

Analysis of Women's Participation in The Workforce in India and Study of Policies Impacting their Inclusion

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ABSTRACT

The study aims to utilize a multidisciplinary approach to understand women's development in Indian society, particularly through the lens of gender equality, women's empowerment, and their role in economic development. This work utilized secondary research, including literature reviews from scientific sources and reports. The publicly available datasets and statistics were also used to further understand the topic. The study further delves into India's journey in addressing the issue and explores the various challenges faced in different regions of the country. The study also assesses various policies addressing key challenges in the country. Initiatives focused on addressing the rights of girl children and their education along with policy on women's participation in the economy are assessed. The selected case studies lead to a better understanding of the road to achieving the goal of inclusive development in India.

Keywords: Gender equality, Empowerment policies, Labor participation

Introduction

'Development' is a highly contested concept both theoretically and politically, and fundamentally both complex and ambiguous. According to Pearson, development involves improvement in qualitative, quantitative, or both in terms of the use of available resources. Further, development is a hybrid term for a set of strategies adopted for socioeconomic and environmental transformation from the present state to a desired state. ¹ The definitions and concept of development have been adapted throughout history. The common link within most definitions of 'development' is 'change' in various states of humanity. ²

The works of Amartya Sen, Mahbub ul Huq, Richard Jolly, Frances Stewart, and Meghnad Desai at the UNDP stressed that development should fully take into account the physical condition of an individual and person's capabilities and not just be limited to the GDP per capita. Their

pivotal work led to the creation of the UNDP Human Development Report in 1990. This marked a significant shift from solely economic measures of development to a broader focus on human well-being, including health, education, and income. Eventually, development also encompassed gender equality and women's empowerment, which became more prominent. To measure these factors, the introduction of specific indicators including 'The Gender Development Index (GDI)' and 'Gender Inequality Index' (GII) were set. These indicators were instrumental in helping measure and quantify the progress in these characteristics. These indices highlight disparities in sectors like reproductive health, education, and economic participation. Furthermore, these points of reference emphasize that addressing gender gaps is important for achieving an inclusive robust human development. These indicators also helped track the progress made and put forward the best practices to achieve the goals.^{2,4}

The UNDP report (2023-24), further sheds light on women's empowerment and reinforces that gender-sensitive policies, like access to education and labor market opportunities, directly contribute to human development. Additionally, the report mentions the current challenges including income inequality and underrepresentation of women in political spheres as key issues throughout different regions of the world. It mentions the need to address these issues by learning from the best practices. The report mentions that successful policies have been effective in improving gender parity. Other global studies have highlighted that gender inequality is not just a moral and social concern but it has economic implications too on the countries. As women constitute half of the world's working population it is imperative to solve the parity between men and women. Moreover, implying that women achieve their full economic potential to progress and advance the global economy.³

The evolution from the initial reports of Human Development to the present highlights the increasing recognition that women's empowerment is not just a part of societal development but also central to the same. Additionally, the progress in all key areas of human well-being that arise from gender focussed interventions.⁴

