be required or allowed to work in such establishment for more than five hours in any day unless he has had an interval for rest of at least one hour:

Provided that the Chief Inspector may, in the case of an establishment whose daily hours of work are less than eight hours, reduce interval for rest to half-an-hour on an application made by the employer, with the consent of the employees.

18. Spread over of periods of work. - The periods of work of an employee in an establishment shall be so arranged that, along with his interval for rest, they shall not spread over for more than twelve hours on any day:

Provided that, where an employee works on any day for the purpose of stock taking and preparation of accounts the spread over shall not exceed fourteen hours on any such day on payment of over-time wages.

19. Holidays. - (1) Every employee in any establishment shall be allowed in each week a holiday of one whole day:

Provided that, nothing in this sub-section shall apply to any employee whose total, period of employment in the week, including any days spent on authorised leave is less than six days.

(2) The Government may, by notification, require in respect of any specified class of establishments that every employee therein shall be allowed in each week an additional holiday of one half-day commencing at such hour in the afternoon as may be fixed by the Government.

(3) The Government may, for the purposes of subsection (2), fix different hours for different classes of establishments or for different areas or for different times of the year.

(4) No deduction shall be made from the wages of any employee in an establishment on account of any day or part of a day on which a holiday has been allowed in accordance with this section and if such employee is employed on the basis that he would not ordinarily receive wages for such day or part of a day, he shall none the less be paid for such day or part of a day the wages he would have drawn, had the holiday not been allowed on that day or part of a day.

(5) It shall not be lawful for the employer to call an employee at or for the employee to go to, his establishment or any other place for any work in connection with the business of his establishment on any day or part of a day on which a holiday has been allowed in accordance with this section.

CHAPTER-V

Employment of Women, Children and Young Persons.

20. Children not to work in establishment. - No Child shall be required or allowed to work in any establishment.

21. Special provision for young persons. - No young person shall be required or allowed to work in any establishment before 6 a.m. and after 7 p.m.

22. Daily and weekly hours of work for young persons. - Notwithstanding anything in this Act, no young person shall be required or allowed to work in any establishment for more

(2) Such fees shall be paid by Court-fee stamps of the requisite value affixed on one of the copies of the application.

24. **Procedure for dealing with applications for recovery of wages:**

(1) Any person desiring to act on behalf of any person employed shall present to the referee a brief written statement explaining his interest in the matter and praying for permission so to act, and the referee shall record thereon an order specifying in the case of a refusal to grant the permission prayed for, the reasons for the refusal.

(2) Application under Rule 23. or other documents relevant to such applications shall be presented in person to the referee at any time during hours to be fixed by the referee or shall be sent to the referee by registered post and the referee shall at once endorse or cause to be endorsed on each such application or other document the date or presentation or receipt thereof, as the case may be.

(3) On receipt of an application uner Rule 23, the referee shall, by issuing a notice in Fom M, call upon the applicant as well as the shop-keeper or the employer, as the case may be, to appear before him on a specified date not being earlier than fourteen days after date of the notice together with all relevant documents and witnesses, if any.

(4) If the shop-keeper or the employer, as the case may be, fails to appear on the specified date the referee may proceed to hear and determine the application exparte.

(5) If the applicant fails to appear on the specified date, the referee may dismiss the application :

Provided that an order under sub-R. (4) or sub-R. (5) may on good cause being shown within one month of the date of the said order be set aside and the application reheard after giving not leass than fourteen days' notice to the opposite party of the date fixed for the rehearing of the application.

25. **Maintenance of records of cases by the referee:**

(1) The referee shall record the particulars of each case in Form N and at the time of passing orders shall sign and date the particulars so recorded.

(2) The referee shall while passing orders in each case also record the substance of the evidence adduced in the case as an appendix to the order.

be granted, after the time mentioned under this sub-section.

(1-A) The applicant may submit his application on departmental web-portal along with necessary documents and payment of fees. In such case, if the application is complete and applicant is eligible automatic registration shall be granted by web-portal and registration certificate shall be sent to applicant on his e-mail:

Provided that if the registration is obtained by misrepresentation or concealment of facts or on the basis of forged documents, such registration shall be deemed null and void and may be cancelled by Registering Officer and legal action may be taken against the applicant:

Provided further that the registration granted shall not be considered in relation to ownership of shop or commercial establishment.

