



Raising Female Labour Force Participation in India: An Economic Imperative for Inclusive Growth

Anju Singh

Supervisory Head

Head of Economics and Social Science Department,

Veda Vyasa DAV Public School,

New Delhi, India

ABSTRACT

This paper analyses the trends and determinants of female labour force participation (FLFP) in India, using Periodic Labour Force Survey (PLFS) data from 2017–18 to 2022–23. Despite educational gains and demographic advantages, India's FLFP remains among the lowest globally. The study identifies structural, social, and policy-level barriers inhibiting women's entry into the workforce. It argues that enhancing FLFP is critical not only for gender equity but also for economic growth and inclusive development. The paper concludes with recommendations for expanding formal employment, improving childcare infrastructure, and addressing deep-rooted social norms.

Keywords: Economic Growth, Gender Gap, Female Labour Force Participation, Periodic Labour Force Survey.

1. INTRODUCTION

India's economic landscape has undergone significant transformations in the last three decades, driven by globalization, technological adoption, and demographic changes. Yet, one persistent structural anomaly undermines the nation's growth potential: the continued **low participation of women in the labour market**. While male labour force participation remains high, India's FLFP rate hovers around 23–25%, significantly lower than other emerging economies such as Bangladesh (37%) and Indonesia (54%) (World Bank, 2022).

This underutilization of female talent has far-reaching consequences. Economically, it represents a loss of potential GDP, innovation, and household welfare. Socially, it perpetuates gender inequality, limits intergenerational mobility, and reinforces traditional norms that constrain women's autonomy. Recent studies estimate that **raising FLFP to male levels could increase India's GDP by over 25% by 2025** (McKinsey Global Institute, 2018).

The decline in female labour participation is particularly paradoxical given India's **rising female literacy and higher education levels**, with women increasingly obtaining professional and tertiary qualifications. Yet, systemic barriers—including social norms, lack of childcare, unsafe public transport, and limited formal employment opportunities—continue to hinder their transition into remunerative work.

2. LITERATURE REVIEW

A substantial body of research has examined the determinants and consequences of female labour force participation (FLFP) in India. Early studies (Sundaram & Tendulkar, 2005; Chand et al., 2014) linked the decline in FLFP primarily to the **"income effect"**—as household incomes rise, women withdraw from the labour force, particularly in rural areas. More recent literature highlights **structural and social barriers** as critical determinants. Klasen and Pieters (2015) found that declining agricultural employment, inadequate growth of manufacturing jobs for women, and rising educational enrolment contribute to lower participation rates.

Das and Desai (2021), using National Sample Survey (NSS) and PLFS data, emphasize that **women's participation remains concentrated in low-paying, informal, and unpaid family work**, especially in rural areas. The World Bank

(2022) situates India's FLFP among the lowest globally, despite improvements in education. Comparative studies (Gaddis & Klasen, 2014) highlight how countries like Bangladesh have successfully leveraged the garment industry and targeted policy measures to raise female employment, illustrating policy gaps in India.

NITI Aayog's 2022 strategy paper identifies **safety, childcare infrastructure, gender stereotypes, and legal barriers** as key factors inhibiting female workforce entry. Meanwhile, ILO (2023) stresses the need to extend **social security coverage to informal women workers**, who constitute nearly 90% of the female workforce. Collectively, this literature underscores that India's FLFP challenge is **multi-dimensional**, requiring both structural transformation and social change.

3. OBJECTIVES OF THE STUDY

1. To examine trends in female labour force participation in India using secondary data.
2. To identify socio-cultural, economic, and policy barriers to women's employment.
3. To analyse the economic implications of low FLFP.
4. To evaluate policy interventions and recommend measures for increasing women's workforce participation.

3. METHODOLOGY

This paper adopts a **descriptive-analytical approach**, relying on **secondary data** from the following sources:

- **Periodic Labour Force Survey (PLFS), 2017–18 to 2022–23**, Ministry of Statistics and Programme Implementation (MoSPI).
- **World Bank's World Development Indicators (WDI)** for comparative FLFP data.
- **McKinsey Global Institute (2018)** and **ILO (2023)** reports for economic impact estimates.
- Select peer-reviewed journal articles for theoretical framing and comparative analysis.