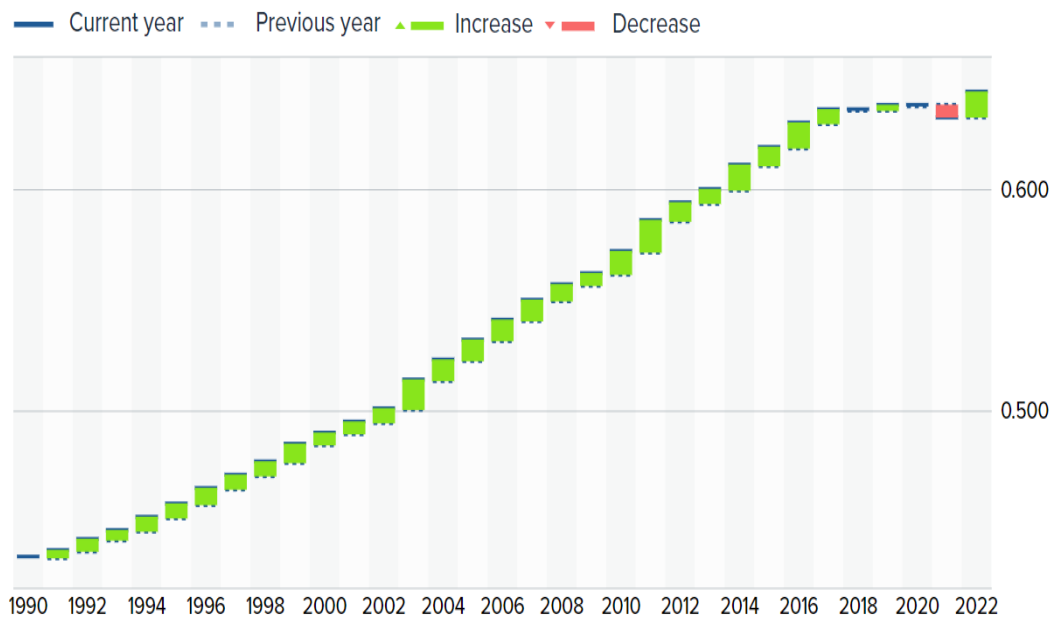
India is categorized under the 'medium human development' as per the UNDP report (2023-24). The report scores India's HDI¹ at 0.644, which assesses the achievement in three basic dimensions of human development. These include a long healthy life, access to knowledge, and a decent standard of living. Figure 1, below shows the trend of India over the years. From the figure, it is evident that from 1990 to 2022, India's HDI improved by 48.4 %, with a change in value from 0.434 to 0.644.

¹ A composite index measuring average achievement in three basic dimensions of human development—a long and healthy life, knowledge and a decent standard of living

The ‘Gender Development Index’ (GDI) is a ratio of female to male HDI. The GDI² measures gender gaps in achievement in three dimensions of human development including health, knowledge, and living standards. India with a female and male HDI (2022) of 0.582 and 0.684 respectively, stands at a GDI value of 0.852, as shown in Figure 2. Furthermore, looking at India's ‘Gender Inequality Index’ (GII) tells about the gender disparity. The GII³ points to the inequalities in areas including reproductive health, empowerment, and labor market participation. India has a GII value of 0.437 (Figure 3), ranking it 108 out of 166 countries in 2022.

Altogether, India ranks 134th in the Human Development Index (2022) out of 193 countries and territories.⁴ These statistics underline the need for targeted gender-sensitive policies to address the significant disparities that hinder women’s full participation in India’s development.

Figure 1: Trend in HDI of India from 1990 to 2022⁵



² The GDI measures: health (measured by female and male life expectancy at birth), knowledge (measured by female and male expected years of schooling for children and mean years of schooling for adults aged 25 years and older) and living standards (measured by female and male estimated GNI per capita)

³ The GII measures: Reproductive health by maternal mortality ratio and adolescent birth rates, empowerment by the shares of parliamentary seats held and population with at least some secondary education by each gender, and labor market participation by the labor force participation rates for women and men

Figure 2: Trend in GDI of India (in blue) in comparison with the world average (in gray) ⁵