Amendment of section 4-C

3. In section 4-C of the principal Act shall be renumbered as sub-section(1) thereof and *after* sub-section(1) as so renumbered the following sub-section shall be *inserted,* namely:-

"(2) The registration shall be renewed within one day after the date of submission of application for renewal of shop or commercial establishment as per rules:

Provided that if the Registering Officer fails to grant or refuse to grant or object to grant renewal or pass an order of amendment, the renewal shall be deemed to be granted after the time mentioned under this sub-section.

(3) The applicant may submit his application on departmental web-portal along with necessary documents and payment of fee. In such case if the application is complete and applicant is eligible, the renewal shall be automatically granted by web-portal and renewal certificate shall be sent to applicant on his e-mail:

Provided that if the certificate is obtained by misrepresentation or concealment of facts or on the basis of forged documents, such certificate shall be deemed null and void and may be cancelled by Registering Officer and legal action may be taken against the applicant."

Amendment of section 6

4. In section 6 of the principal Act, in the second proviso *for* the word "fifty" the words "one hundred and twenty five" shall be *substituted.*

Amendment of section 22

5. *For* section 22 of the principal Act, the following section shall be *substituted,* namely:–

"22. Any employer if satisfied that the provision of shelter, rest room, night crèche, ladies' toilet, adequate protection of their safety, and their transportation from the shop or commercial establishment to their residence exists in such shop or commercial establishment, he may, after obtaining the consent of the woman worker, allow her to work between 9 p.m. and 6 a.m.."

Amendment of section 25

6. *For* Section 25 of the principal Act, following paragraph shall be *substituted,* namely:-

"25. In case of pregnancy a woman employee shall be entitled to maternity benefit and maternity leave under. The Maternity Benefit Act, 1961"

Insertion of new section 28-A

7. *After* section 28 of the principal Act, the following section shall be *inserted,* namely:-

"28-A(1) Every employer shall make effective arrangements to provide and Welfare Provisions maintain at suitable points convenient for all persons employed in the shop or commercial establishment, sufficient supply of wholesome drinking water.

(2) Every employer shall provide for male and female separate latrine and urinal as may be prescribed which shall be so conveniently situated as may be accessible to the workers employed in the shop or establishment.

Duties of the employer

Prohibition of discrimination against woman worker

6. (1) No woman worker shall be discriminated in the matter of recruitment, training, transfers or promotion or wages.

(2) No woman worker shall be required or allowed to work in shops or establishment except between the hours of 6 a.m. and 9-00 p.m. :

Provided that, the woman worker with her consent, shall be allowed to work during 9-00 p.m. and 6-00 a.m. in shops or any establishment in which adequate protection of their dignity, honour and safety, protection from sexual harassment and their transportation from the shop or establishment to the doorstep of their residence as may be prescribed are provided by the employer or his authorised representative or manager or supervisor.

Health and safety of workers

7. (1) Every employer shall take such measures relating to the health and safety of the workers including cleanliness, lighting, ventilation and prevention of fire as may be prescribed.

(2) Every employer shall be responsible for providing constant adequate supervision of the workers employed in the shop or establishment and to ensure the compliance with the rules relating to health and safety made under subsection (1) and for taking steps necessary to prevent accidents.

Decide and extension to hours of work

8 (1) Subject to the other provisions of this Act, no adult worker shall be required or allowed to work in shop or an establishment for more than nine hours in any day and forty-eight hours in any week. No adult worker shall be asked to work continuously for more than five hours unless he has been given a break of not less than half an hour:

Provided that, the working hours or weekly holiday may be relaxed in case of work of urgent nature with the previous permission of the Facilitator.

(2) The spread-over of a worker in shop or an establishment shall not exceed ten and half hours in any day, and in case a worker entrusted with intermittent nature of work or urgent work, the spread over shall not exceed twelve hours.

