

IMPACT OF FEMALE LABOUR FORCE ON THE ECONOMIC GROWTH OF INDIA

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ABSTRACT

Female labour force participation plays a crucial role in determining the economic growth and development of a country. In India, despite women constituting nearly half of the population, their participation in the workforce remains significantly low. This study examines the impact of female labour force participation on India's economic growth by analyzing its contribution to GDP, poverty reduction, and social development. It highlights the major barriers such as gender discrimination, wage inequality, safety concerns, and lack of flexible work opportunities that restrict women's active involvement in the labour market. The paper also evaluates government initiatives aimed at improving women's participation and suggests policy measures to enhance their economic inclusion. Increasing female labour force participation can lead to higher productivity, inclusive growth, and sustainable development, making it essential for India to unlock the full potential of its female workforce.

Keywords: Female Labour Force Participation, Economic Growth, Gender Equality, Employment, GDP, Women Empowerment, health, safety and welfare of the women.

INTRODUCTION:

Female labor force engagement and development are intricately linked, involving changes in economic growth, literacy, fertility rates, and social norms, among other variables. It is critical to understand women's employment. To increase employment quality, policy should target both labor demand and supply. Expanding secondary education is critical, but so is providing jobs for women. One of the most critical aspects is that the females who are addressing the topic of women's rights and protections in India are doing it positively. Women have battled to achieve social prominence and a respectable position in society from antiquity to the current day. At the time, Indian women were in urgent need of laws that would elevate their social status and provide enough protection from physical and psychological torture. This article contributes to

the body of knowledge by examining the relationship between economic growth and women's economic output in India, a country with significant regional economic, social, and cultural variation. Over the previous three decades, the combination of high economic prosperity has been accompanied by a rise in conservatism and patriarchy.

The participation of women in the labour force is a key driver of economic growth and social development in any country. In India, women constitute nearly half of the population, yet their participation in the workforce remains significantly lower compared to men. This underutilization of female human resources not only affects gender equality but also limits the overall economic potential of the nation. Economic growth is closely linked to the efficient use of available resources, including human capital. When more women join the workforce, it

leads to an increase in productivity, higher household incomes, and improved standards of living. Female labour force participation also contributes to poverty reduction, better education outcomes for children, and enhanced decision-making within families. Despite its importance, India has witnessed fluctuating and often declining trends in female labour force participation over the years. Factors such as social norms, lack of education, safety concerns, wage inequality, and limited employment opportunities continue to restrict women's entry and retention in the workforce. The female labour force plays a crucial role in the economic growth and development of a country. Women constitute nearly half of the population, and their active participation in the workforce helps in the efficient use of human resources. When women are included in economic activities, it not only increases productivity but also strengthens the overall economy.

Female labour participation is not just an economic factor but also a sign of gender equality and social progress. It helps in improving living standards, reducing poverty, and promoting inclusive growth. In a developing country like India, increasing women's participation in the workforce is essential to achieve higher economic growth and sustainable development.

Thus, empowering women through employment is key to unlocking the full potential of the economy.

In recent years, the government and various organizations have taken initiatives to promote women's employment through skill development programs, entrepreneurship schemes, and policies supporting work-life balance. However, significant challenges still remain. This paper aims to examine the impact of female labour force participation on the economic growth of India. It highlights the key benefits, challenges, and policy measures required to enhance women's participation in

the workforce and achieve inclusive and sustainable economic development.

FEMALE LABOUR FORCE

Female Labour Force Participation refers to the involvement of women in economic activities. It includes women who are working (employed) as well as those who are actively looking for work (unemployed but seeking jobs).

The Female Labour Force Participation Rate (FLFPR) is the percentage of women in the working-age group (usually 15–59 or 15–64 years) who are part of the labour force. It helps to measure how many women are contributing to the economy through paid or productive work.

This concept includes women working in both formal sectors (such as offices, industries, services) and informal sectors (such as agriculture, domestic work, small businesses). However, unpaid household work is generally not counted in FLFPR.

FLFPR is an important indicator of economic development, gender equality, and women empowerment in a country.

ECONOMIC GROWTH AND FEMALE LABOUR

Globally, India is a powerful global economic powerhouse. Named as the fastest-growing economy in the world in 2017, with GDP growth of more than 7% annually from 2011 to 2012. However, 2017 was important for Indian women for another reason: it was the year when India's female labor force participation rate (FLFPR) dropped to the lowest point since independence.¹⁶³

Growth in the employment of women has dropped by 5% in recent years (2017–2018), while GDP has dropped from 7.8 percent in 2011–12 to 5.3 percent. Between 1983 and 2017–2018, the rise of WPR for women was negative, suggesting that there was no logical relationship between economic growth and WPR for women in India. Between 1983 and 2018,