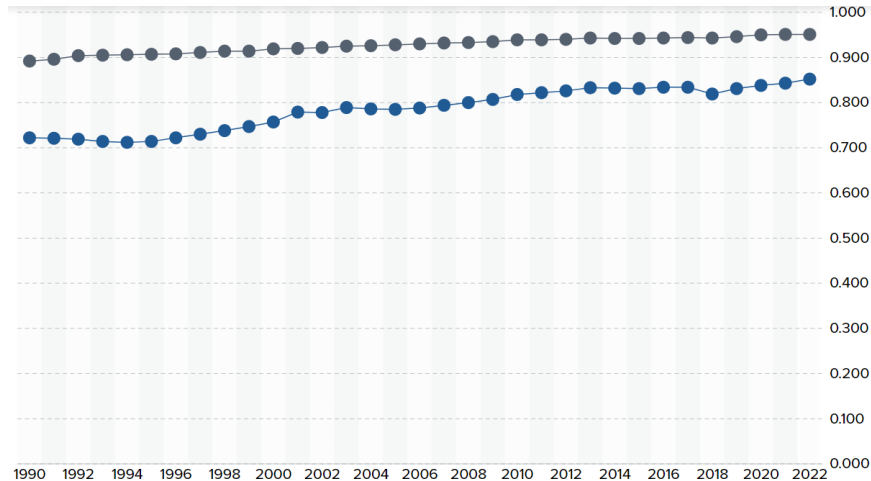
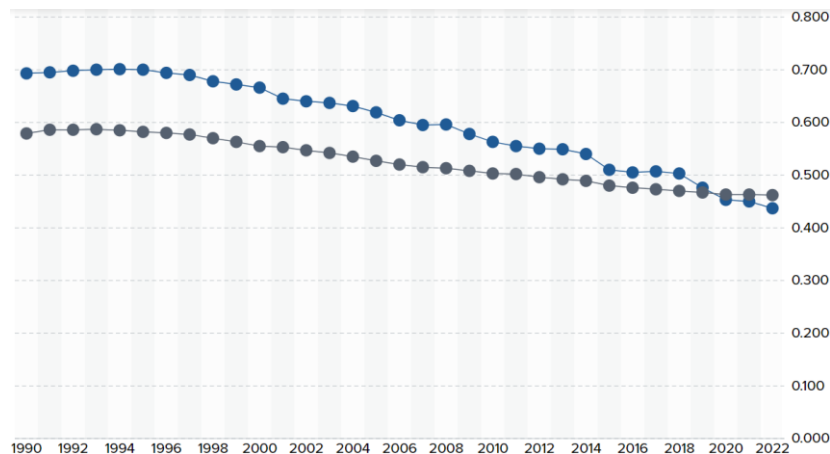


Figure 3: Trend in GII of India (in blue) in comparison with the world average (in gray) ⁵



Research Methodology

The study uses secondary research, including scientific research papers, policy reports, press releases, and news articles. The study focused on utilizing existing academic knowledge and work done by scientific communities and international organizations to understand and analyze human development in society with a focus on women in India. The study also utilized reports and datasets from the World Bank, UNDP, and NITI Aayog.

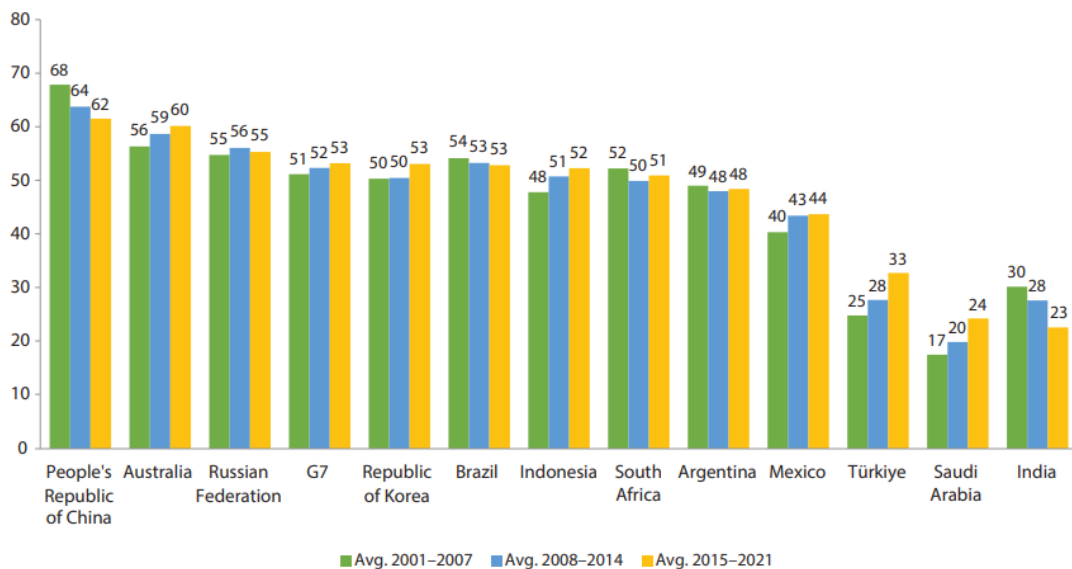
The study aims to provide an extensive overview of the issue and its evolution. Furthermore, it analyzes the Indian government policies and their impact on addressing the issue of gender divide in society.

