



A STUDY ON WOMEN WORKFORCE AND ITS IMPACT ON INDIAN ECONOMY

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Abstract:

Social development, gender equality, and economic growth are all significantly influenced by women's employment. This paper traces the origins of women's labor force participation in India from the earliest reform movements to the present. The groundwork for women's future economic participation was laid by historical figures like Savitribai Phule and Dr. B.R. Ambedkar, who played a crucial role in promoting women's rights and education.

Women's access to employment was progressively enhanced after independence by a number of legislative changes and improvements in education. But even with advancements, there have been notable swings in India's female labor force participation rate. Due to sociocultural barriers, a lack of employment opportunities, and discrimination based on gender, participation fell in the early 2000s after reaching a peak in the late 20th century. Current patterns indicate a favorable change, with increased participation in the formal economy, digital platforms, and entrepreneurship brought about by government programs, microlending, and rising levels of digital literacy.

Increased household income, better child welfare, more innovation, and possibly a rise in India's GDP are among the advantages. On the other hand, issues like underrepresentation in leadership roles, unequal pay, informal work, and restricted access to safe workplaces and childcare continue to exist.

The study comes to the conclusion that despite the fact that Indian women are becoming more educated and skilled, structural obstacles still prevent them from reaching their full economic potential. India must enact gender-sensitive labor laws, increase educational and skill-development opportunities, and create encouraging work environments in order to attain inclusive growth as well as home.

Keywords: *Female labour force participation rate (FLFPR), GDP, Indian economy, Hindu code bill, Women's employment, Digital literacy, Gender pay gap, Women's empowerment, Economic growth*

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Introduction:

Women's participation in the workforce is a crucial driver of economic growth and development. All over the world, the increased participation of females in the

labor force has positively correlated with higher economic growth, improved living standards, and the equality of gender throughout the world. Key factors driving this shift include better access to education,



government initiatives focused on skill development, and a growing trend towards self-employment. The economic benefits of this growth are substantial, resulting in higher household incomes, better social indicators, and increased overall productivity. Research shows that closing the gender employment gap could significantly boost India's GDP by fostering innovation, enhancing efficiency, and building economic resilience. This paper explores the role of women in India's workforce, the key factors influencing their participation, and the impact on economic growth. It also addresses the ongoing challenges and suggests policy measures to further enhance women's contributions to the economy. By addressing these issues, this research highlights the urgent need for gender-inclusive economic policies to pave the way for a brighter future for India.

History:

"The idea of perfect womanhood is perfect independence. There is no hope of rise for that family or country where there is no estimation of women, where they live in sadness." Swami Vivekananda. He highlighted the significance of women's independence in bringing advancement to society. Over the years, Indian women participated and contributed to different areas from fighting battles to teaching.

At a time when education for girls, especially from Shudra and Dalit communities, was taboo; Savitribai Phule and Jyotirao Phule along with Fatima Shaikh started the first school for girls in Bhide Wada, Pune in 1848. Her poem to girls: "Be wise, spread knowledge... Drive away the darkness, believed that education was key to ending gender and caste-based oppression and encouraged women to speak up, learn, and become self-reliant.

Dr. B.R. Ambedkar's **Hindu Code Bill** was a landmark legislative initiative aimed at reforming Hindu personal laws in India, especially to uplift the status of women. Though the bill primarily focused on

issues like marriage, divorce, inheritance, and property rights, it had *profound implications* for **women's education and work participation** as well. Dr. B. R. Ambedkar was a strong advocate of education for women, often saying: "I measure the progress of a community by the degree of progress which women have achieved." He believed education was the key to liberation, especially for oppressed communities, including women. Women's Rights in the Hindu Code Bill included :

- **Right to Divorce:** Women could now file for divorce for a number of reasons.
- **Equal Inheritance Rights:** According to the original proposal, daughters were granted the same rights as sons with regard to ancestral property.
- **Marriage Requires Consent:** Marriage requires the woman's consent.
- **Adoption Rights:** It was legal for women to adopt children.
- **Monogamy:** Women were granted legal protection by enforcing monogamy for Hindu men.