¹⁶³ International Monetary Fund, World Economic Outlook Report (IMF 2017).

the growth of the role of women in rural India decreased by 2%, while it decreased by 2% in urban India. Between 2017 and 2018, India's rural area experienced a sharp decline in employment rates for women, by 6%.¹⁶⁴

Economic growth and female labour force participation are closely interconnected. Female labour contributes significantly to a country's overall productivity, income generation, and sustainable development. When more women participate in the workforce, the available labour pool increases, leading to higher output and improved economic performance. In developing countries like India, enhancing female labour participation can substantially boost Gross Domestic Product (GDP). Women's employment not only contributes directly to national income but also improves household welfare by increasing spending on education, health, and nutrition. This, in turn, strengthens human capital and supports long-term economic growth.

However, several barriers such as gender discrimination, wage inequality, lack of safety, and limited access to education restrict women's participation in the labour market. Addressing these challenges through policy reforms, skill development, and inclusive work environments is essential. Thus, promoting female labour force participation is a key strategy for achieving inclusive and sustainable economic growth.

STRUCTURAL CHANGES

Economic growth is commonly measured through sectoral value added, which reflects the contribution of individual sectors to national output. However, the sectors contributing most significantly to GDP growth do not necessarily generate equivalent levels of employment, leading to a phenomenon often described as jobless growth.¹⁶⁵

¹⁶⁴ Ministry of Statistics and Programme Implementation (MoSPI), Periodic Labour Force Survey Annual Report 2017–18 (Government of India, 2019).

¹⁶⁵ Santosh Mehrotra and Jajati K Parida, 'Why Is the Labour Force Participation of Women Declining in India?' (2017) World Development 32.

In the Indian context, rapid expansion in capital-intensive and technology-driven industries, such as information technology, financial services, and telecommunications, has outpaced growth in labor-intensive sectors such as agriculture, textiles, and traditional manufacturing.¹⁶⁶

These labour-intensive sectors have historically employed the majority of female workers, particularly those with low educational attainment or limited access to training.¹⁶⁷ As these sectors contract in relative share and productivity-driven automation increases, the employment avenues traditionally available to women diminish sharply.¹⁶⁸

Consequently, the structural transformation of the Indian economy has reduced the demand for female labour, especially for regular wage employment. The mismatch between the skills required in emerging sectors and the skills possessed by most women creates a widening participation gap. Although female literacy and educational attainment have increased substantially in recent decades,¹⁶⁹ job markets have not expanded with parallel opportunities that are socially acceptable, safe, or flexible for women, creating a dual challenge of "skills mismatch" and "demand deficiency."

A sectoral-level analysis that jointly evaluates value added and employment generation reveals that economic growth can progress without corresponding improvements in female participation rates.¹⁷⁰ The effect is particularly visible among migrant women transitioning from rural to urban labour markets. While rural-to-urban migration may increase access to informal employment – such as domestic work,

¹⁶⁶ International Labour Organization, Women and the Future of Work in Asia and the Pacific (ILO Report, 2018).

¹⁶⁷ Ashwini Deshpande and J Singh, 'The Demand-Side Story: Structural Change and the Decline in Female Labour Force Participation in India' (IZA Discussion Paper, 2024).

¹⁶⁸ Sher Verick, 'Female Labour Force Participation in Developing Countries' (ILO Working Paper, 2018).

¹⁶⁹ Ministry of Statistics and Programme Implementation, PLFS Annual Report 2023–24 (Government of India).

¹⁷⁰ Guido Gaddis and Stephan

Klasen, 'Economic Growth, Structural Change, and Women's Employment Patterns' (2014)

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caregiving, home-based manufacturing, and street vending – this often reflects distress-driven employment, characterized by low wages, informality, and lack of social security.¹⁷¹The dominance of informal employment illustrates that economic growth does not automatically enhance the quality of women’s work or create sustainable labour-market integration.¹⁷²

IMPORTANCE OF FEMALE LABOUR FORCE IN ECONOMIC GROWTH

Increase in GDP

- Women’s participation increases the total workforce.
- More workers lead to higher production and income.
- This directly contributes to growth of GDP.
- Equal participation of men and women can significantly boost India’s economy.

Improved Household Welfare

- Working women improve the financial condition of families.
- Income is spent on:
- Better education for children
- Improved healthcare and nutrition
- Higher savings and better living standards

This leads to overall family well-being.

Poverty Reduction

- Women’s earnings help increase family income.
- Dual-income households reduce poverty and financial stress.
- It also helps in reducing income inequality in society.

Economic Diversification

- Women contribute to different sectors like:

- Healthcare
- Service sector
- Education

Their participation brings new skills and ideas. This helps the economy grow in a balanced and diversified way.