Discussion

The UNDP study shows that from the start of the 20th century, women in most countries were officially restrained from taking part in numerous societal roles. This included and expanded from owning property, attending universities, and participating in politics. There were clear and widespread gaps in women’s ability to participate in societal roles. The extensive reforms worldwide that took place during the 20th century recognized the equal legal, social, economic, and political rights of women and men. This led to progress in institutional reforms in many countries, although there are still gaps in the legal restrictions faced in many countries by women.⁴

The data from World Bank as shown in Figure 5, highlights the shift of females in the labor force across the G20 nations. The figure also highlights India's position and change from 2001 to 2021.

Figure 4: Female Labour force participation across G20 countries (%) ⁹



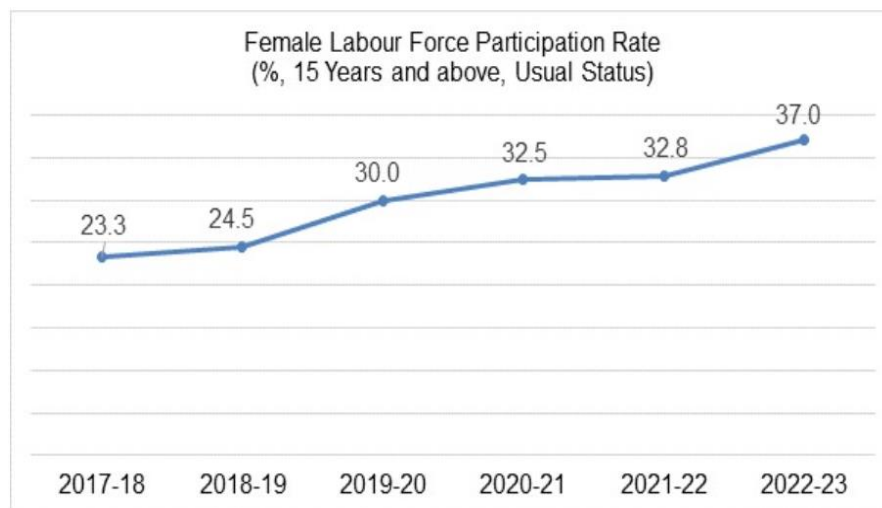
Note: The G7 average includes the European Union.
Source: World Bank.

As per the last census conducted in India in 2011, the women population accounted for 48.5% of the total population.⁶ Although women account for half of the country's population, India has always had a male dominated workforce. The low participation of females in the workforce has historical roots. It is mainly associated with conservative social norms and due to factors like lack of work opportunities and availability of women for work. The exclusion of women from paid work has perpetuated gender inequality in the economy. Traditionally, women in India have largely been employed in labor-intensive, low-paid, informal work without social security.

The International Labor Organization defines the labor force participation rate (LFPR) as a measure of the proportion of a country's working-age population that plays an active role in the labor market, either by working or seeking work. ⁷ The Female LFPR is the extent to which women are active in the labor market.