Relation to Women's Employment and Education
Though the Bill wasn't directly about education or employment, it paved the way for both:

1. Legal Empowerment → Social Empowerment

- By giving women legal standing in family and property matters, it increased their confidence and autonomy, encouraging education and independent careers.

2. Equality in Property → Economic Independence

- Property rights laid the foundation for financial independence, which is crucial for work participation.

3. Marriage Reforms → More Freedom

- Women had more say in marriage and divorce, helping them pursue education or jobs without being trapped in oppressive domestic roles.

4. Role of Law in Social Change

- Ambedkar believed that law must lead society, not



just follow it. By changing family laws, he hoped to change attitudes that kept women uneducated and out of the workforce.

Women in India have traditionally worked in agriculture, but education has enabled them to pursue a variety of careers and even go to other nations to work. This change shifted societal perceptions, emphasizing the importance of women's education and bringing more women into professional positions. Despite enormous cultural hurdles like as marriage, having children, and even basic societal biases, women still do not have equal involvement in the workplace as men. Cultural barriers simply prevent them from pursuing the same job prospects as males.

The revolutionary developments in the female workforce from 1991 to today are detailed in various stages. The following are the phases of India's female workforce change from 1991 to 2025.

Since 1991, economic liberalization, societal changes, policy changes, and foreign events have all had a significant impact on Indian women's workforce participation rates.

- **1991-2010: Trends in Post-Liberalization**

Economic liberalization in 1991 increased urban female employment by creating new opportunities in industries like banking, services, and information technology.

However, as agriculture grew more mechanized and manual labour became outdated, rural female labor force participation (FLFP) decreased. The number of women working in the informal sector (self-employment and home-based labour) remains high.

As more women selected higher education over early career entrance, the FLFP fell from **31% in 2000 to 23.3% in 2017-18**. IT aided urban women, but because of agricultural poverty; rural women's work opportunities were limited.

- **2010–2020: Difficulties and Recovery**
Gender-biased employment rules, a lack of childcare support, and social standards all contributed to a record-low **23.3%** workforce participation rate in **2017-18**.

Millions of women have lost their jobs as a result of COVID-19 (2020), particularly in the informal sector.

Government initiatives like as Start-up India, MUDRA loans, and Skill India have all attempted to encourage female entrepreneurs.

- **2021-2025: Female Workforce Resurgence :**
FLFP increased dramatically, from **23.3% in 2017-18 to 41.7% in 2023-24**, with rural areas experiencing the largest growth (**47.6%**). Increased informal and self-employment opportunities are strong motivators

Government initiatives such as financial inclusion, women-led start-ups, and Digital India have resulted in higher female education and literacy rates. Still the challenges remain the same; Wage disparities, occupational discrimination, and unpaid household labour impede future advancement.

While India's female workforce participation has fluctuated over the years, recent figures suggest a healthy rebound. Continued governmental support, social reforms, and workplace inclusivity will be vital to maintaining growth and assuring women's equitable participation in the economy.



Year	Overall Unemployment rate	Male Unemployment Rate	Female unemployment rate
2023	4.059	4.218	4.172
2022	4.585	4.905	4.822
2021	5.391	6.717	6.38
2019	6.075	6.656	6.51
1994	6.715	6.866	6.828
1991	6.733	6.888	6.85

(Source : International Labour Organization)

Challenges and Factors Contributing To Low Female Workforce Participation:

Following are the reasons/ challenges which are faced by working women on daily biases, which had left them with no choice but to leave their work and which has direct effect on our country economic growth and development.

➤ Multitasking Expectations & Role Conflict:

Women typically face the challenge of balancing professional and household commitments. This continual juggling causes heightened stress and role conflict as they strive to meet both professional and domestic standards.

Example: 67% of Women Struggle with Work-Life Imbalance Reveals IIMA Study Amid Tragic Death of Young EY Employee.

➤ Stress from Multiple Roles:

While both genders endure employment stress, women face added strain from caring and domestic responsibilities. This "double burden" increases stress and can lead to burnout.

