

## **Female Labour Force Participation and Economic Growth in India: Analysis of the current scenario.**

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### **Abstract**

The active involvement of women in the labour is essential to India's long-term economic goals, especially its aspiration to become a significant global economic power. Despite a significant increase in female labour force participation (FLFP) in recent years, the overall rate still falls short of global standards, underscoring enduring social and structural issues. In addition to critically examining the main barriers that prevent women from fully participating in the economy, such as sociocultural norms, informal employment, safety concerns, and skill-job mismatches, this research paper explores the current state and upcoming trends in FLFP in rural and urban India. Through an examination of data-driven insights and recent policy developments, the report provides a thorough overview of the issue's complex nature. The paper also suggests strategic changes and focused policy measures to advance gender parity in the workplace. These include investing in supportive infrastructure, enhancing skill development programs, increasing formal employment options, and launching awareness campaigns to combat patriarchal views. In addition to being a social justice issue, the main focus is on the transformative potential of women's economic empowerment as a strategic necessity for inclusive and sustainable economic growth in India.

**Keywords:** Female Labour Force Participation (FLFP), Women in Workforce, Gender Equality, Economic Growth, Women's Employment in India, Informal Sector, Gender Budgeting, Skill Development, Women.

### **Introduction**

The active and significant integration of women into India's economic structure is crucial to the country's ambitious goal of becoming a \$30 trillion economy by 2047. The Female Labour Force Participation (FLFP) rate is a vital tool for boosting innovation, increasing national productivity, and promoting inclusive and sustainable development. It is much more than just a straightforward measure of gender parity. The nation's potential for growth is still limited if half of the population does not make a significant contribution. As a result, policymakers, economists, and stakeholders from all industries must give the FLFP issue their immediate attention. The objective of this paper is to evaluate the significant influence of FLFP on macroeconomic results while critically analysing the underlying causes, issues, and present trends influencing FLFP in India. It also aims to provide evidence-based, implementable policy proposals to narrow the gender gap in the workforce and encourage widespread economic growth.

### **Current Trends in Female Labour Force Participation**

As per the latest findings from the Periodic Labour Force Survey (PLFS) 2023–24, India has witnessed a substantial improvement in Female Labour Force Participation (FLFP), which has climbed to 41.7%, a significant rise from 23.3% recorded in 2017–18. This upward trend is notably more evident in rural regions, where the FLFP rate has reached 47.6%, in contrast to a relatively modest 28.0% in urban areas. The data suggests that rural women are increasingly participating in economic activities, possibly due to both necessity-driven employment and enhanced access to livelihood schemes.

Furthermore, the Worker Population Ratio (WPR) for women has also seen a positive shift, increasing to 40.3% in 2023–24. This metric reflects not only the willingness but also the ability of women to engage in productive work, signalling an overall improvement in female employment rates.

However, a deeper look into the nature of employment reveals a critical concern. The share of self-employed women has surged to 67.4% in 2023–24, up from 51.9% in 2017–18. While this rise may initially appear as a sign of entrepreneurial activity and autonomy, it also underscores a broader structural issue—most of these women are engaged in informal, low-paying, and unstable jobs without social security or legal protections. This growing reliance on self-employment highlights the urgent need for policy interventions aimed at expanding formal job opportunities, improving working conditions, and ensuring sustainable livelihoods for women across both rural and urban landscapes.

## **Factors Influencing Female Labour Force Participation**

### **1 Socio-Cultural Norms**

In India, entrenched patriarchal traditions and societal norms continue to shape the perception of gender roles, often relegating women primarily to the domestic sphere. These cultural expectations place a disproportionate burden of household and caregiving responsibilities on women, limiting their ability to pursue education, employment, or professional growth. As a result, many women either opt out of the labour force altogether or are unable to commit to full-time or formal employment.

Recent data highlights the stark gender disparity in unpaid work: Indian women spend nearly 9.8 times more time on household chores and caregiving than men—a figure that far exceeds the global average of 2.6 times. This imbalance not only curtails women's opportunities for economic participation but also reflects a systemic undervaluation of domestic labour, which is essential yet invisible in conventional economic metrics. The overwhelming burden of unpaid work serves as a significant barrier to female labour force participation and must be addressed through targeted policies such as affordable childcare, shared parental responsibilities, and societal efforts to redefine traditional gender roles. .