The Female LFPR documented after India's independence, that is in 1955 was 24.1%. Which then increased to 33% in 1972, after which it gradually shrank and fell to its lowest in 2017 at 23%. However, the data from the Periodic Labour Force Survey (October 2023) indicates that Female LFPR is at 37% (2022-2023), an increase of 4.2% from the last survey (2021-22). Figure 5 highlights the same and shows the improvement in the Female LFPR in the last six years. ⁸ This improvement in trend has been consistent throughout the country, with a few Indian states as an exception. The states of Himachal Pradesh (66%), Uttarakhand (33%), Sikkim (58%), Meghalaya (50%), and Nagaland (51%) have a relatively higher Female LFPR as compared with the Indian average (33%). The high participation is attributed mainly to progressive views toward women's role in the workforce and better access to education and vocational training. Moreover, developed industries, infrastructure, and urbanization further encourage female participation in these states. For example, in states like Himachal Pradesh and Sikkim due to the evolving tourism sector, small industries, and government employment, female LFPR is high.

Figure 5: The increase in female labor force participation over the years ¹¹



Furthermore, states like Punjab (24%), Haryana (19%), Delhi (12%), Uttar Pradesh (26%), Bihar (10%), and West Bengal (28%) have performed poorly as compared with the rest of the country. The main reasons include socio-cultural norms, like conservative cultural attitudes towards women working outside of the home. Also, in general, female literacy and access to quality education hampered female participation. Furthermore, agriculture-dominant states like Punjab

and Haryana have male-dominant labor forces with limited opportunities for women, leading them to generally be involved in unpaid work. Also, in states like Bihar, where the formal job market is low, female participation has not increased.

Additionally, states situated in southern and western parts of the country are better performers than the rest of India, with Telangana (45%) and Andhra Pradesh (43%) leading the Female LFPR. The presence of a diverse range of economic activities like service and manufacturing in the states has influenced women's participation.

Also, it is to be noted that 79% of India's female labor force is situated in rural regions. The Female LFPR trend is dominated by structural changes in the rural economy. This is evident from the increase in Female LFPR in rural regions compared to urban regions. This has increased from 25% in (2017 -2018) to 37 % (2021-2022) in rural regions as compared to the change from 20 % to 24% in urban regions.^{9,10}

The consistent increase in women's participation in the workforce in India is attributed to government policies and initiatives on women's empowerment, aimed at long-term socio-economic and political development. These policies and legislation have been holistic and have been driving the agenda of women-led development. Moreover, that has led to bridging the gender divide in the society. Some of the initiatives include large-scale initiatives for girl education, skill development, entrepreneurship facilitation, and safety at the workplace.¹¹

The following analysis discusses India's government policies and their impact on tackling the key challenges to bridge the gender divide. The case studies cover key areas of improvement as focused by the government. These include education, financial development, and labor participation.

1. Beti Bachao Beti Padhao (in English 'Save the Girl Child, Educate the Girl Child')

The Beti Bachao Beti Padhao (BBBP) initiative was launched in 2015 to address the skewed Child Sex Ratio (CSR) in several districts of the country. The strong preference for a son in Indian society which is dominantly patrilineal and patrilocal is the main cause leading to a high girl-child mortality rate. Also, the root cause of the problem is associated with factors like religious norms, cultural norms, and financial stability. Additionally, factors like advancement in medical technologies, gender disparity in education, poor care, and neglect of girls' nutritional requirements are causes for the declining sex ratio at birth.¹² Understanding the pervasiveness and complexity of the problem, the BBBP initiative has been conceptualized and implemented as bringing together three ministries, that is Women and Child Development, Human Resource Development, and Health and Family Welfare.

This initiative's primary goals are to avoid gender-based sex selection, ensure the survival and safety of girl, and ensure their education and involvement in society. A variety of quantitative indicators are used to track the progress of both components of the initiative, namely 'Save the Girl Child' and 'Educate the Girl Child'. The 'Save the Girl Child' component tracks indicators like Sex ratio at birth, gender differences in under-five mortality, and early pregnancy registration. Whereas, the other component of the initiative focuses on female school enrolment, dropout prevention, and the Samagra Shiksha⁴ plan.