TRENDS AND ITS EVOLUTION OF FEMALE LOBOURS

- Rising female labor participation globally, though rates vary by region due to cultural, economic, and policy differences.
- Increase in women entrepreneurs and leaders in various sectors.
- Greater focus on gender equality policies, maternity/paternity leave, and workplace diversity.
- The impact of technology and remote work has opened new opportunities but also posed challenges such as digital divides.
- Rural women participation has declined due to mechanization and lack of opportunities.
- Urban participation is increasing slowly but remains limited.
- Educated women often remain outside the workforce due to social and cultural factors.

DYNAMIC CHANGES:

Emerging Patterns and Persistent Inequalities

The nature of women’s labour participation in India is evolving. There has been a notable increase in Part-time, informal, and gig-sector work, often unregularized and lacking social security protections. Women are increasingly represented across a diverse range of occupations, from traditional care, domestic, and agricultural roles to modern sectors such as services, hospitality, retail, information technology, and entrepreneurship. While economic empowerment opportunities have expanded for some, the majority of working women continue to face heightened vulnerability in informal sectors, where job security, social benefits, and legal protections

¹⁷¹ Farzana Afridi, ‘Labour Markets, Marriage and Norms: Understanding Female LFPR in India’ (2024) VoxDev.

¹⁷² International Labour Organization (n 2).

remain minimal. Persistent inequalities endure, including wage gaps, occupational segregation, limited upward mobility, inadequate maternity protections, unsafe workplaces, and deep-seated social norms that discourage female employment.

Factors Affecting Female Labour Force Participation in India

- **SOCIAL FACTORS:**

1.Social Attitude

It is the most important factor in addressing the low level of employment of women. Such an attitude that does not encourage women to be employed has its roots in the social fabric of society. It prevented them from playing the role of home builder. Principles of social justice and the control of the recognition and enforcement of the work of women. (There are different levels of male and female behavior in the social sector and women's participation in foreign service is wrong, unnecessary and can be detrimental to their chastity and beauty.

Families still believe in not allowing girls to work to earn a living. If they are allowed to work, their salary is not intended to run the city. Fathers are reluctant to hire their daughters initially, and are opposed to spending their money on family sales. Traditionally female children are not encouraged to leave the city to study and especially to be employed (And economic coercion weakens such customs and traditions but it is not enough to correct them). A lot of jobs are like inequality in our society and women are discouraged or legally barred from employment.

2.Accommodation

Women who find employment through employment outside their city face a housing crisis in terms of safety and security. Those who are employed and have a change of job find it difficult to move from one place to another for fear that they may not be able to find a suitable place to live. Women are therefore trying to avoid this situation at the expense of their employment and at the same time there are

fewer working women hostels. They prefer to work in an accessible environment. It becomes an obstacle to the employment of women.

3.Immobility

The inability to travel due to household chores or the lack of a childcare arrangement limits the employment of staff. For men the diversity of activities and travel is not a very difficult proposition, but for women it is a great pain. Women are not able to move easily because of family obligations, low ability. But when men move, all the family responsibilities fall on women. Women do not move in terms of space, time and energy. Similarly their menstrual cycle is also affected during pregnancy and a few months after birth.

- **ECONOMIC FACTORS**

1.Education

Indians generally tend to consider boys 'education and career as more important than girls', for the simple reason that boys are definitely the first breadwinners of their families when they get married. Investment in education puts male children first in Indian society. Children of women are less likely to find favor in the eyes of education, especially in higher education. Parents often compromise on account of the level of education and expenditure when it comes to women as they invest to educate themselves and not from an employment perspective. Girls' education increases their value in the marriage market and on the contrary the education of boys is aimed at their work and that is why the best education is given to them.

2.Technological Development

When new technologies are introduced to specific automatic handicrafts, women often lose their jobs because they are confined and responsible for the handicrafts. Research has shown that technological change has taken away many of the jobs that women normally do and some job opportunities are not created for women at the same level as men.

3.Gender division labor

The sex-based category that went beyond homework went to work outside the home. Women are more likely to participate in agricultural activities that require less skills and hard work that pays less. Even in industries where women are employed in large quantities such as textiles, export-oriented industries such as clothing, electronics, the construction industry and the construction industry are characterized by gender-based labor divisions. Although India has a large number of labor laws, it tends to ignore what happens to women.

Women's Rights under Labor Law: Legal Protections and Gaps

India has enacted several labour laws aimed at safeguarding women's employment rights, health, safety, and dignity. The **Equal Remuneration Act 1976** mandates equal pay for equal work and prohibits discrimination in recruitment and service conditions.¹⁷³ The **Maternity Benefit Act 1961** protects pregnant women and new mothers through paid leave and workplace safeguards. The **Factories Act 1948** and other welfare legislation regulate working hours, safety, and workplace conditions. The **Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013** provides statutory protection and makes employer accountability mandatory.¹⁷⁴

However, despite progressive legal provisions, enforcement remains inconsistent. Structural barriers such as informal employment, lack of awareness, weak implementation mechanisms, low union participation among women, and cultural stigma often dilute legal protections.¹⁷⁵

IMPACT ON ECONOMIC GROWTH

1. Positive Impact

- Boosts productivity: More women in the workforce increases total labour supply and efficiency.