### **2 Informal Employment and Lack of Social Security**

More than 90% of employed women in India are concentrated in the informal sector, where jobs are typically characterized by low wages, lack of job security, and minimal or no access to essential benefits such as health insurance, maternity leave, or pension schemes. These positions often involve irregular hours, poor working conditions, and limited legal protection, leaving women vulnerable to exploitation and workplace discrimination. The dominance of informal employment presents a major obstacle to sustained female participation in the labour force. With few opportunities for career advancement and virtually no safeguards in times of crisis—such as illness, pregnancy, or economic downturns—many women are compelled to exit the workforce prematurely or refrain from entering it at all. This widespread informality not only undermines women's economic empowerment but also deprives the country of the full potential of its female workforce. To encourage long-term engagement and enhance women's contribution to economic growth, it is imperative to create more secure, formal employment opportunities that provide decent working conditions and social protection.

### **3 Educational Attainment vs. Employment Opportunities**

Although there have been notable advancements in women's access to education in India, this progress has not been fully translated into corresponding employment opportunities. A growing number of women are

attaining higher educational qualifications, yet many remain unemployed or underemployed, highlighting a significant disconnect between education and the labour market.

This mismatch stems from several factors, including the lack of job opportunities that align with their skills and qualifications, regional disparities in economic development, and sectoral limitations that restrict the entry of women into high-paying or technical professions. Additionally, societal expectations and workplace barriers—such as inflexible work hours, gender bias in hiring, and inadequate support systems like childcare—further reduce the employability of educated women.

As a result, even well-qualified women often find themselves in roles that do not utilize their full potential or remain outside the workforce entirely. Bridging this gap requires comprehensive policy efforts to create more inclusive, skill-matched job avenues, promote women's entry into diverse sectors (especially STEM and formal industries), and ensure supportive workplace environments that encourage the participation and retention of educated women.

#### 4 Safety and Mobility Concerns

Concerns related to personal safety and the lack of reliable, gender-sensitive transportation infrastructure are significant barriers that limit women's mobility, especially in urban areas. In many Indian cities, women often face harassment, overcrowded public transport, poorly lit streets, and unsafe commuting conditions, which deter them from traveling independently for work, education, or skill development.

These safety issues are further compounded by irregular or poorly connected transport services, particularly in suburban and peri-urban zones where many affordable housing areas are located. As a result, even when job opportunities exist, women may opt out of the workforce due to the risks and inconveniences associated with daily commuting. This constrained mobility plays a crucial role in suppressing the Female Labour Force Participation (FLFP) rate in urban areas, which remains significantly lower than in rural regions. In contrast, rural women—despite limited infrastructure—often participate more in agriculture and informal local activities within or near their communities.

Addressing this urban disadvantage requires targeted interventions such as investing in safe, accessible, and women-friendly public transport systems, improving urban planning with a focus on gender-inclusive design, and implementing strong safety measures to create an enabling environment for women to commute and work without fear.

#### Impact of FLFP on Economic Growth

Increasing Female Labour Force Participation (FLFP) holds immense potential for driving India's economic growth and unlocking a more inclusive and resilient development path. Numerous studies have highlighted the macroeconomic benefits of gender parity in the workforce. Notably, the McKinsey Global Institute estimates that ensuring equal participation of women in economic activities worldwide could add as much as \$28 trillion to global GDP by 2025—a transformative gain for the global economy.

In the specific context of India, where FLFP remains significantly below that of men, the economic stakes are even higher. If India were to elevate its female participation rate to match that of men, it is estimated that the country's GDP could rise by approximately 27%, a substantial boost that could accelerate its journey toward becoming a major global economic powerhouse. This untapped economic potential emphasizes the need for proactive policy measures and institutional reforms to dismantle gender-based barriers in employment, promote equitable access to education and skill-building, and ensure safe, inclusive, and dignified workplaces for women across all sectors.

## Government Initiatives and Policy Measures

### 1 Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has played a pivotal role in enhancing rural women's access to wage employment, particularly in regions with limited formal job opportunities. As a gender-sensitive employment initiative, MGNREGS has helped bridge the gap between rural women and the labour market by offering paid work close to home, which is especially beneficial given the mobility and time constraints many women face due to domestic responsibilities.

A notable example of this impact can be seen in Uttar Pradesh, where women's participation in the scheme reached a record high of 45.05% in the first quarter of the 2024–25 fiscal year. This surge reflects growing awareness, policy focus on inclusivity, and the increasing willingness of rural women to engage in community-based development projects. MGNREGS not only provides a crucial source of income but also contributes to the empowerment of women by enhancing their decision-making power within households and communities.