The analysis focuses on **trends in FLFP, sectoral composition, and urban–rural variations** over time. Descriptive statistics are presented in tables and graphs to highlight key patterns. No primary survey has been conducted; the emphasis is on rigorous use of authentic government data and policy literature.

4. DATA PRESENTATION AND ANALYSIS

4.1 Trends in Female Labour Force Participation (FLFPR) in India (2017–18 to 2022–23)

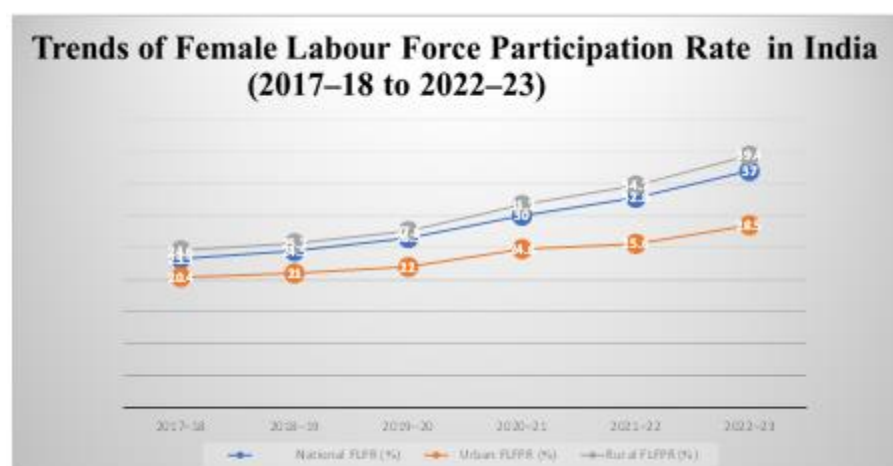


Figure 1. Trends in Female labour participation in India

Table 1 Female labour participation in India

Year	Female LFPR (%)	Male LFPR (%)	Urban Female LFPR (%)	Rural Female LFPR (%)	Source
2017–18	23.3	75.8	20.4	24.6	PLFS
2018–19	24.5	76.0	21.0	25.7	PLFS
2019–20	26.5	75.5	22.0	27.6	PLFS
2020–21	30.0	75.2	24.8	31.7	PLFS
2021–22	32.8	75.3	25.6	34.7	PLFS
2022–23	37.0	75.8	28.5	39.4	PLFS

Source: Periodic Labour Force Survey (PLFS), Annual Reports, MoSPI, Govt. of India

Observation: Female LFPR has increased from 23.3% in 2017–18 to 37% in 2022–23, driven primarily by **rural women entering the workforce**, often in self-employment or unpaid family labour. Urban female LFPR remains significantly lower.

4.2 Sectoral Composition of Female Employment

Table 2: Sectoral Distribution of Female vs Male Employment (2022–23)

Sector	% of Female Workers	% of Male Workers
Agriculture	62%	42%
Manufacturing	11%	20%
Services	27%	38%

Source: PLFS 2022–23, MoSPI

Observation: The overwhelming share of female workers remains in agriculture, often in **low-paying or unpaid roles**. Women's share in manufacturing and services remains disproportionately low, reflecting structural barriers to entry.

4.3 Discussion of Trends

The PLFS data reveal a **nuanced picture**: while the overall LFPR for women has risen in recent years, much of this increase is concentrated in **rural self-employment** rather than formal wage employment. The rise is partly attributable to **economic distress and lack of male employment during COVID-19**, which pushed more women into economic activities, often unpaid.

Urban female participation continues to lag, highlighting issues like **safety, lack of flexible work, childcare gaps**, and **gendered occupational segregation**. Sectoral data show limited structural shift from agriculture to higher productivity sectors, unlike East Asian economies where female participation rose with industrial growth.