Broadly the initiative has been in line with the International goals of gender equality. The scheme has been successful in bringing gender discrimination into focus. It has resulted in improvement of all major indicators such as CSR, enrolment of girls in school, percentage of institutional deliveries, etc over the years. However, progress has been slow, and would need to adapt to the shortcomings to achieve the goal.¹³

The scheme, although broadly encompassing important aspects, has shortcomings, and improvements on these shortcomings can lead to its further success. Firstly, for effective communication in outreach activities, there is a need for continuous capacity building in the form of training for the front-line workers. Secondly, to increase accountability and enhance monitoring of the work, greater use of mobile technologies and the Internet should be promoted. This will reduce the discrepancies arising from data manipulations. Lastly, increased involvement of women as front-line workers would be strategic to communicating the issue of gender disparity.¹⁴

2. Pradhan Mantri MUDRA Yojana

In India, gender disparities in economic participation and opportunities are huge. To bridge the gap, the government is focused on promoting women's entrepreneurship by enabling financial assistance.

The Pradhan Mantri MUDRA⁵ Yojana (PMMY) is built on its predecessor 'The Pradhan Mantri Jan Dhan Yojana' (PMJDY) which was launched in 2014. The latter was an effort from the government to help women obtain basic bank accounts. Whereas the former launched in 2015 was focused on formalizing microfinance lending. This was envisioned as a last-mile delivery of credit for the underserved, with a focus on women and to encourage female entrepreneurship. The scheme has a provision of providing a ten lakh rupees loan (approx. USD 12,000) to non-

⁴ Samagra Shiksha is an integrated scheme for school education spanning from pre-school to class XII

⁵ MUDRA stands for Micro Units Development & Refinance Agency Ltd.

corporate, non-farm small/micro enterprises from lending institutes like banks in India. This initial money can be used for income-generating activities involving manufacturing, processing, trading, or for the service sector.

The study of the policy intervention has highlighted that there is a higher amount of loans handed out to women and in turn an increase in monthly household income and savings. Many women have successfully started small businesses under this initiative, leading to greater financial independence and contributions to local economies.

Furthermore, bringing together informal women-led businesses has resulted in making their contribution to the economy more impactful.

The policies in tandem with the use of the technological infrastructure of AADHAR and e-KYC, were instrumental in easing the process, providing transparency, and promoting credit quality. The handholding support provided in the form of financial and business literacy programs together with the loans proved to be useful in building their capacity.

The provision of the MUDRA card, a debit card, led to a holistic approach to building financial inclusion. This approach led to expansion of digital payment and building an ease of transaction through drawing of money from ATMs.¹⁵ This policy is a successful example of utilizing financial literacy and access to credit to facilitate women's economic empowerment in India.

As a recommendation, the policy should further focus on encouraging loan borrowers and entrepreneurs to register for Goods and Service Tax (GST) to further embed into the country's economy. Also, the policy scheme could benefit from promoting and advertising the schemes and should tap into the local market through the use of regional language. This would attract more clients and first time entrepreneurs to avail benefit and be a part of this initiative. Additionally, by leveraging the digital and internet proliferation happening in rural and urban areas, the information could reach more people.¹⁶

Conclusion

India has taken noteworthy steps in promoting gender equality and women's empowerment, but there remain clear gaps in women's economic involvement and their access to opportunities as well as education. As highlighted in the McKinsey report on "The Power of Parity", improving gender equality in India could add \$770 billion to the nation's GDP by 2025, illustrating the enormous potential of women's inclusion in economic activities.

Government initiatives such as Beti Bachao Beti Padhao, and Pradhan Mantri MUDRA Yojana have contributed to promoting education, financial literacy, and labor market participation

among women. However, despite these efforts, challenges such as low labor force participation rates and persistent societal norms continue to limit progress.

There is a clear need for bringing together policy interventions that address issues faced by women in Indian society such as unpaid work, skill improvement, and gender biases in the workforce. To accelerate gender parity, India must continue its focus on comprehensive approaches that unify women in the formal economy, promote equal access to quality education and health services, and address cultural barriers. This will ensure the fulfillment of India's national and international goals. As well as achieve its commitment to the 2030 Agenda of the Sustainable Development Goals which has a focus on "leaving no one behind".

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