To build on this momentum, there is a pressing need to strengthen the implementation of MGNREGS by ensuring timely wage payments, expanding worksite facilities such as childcare, and integrating skill development components to help women transition to more sustainable and diverse employment opportunities in the long term.

### 2 Gender Budgeting

In the 2024–25 Union Budget, the Government of India has allocated a substantial ₹4.5 trillion under the Gender Budgeting framework, representing 8.9% of the total planned public expenditure for the fiscal year. This demonstrates a continued commitment to promoting gender-responsive governance and integrating women-centric priorities into the national development agenda. However, a closer analysis reveals that a considerable share of this budget is channelled into broad-based welfare schemes that, while inclusive of women, are not exclusively designed to address their specific needs or advance gender equality. Many of these programs cater to the general population and include women as one of several target groups, rather than implementing focused strategies aimed at women's empowerment, economic independence, or social protection.

As a result, the effectiveness of gender budgeting in creating transformative outcomes for women may be diluted. To maximize impact, it is essential for future budget allocations to prioritize dedicated, outcome-driven schemes that directly address issues such as women's health, education, skill development, entrepreneurship, safety, and workforce participation. Moreover, improving transparency, monitoring, and gender-disaggregated reporting would enhance the accountability and effectiveness of these financial commitments.

### 3 Skill Development and Entrepreneurship Programs

Government initiatives such as Skill India and Stand-Up India have been launched with the objective of enhancing women's employability and fostering female entrepreneurship. These programs aim to equip women with industry-relevant skills, provide access to credit and financial support, and encourage their participation in small and medium enterprises, thereby promoting economic self-reliance.

While these schemes represent positive steps toward empowering women economically, their overall impact on Female Labour Force Participation (FLFP) has been modest and uneven. Several structural barriers—such as limited outreach in rural and marginalized areas, inadequate follow-up support, and persistent socio-cultural

constraints—have restricted their effectiveness in translating skills and financial support into sustained employment or business ventures for women.

To achieve more meaningful outcomes, these programs require greater focus on inclusivity, accessibility, and tailored support mechanisms. This includes expanding training in non-traditional and high-growth sectors, providing mentorship and market linkages for women entrepreneurs, and integrating gender-sensitive design into policy implementation. Only through such targeted and context-specific interventions can these initiatives contribute significantly to increasing women's participation in the workforce and accelerating broader economic growth.

## **Recommendations for Enhancing FLFP**

### **1. Promote Formal Employment Opportunities:**

Promoting formal employment opportunities for women is essential to enhance their participation in the workforce and ensure long-term economic empowerment. One effective strategy is to encourage industries and organizations to develop inclusive, women-friendly work environments that cater to the unique needs and challenges faced by female employees.

This includes implementing flexible work arrangements, such as part-time roles, remote work options, and adaptable schedules, which can help women balance professional responsibilities with caregiving duties at home. Equally important is the creation of safe and supportive workplace environments—free from harassment and discrimination—through the enforcement of strict anti-harassment policies, provision of secure transportation facilities, and availability of childcare support at or near the workplace.

Moreover, companies should actively promote gender diversity in recruitment, provide equal opportunities for career advancement, and foster leadership pathways for women. By making formal employment more accessible and appealing to women, such efforts can significantly boost Female Labour Force Participation (FLFP) and contribute to building a more inclusive and dynamic economy.

### **2. Invest in Childcare:**

Investing in childcare infrastructure is a critical step toward enabling greater female participation in the workforce by addressing one of the primary barriers: the disproportionate burden of unpaid care work that falls on women. In India, many women are unable to pursue or sustain employment because they are solely responsible for childcare and household duties, which are both time-consuming and undervalued. To alleviate this burden, the government and private sector must work together to establish affordable, reliable, and easily accessible childcare facilities, particularly in underserved rural and urban areas. This includes setting up crèches at workplaces, community-based daycare centers, and early childhood education programs that ensure children are cared for in a safe and nurturing environment while their mothers engage in productive activities.

In addition, integrating childcare services into major employment and livelihood schemes—such as MGNREGS or skill development programs—can further support working mothers. By reducing the care responsibilities that disproportionately fall on women, such investments not only improve their ability to seek and retain employment but also promote gender equality, enhance family well-being, and contribute to overall economic productivity.