(3) Where a worker in shop or an establishment is required to work beyond nine hours a day or forty-eight hours a week, he shall be entitled, in respect of the overtime work, wages at the rate of twice his ordinary rate of wages. The total number of overtime hours shall not exceed one hundred and twenty five hours in a period of three

10. Restriction on employment of young persons or women

No young person shall be required or permitted to work in any shop or establishment after eight o'clock *post meridiem* and no woman shall be allowed or permitted to work—

(a) in anyestablishment for public entertainment or amusement other than a cinema or a theatre, after six o'clock *post meridiem, or*

(b) in any shop or commercial establishment, after eight o'clock *post meridiem*

11. Leave

A person employed in a shop or an establishment shall be entitled :

(a) for every completed year of continuous services, to privilege leave on full pay for fourteen days,

(b) in every year, to sick leave on half pay for fourteen days on medical certificate obtained from a medical practitioner registered under the Bengal Medical Act, 1914 or any other law for the time being in force,

(c) in every year, to casual leave on full pay for ten days, and

(d) in the case of women, to maternity leave in accordance with such rules as may be prescribed :

Provided that,

(i) privilege leave admissible under clause *(a)* may be accumulated up to a maximum of not more than twentyeight days;

(ii) sick leave admissible under clause, (b) may be accumulated up to a maximum of not more than fiftysix days; and

(iii) casual leave admissible under clause (c) shall not be accumulated.

Explanation : In calculating any leave due under this Act, employment in any shop or establishment before the application of this Act shall be taken into account.

12. Person employed to be entitled to wages for the period of privilege leave in case of termination of service

Any person employed in a shop or an establishment whose services are terminated by or under the orders of the shopkeeper or the employer shall be entitled to wages for the period of privilege leave due to his credit at the time of such termination.

13. Wages for overtime work

When any person employed in a shop or an establishment is required or permitted to work overtime in such shop or establishment, the wages payable to such person in respect of such overtime, work shall be calculated at [1][twice]

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1. Substituted for the words "the rate of one half times of" by West Bengal Shops & Establishments (Amendment) Act 1988 (Act 23 of 1988)

Closed-form labour demand under a quadratic production function

To provide a closed-form characterization of labour demand, we adopt a specific functional form for production that satisfies the concavity assumptions used in the main text. Suppose output is produced using women's labour according to a quadratic production function

$$F(L) = aL - \frac{b}{2}L^2, \qquad a > 0,\ b > 0,$$

so that $F'(L) = a - bL$ and $F''(L) = -b < 0$. Let p denote the output price and W the wage. A representative firm chooses L to maximize

$$\pi(L) = pF(L) - WL = p\Big(aL - \frac{b}{2}L^2\Big) - WL.$$

The first-order condition yields

$$\frac{\partial \pi}{\partial L} = p(a - bL) - W = 0,$$

which implies the inverse labour demand condition

$$W = p(a - bL).$$

Equivalently, the labour demand function is

$$L^d(W) = \frac{pa - W}{pb},$$

which is downward sloping in W and corresponds to the linear labour demand curve used in the graphical analysis.

Let $\bar{Q}$ denote the pre-reform constrained level of women's employment. In the absence of the constraint, employment would adjust to the unconstrained level Q implied by labour demand. Under the quadratic specification, this level satisfies

$$Q = \frac{pa - W}{pb}.$$

Post-reform, firms can increase women's employment from $\bar{Q}$ toward Q. Let $\Delta Q = Q - \bar{Q}$ denote the potential expansion. The gross change in operating profit from adjusting employment from $\bar{Q}$ to Q is

$$\Delta\pi = \big[pF(Q) - WQ\big] - \big[pF(\bar{Q}) - W\bar{Q}\big].$$

As in the main text, expanding women's employment requires the firm to incur compliance

costs $C(\Delta Q)$, consisting of a variable component increasing at a decreasing rate and a fixed setup cost incurred whenever $\Delta Q > 0$:

$$C(\Delta Q) = \gamma(\Delta Q)^{\alpha} + \begin{cases} K & \text{if } \Delta Q > 0, \\ 0 & \text{if } \Delta Q = 0, \end{cases} \qquad 0 < \alpha < 1,\ \gamma > 0,\ K > 0.$$

Accordingly, the firm expands employment beyond $\bar{Q}$ only if the gross gain in operating profit covers compliance expenditure, i.e.,

$$\Delta\pi \geq C(\Delta Q).$$

If this condition fails, the firm does not expand and employment remains at $\bar{Q}$ despite the relaxation of the quantitative restriction.

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