➤ Jobs for Educated and Uneducated Women:

Educated women may face fewer options that match their abilities, while uneducated women are often relegated to low-wage, informal work. This difference inhibits both groups' upward mobility and total economic engagement.

➤ Women Considered a Liability:

Some organizations may consider women as less trustworthy owing to probable family or maternity-related absences. Such assumptions may cause companies to be hesitant to hire or promote women.

➤ Unhealthy Competition at the Workplace:

Unhealthy competition in the workplace may lead to antagonism and lack of support, making it difficult for women to succeed, especially if the culture does not prioritize cooperation or work-life balance

➤ Male Dominancy/Male Chauvinism:

In companies with male dominance, gender prejudice and chauvinistic attitudes can limit women's professional advancement and involvement, continuing a cycle of exclusion.

Example: According to a study, women held only 15% of board positions in NSE-listed companies in 2021. Women in comparable roles are given less credit for their efforts than men.

➤ Gender Discrimination and Sexual Harassment:

Gender discrimination and sexual harassment can create hazardous work conditions and deter women from joining or staying in the workforce.



Example: These biases are reflected in India's gender pay gap, which still exists with women earning 19% less than men. The #MeToo movement highlighted the widespread prevalence of harassment in Indian workplaces.

➤ **Lack of Flexible Hours and Social Support:**

Women often leave the labour field due to rigid work hours and insufficient help to balance home and professional duties. In emerging industries and STEM fields, women are underrepresented.

Example: Disparities result from India's inconsistent maternity leave laws. Workplaces can

become hostile due to insensitive remarks or actions.

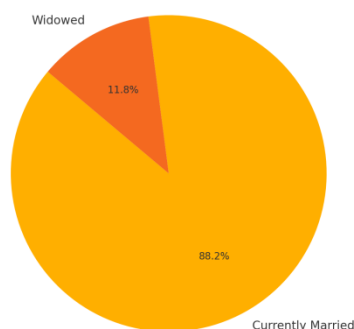
➤ **Availability of Suitable Jobs:**

Women sometimes face a scarcity of accessible and socially acceptable work options, particularly in industries where cultural norms restrict their involvement.

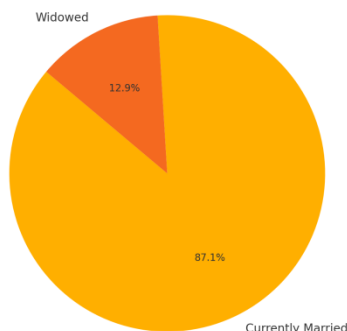
➤ **Early Marriage:**

Early marriage might hinder schooling and professional growth, resulting in decreased workforce involvement later in life.

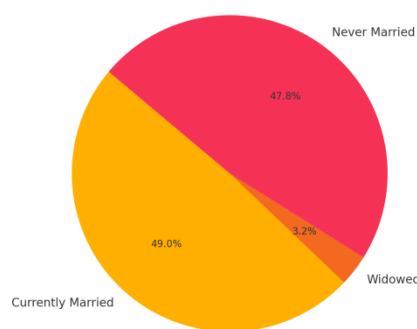
Women by Marital Status - 2001



Women by Marital Status - 2011



Women by Marital Status - 2020



(Source : Press Information Bureau (PIB), Government of India)

➤ **No Working Permission After Marriage by In-Laws:**

In many Indian households, societal traditions limit or discourage newlywed women from working outside the home. In such situations, in-laws frequently expect the woman to focus on home chores and servicing her husband's family, limiting her economic freedom and personal agency.

➤ **Children:**

Balancing work and family can be challenging for women due to childcare duties and limited access to inexpensive daycare, leading to diminished involvement or departure from the economy.

Positive impact of female workforce on Indian economy:-

1. **Economic Growth Boost:** Possibility of Economic Development the GDP of India may raise if more women participate in the workforce. According to the McKinsey Global Institute, gender parity could boost India's GDP by \$770 billion by 2025.
2. **Diversification of Skills and Innovation:** More women in leadership roles and the workforce can contribute a variety of perspectives, creativity, and leadership skills that can stimulate innovation and problem-solving in the workplace, which will ultimately result in better outcomes. The female labour force participation rate (LFPR) increased from 23.3% in 2017-18 to 37% in 2022-23, driven primarily by rural women's participation.