### **3. Enhance Skill Development Programs:**

Enhancing skill development programs with a targeted, gender-responsive approach is essential to increase women's employability and their meaningful integration into the workforce. While numerous initiatives



currently aim to provide vocational and technical training, many of them fall short of preparing women for the evolving demands of the modern job market.

To bridge this gap, skill development efforts must be strategically aligned with current and future industry needs, focusing on sectors that are growing and offer sustainable employment opportunities. This includes areas such as information technology, digital services, renewable energy, healthcare, financial services, and manufacturing, as well as emerging fields like artificial intelligence and green technologies. Programs should also incorporate life skills, digital literacy, and entrepreneurship training, which are vital for navigating today's dynamic economic landscape. Moreover, training modules must be designed to accommodate the unique challenges women face—such as time constraints, mobility issues, and low educational backgrounds—by offering flexible schedules, community-based training centers, and inclusive curricula. Providing job placement support, mentorship, and linkage with local employers can further enhance outcomes. By ensuring that skill development is market-relevant, accessible, and empowering, women will be better equipped to secure gainful employment and contribute meaningfully to economic growth.

#### **4. Strengthen Legal Frameworks:**

Strengthening legal frameworks is a crucial step toward fostering a safe, equitable, and inclusive work environment for women. Although several laws exist in India to safeguard women's rights in the workplace—such as the Equal Remuneration Act and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act—implementation and enforcement often remain weak, limiting their impact.

To create real change, it is essential to effectively enforce existing laws that guarantee equal pay for equal work, prohibit gender-based discrimination, and ensure protection from workplace harassment. This requires stronger regulatory oversight, prompt grievance redressal mechanisms, and the establishment of internal complaints committees in both public and private organizations, as mandated by law. In addition, updating and expanding legal protections to cover women in informal and gig economies—where legal safeguards are often absent—is vital. Awareness campaigns and legal literacy programs can also empower women to understand and assert their rights.

By reinforcing legal protections and ensuring their consistent enforcement, India can create a more supportive and just employment landscape, which not only encourages more women to join the workforce but also retains them through fair treatment and respect for their rights.

#### **5. Address Societal Norms:**

Addressing deep-rooted societal norms and cultural attitudes is essential to improving women's participation in the workforce. In many parts of India, patriarchal beliefs and gender stereotypes continue to dictate traditional roles for women, often confining them to domestic responsibilities and discouraging their involvement in economic activities. These norms not only influence family decisions but also shape community expectations, employer biases, and policy priorities.

To bring about meaningful change, it is necessary to launch widespread awareness and behavioural change campaigns aimed at challenging and reshaping gender perceptions. These campaigns should highlight the value of women's work—both paid and unpaid—and emphasize the economic and social benefits of women's empowerment for families, communities, and the nation.

Educational institutions, media, civil society organizations, and religious and community leaders can play a critical role in promoting positive role models, advocating for shared household responsibilities, and encouraging girls and women to pursue education, employment, and leadership roles. Such efforts should be

sustained, community-driven, and culturally sensitive to effectively shift mindsets and create an environment where women's economic participation is not only accepted but actively supported.

By tackling these societal barriers head-on, India can foster a more inclusive economy where women are empowered to contribute freely and fully to the nation's growth and development.

### Conclusion

India has indeed made notable progress in increasing Female Labour Force Participation (FLFP) in recent years, yet substantial obstacles remain that continue to hinder women's full and equitable engagement in the workforce. Persistent socio-cultural barriers, including rigid gender roles and deep-seated patriarchal attitudes, continue to limit women's mobility, career aspirations, and access to employment opportunities. Additionally, the dominance of informal work, lack of supportive infrastructure, and insufficient enforcement of gender-sensitive workplace policies further compound these challenges.

To overcome these hurdles and unlock the full potential of the female workforce, it is essential to adopt a comprehensive and multi-pronged approach. This includes creating more inclusive and formal job opportunities, strengthening legal protections, improving access to skill development and childcare, and implementing targeted, evidence-based policies that directly address the unique constraints faced by women.

Empowering women to actively and equally participate in the economy is not only a question of social justice or gender equality—it is a critical economic strategy. Harnessing the talent and capabilities of half the population can significantly boost productivity, foster innovation, and drive sustainable growth. As India aspires to become a \$30 trillion economy by 2047, achieving gender parity in the labour force must be viewed as a national priority and a cornerstone of long-term development.

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