5. POLICY ANALYSIS

5.1 Existing Policy Landscape

The Government of India has undertaken several initiatives to promote women's economic participation, but the **impact remains uneven and fragmented**. Key interventions include:

- **Maternity Benefit (Amendment) Act, 2017:** Extends paid maternity leave to 26 weeks. However, implementation is limited to the formal sector, which employs less than 10% of women.
- **Pradhan Mantri Mudra Yojana (PMMY):** Has extended credit to millions of women entrepreneurs, especially in micro and small enterprises. Yet, most women borrowers fall in the “Shishu” category (loans below ₹50,000), indicating limited scale.
- **Self Help Groups (SHGs) under NRLM:** SHGs have mobilised over 80 million women, creating livelihoods in rural areas. However, linkages with formal markets and scalability remain challenges.
- **Skill India Mission and Digital India:** These have potential to improve women’s employability, but female enrolment in many high-growth skill sectors (e.g., digital, technical trades) remains low.
- **Nirbhaya Fund and Safe City Programme:** Aim to improve urban safety, but gaps remain in public transport, last-mile connectivity, and workplace safety norms.

5.2 Policy Gaps

Despite these efforts, significant gaps persist:

- **Limited formal employment opportunities:** Most policies focus on self-employment rather than expanding decent wage jobs for women.
- **Inadequate childcare and flexible work arrangements:** The lack of affordable childcare is one of the biggest deterrents to urban FLFP.
- **Social norms and unpaid care work:** Policies have not sufficiently addressed deep-rooted gender norms that assign domestic responsibilities disproportionately to women.
- **Informal sector coverage:** Over 90% of women work in the informal sector, which lacks social security and legal protection.

5.3 International Policy Comparisons

Countries such as **Bangladesh**, **Vietnam**, and **Indonesia** offer useful policy lessons. Bangladesh strategically leveraged the garment sector and export-oriented jobs for women, leading to a surge in FLFP. Vietnam expanded female employment through **labour-intensive manufacturing** and comprehensive childcare support. Scandinavian countries offer examples of **state-supported childcare**, **paternity leave**, and **anti-discrimination frameworks** that normalised women’s workforce participation.

India’s policies, in contrast, have focused more on **welfare and microenterprise** rather than **structural transformation of labour markets** to accommodate women at scale.

6. CONCLUSION

India stands at a critical juncture where economic growth, demographic change, and technological advancement create unprecedented opportunities. Yet, the **potential contribution of nearly half the population remains underutilised**. Despite improvements in education and health, female labour force participation remains among the lowest globally.

The recent uptick in participation rates reflected in PLFS data is encouraging, but its composition—dominated by rural self-employment and unpaid work—signals that the **quality of women’s employment remains inadequate**. Addressing this requires **shifting from welfare-oriented schemes to structural economic reforms** that integrate women into productive, decent work.

Raising female LFPR is not just a gender equality imperative—it is an **economic necessity**. Studies indicate that achieving parity in labour force participation could boost India’s GDP by more than 25% (McKinsey, 2018). Policymakers must prioritise this agenda through coordinated action spanning childcare, safety, skill development, formal job creation, and social norm transformation.

6. RECOMMENDATIONS

To sustainably increase female labour force participation, a **multi-pronged strategy** is required, combining legal reforms, labour market interventions, and social change. The following recommendations are proposed:

1. Expand Formal Employment Opportunities

- Target labour-intensive manufacturing and services (e.g., electronics, apparel, tourism) with gender-inclusive industrial policies.
- Provide incentives to firms hiring and retaining women, especially in urban areas.

2. Invest in Childcare Infrastructure

- Establish affordable, community-based crèches in urban and rural areas.
- Integrate childcare support within industrial parks and corporate campuses.

3. Promote Flexible Work and Safe Mobility

- Encourage telework, part-time, and flexible arrangements through legal provisions and incentives.
- Improve urban mobility infrastructure—well-lit streets, safe public transport, and secure workplace access.

4. Enhance Education-to-Work Transitions

- Align vocational and higher education curricula with labour market demand.
- Launch targeted apprenticeship and internship programmes for young women.

5. Formalise Informal Work and Extend Social Security

- Register informal women workers and extend benefits like health insurance, pensions, and maternity protection.
- Strengthen SHGs by linking them to value chains and e-commerce platforms.

6. Address Social Norms through Behavioural Change Campaigns

- Run large-scale public campaigns, involving men, to redistribute unpaid care responsibilities.
- Include gender sensitivity training in schools and workplaces.

7. Improve Data and Monitoring

- Enhance PLFS granularity for urban women's employment.
- Track gender-disaggregated outcomes of major economic schemes.

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