3. **Improved Household Incomes and Living Standards:** Improvement in Living Standards and Household Income More women in the workforce will probably result in increased household incomes, which will raise living standards for families through improved healthcare, education, and incomes.

4. **MSME Growth and Entrepreneurship:** The Micro, Small, and Medium Enterprises (MSME) sector, which is the foundation of the Indian economy, benefits from the contributions of women entrepreneurs. Approximately 68% of loans under the Pradhan Mantri Mudra Yojana (PMMY) were sanctioned to female entrepreneurs, and 77.7% of beneficiaries under the Stand-Up India plan are women, indicating an increase in women-led firms.

5. **Social Progress and Gender Equality:** Social Progress and Gender Equality When women become more economically empowered, they pave the way for greater holistic social development, allowing gender gaps to be narrowed even further and pushing toward a truly whole-inclusive growth model. Under the Pradhan Mantri Jan Dhan Yojana (PMJDY), women own 55.6% of the 52.3 crore bank accounts opened as of May 2024, increasing their financial independence.

6. **Demographic Dividend:** India has one of the largest young population groups, and with more women in the workforce, the country will benefit more from its larger demographic group.

❖ Negative Impact of female workforce on Indian economy:-

1. **Workplace Discrimination and Harassment:** Working women are discouraged from entering or remaining in the labor field due to gender bias, pay disparities, and unsafe working conditions.

2. **Dual Burden at work and household:** Paid and unpaid household labor Many working women feel

stressed and exhausted from being responsible for both paid employment and family chores.

3. **Underemployment and Informal Sector Dependence:** The vast majority of women working in India are in low-wage, precarious, informal sector jobs that offer no social safety.

4. **Dropout Rates Due to Social Norms:** Due to Household Norms, Cultural practices, including early marriage and insufficient support, contribute to a high dropout rate of working female citizens from the workplace.

5. **Lack of Maternity Support and Childcare:** Because of limited access to maternity leave and childcare services, many working women leave the workforce after having a child.

6. **Skilling Gap:** Many lack specialized, technical training that would allow them to pursue better income or managerial positions.

Findings :

- **Low Female Labor Force Participation:** India has one of the lowest rates of female labor force participation in the world. Despite recent economic growth, the share of working women in India has reduced over the past several decades.
- **Cultural and Social Norms:** Traditional notions of gender have led to women being expected to prioritize responsibilities in the home over careers.
- **Safety Concerns:** Lack of safe transportation, and safe workplace environments, prevent women from employment.
- **Educational Barriers:** Although female attainment levels have improved, there is still a gap in skills education that align with labor market needs.
- **Discriminatory Practices:** Gender pay disparities, and few pathways for women's advancement, act as barriers to female workers decision to participate.
- **Economic Implications:** The lack of female participation in the labour force constrains India's



economy. In fact, researchers have argued that increasing female labour force participation could contribute substantially to the growth of India's country's GDP.

- **Solutions to Boost Participation Policy Interventions:** Policies that encourage gender cooperation, and practicable policies to support working women.
- **Infrastructure:** Allow for safe transportation methods and safer work environments. Educational programs focused on technical skills and vocational training for women. Public awareness initiatives aim to challenge social norms and promote gender equity in the economy.

Conclusion:

In India, the number of women in the labor force has seen a rapid rise from 23.3% in 2017-18 to 41.7% in 2023-24. This increase in participation by self-employment opportunities, improvements in education, and government initiatives focused on promoting skill development and entrepreneurship. Despite accounting for almost half of the population, Indian women have traditionally faced lower participation rates in the labor force, largely due to societal expectations, domestic duties, and obstacles in the workplace. However, recent trends show a promising change, with a notable increase in female labor force participation in both rural and urban settings. However, challenges such as wage disparities, workplace discrimination, and the burden of unpaid domestic work continue to hinder women from achieving their full economic potential.

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