- Increases national income: More workers mean higher earning and contribution to GDP.
- Enhances innovation: Women bring new ideas, skills, and perspectives to different sectors.
- Promotes inclusive growth: Ensures equal participation of men and women, reducing inequality.

2. Statistical Impact

- Research shows that increasing women's participation by 10% can significantly raise GDP growth.
- Countries with higher female labour force participation (FLFP) have stronger and more stable economic performance.
- Better utilization of human resources leads to faster economic development.

CHALLENGES ON FEMALE LABOUR FORCE

Informal employment dominance: A large number of women work in the informal sector with low wages, no job security, and no social benefits.

Lack of childcare facilities: Absence of affordable daycare centers forces women to leave jobs or not join the workforce.

Gender stereotypes: Traditional beliefs restrict women to household roles and discourage them from working outside.

Limited leadership roles: Women have fewer chances to reach higher positions due to discrimination and lack of opportunities.

Safety concerns: Fear of harassment at workplaces and unsafe public transport reduces women's mobility.

Wage inequality: Women are often paid less than men for the same work, reducing motivation.

¹⁷³ Equal Remuneration Act 1976 (India).

¹⁷⁴ Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

¹⁷⁵ International Labour Organization, Women at Work: Trends 2020 (ILO 2020).

Lack of flexible work options: Limited availability of part-time, remote, or flexible jobs makes it difficult to balance work and family.

Low education and skill levels: Lack of proper education and training limits job opportunities for many women.

Household responsibilities: Women spend more time on unpaid work like cooking, childcare, and elder care.

Lack of job opportunities: Especially in rural areas, there are fewer suitable jobs available for women.

Social restrictions and early marriage: Early marriage and family pressure reduce career opportunities.

Poor implementation of policies: Government schemes exist, but awareness and implementation are often weak.

RECOMMENDATION

1. Education and Skill Development

Encourage girls to study more and complete higher education.

Provide skill training to help women get jobs.

2. Safe Working Environment

Strictly follow laws to prevent harassment at workplaces.

Improve safety in public transport and workplaces.

3. Flexible Work Policies

Provide work-from-home options.

Offer part-time and flexible jobs for women.

4. Equal Pay

Ensure women get equal pay for equal work.

Reduce the wage gap between men and women.

5. Childcare Support Provide daycare centers for working women.

Help women manage both work and family responsibilities.

6. Promote Women Entrepreneurship

- Provide loans and financial support for women to start businesses.

- Encourage self-help groups (SHGs) and small enterprises.

7. Improve Access to Finance

- Easy access to bank accounts and credit facilities.

- Special schemes for women entrepreneurs.

8. Increase Awareness and Social Change

- Create awareness about the importance of women working.

- Change societal attitudes that restrict women's employment

CASE LAWS

Air India v Nergesh Meerza (1981)¹⁷⁶

This case challenged the discriminatory policy of terminating female cabin-crew employees on account of pregnancy or marriage, which effectively barred them from continuing employment or obtaining promotions. The Supreme Court held these policies arbitrary and discriminatory under Articles 14 (equality) and 15 (non-discrimination on grounds of sex) of the Constitution. The judgment is widely considered a milestone in gender equality jurisprudence in the workplace.

Vishaka v State of Rajasthan (1997)¹⁷⁷

In this crucial case, the Court recognized that sexual harassment at workplace violates fundamental rights, specifically, the right to equality (Article 14), non-discrimination (Article 15), and right to life with dignity (Article 21). The Court laid down guidelines (the "Vishaka Guidelines") that employers must follow until formal legislation was enacted, culminating in the 2013 Statutory Act addressing workplace harassment. Other significant cases also include those dealing with maternity benefits, equal wage claims, and workplace equality. However, despite progressive jurisprudence, empirical evidence suggests that many women

¹⁷⁶ Air India v Nergesh Meerza AIR 1981 SC 1829

¹⁷⁷ Vishaka v State of Rajasthan (1997) 6 SCC 241.

remain outside the formal workforce or are employed in sectors lacking job security and benefits.

Randhir Singh v. Union of India (1982)

The Supreme Court held that “equal pay for equal work” is a constitutional principle under Articles 14 and 16. It ruled that employees performing the same or similar work must be paid equally, regardless of gender or status.

Municipal Corporation of Delhi v. Female Workers (2000)

The Supreme Court held that maternity benefits must be provided even to temporary and casual women workers. It recognized maternity relief as a fundamental right under Article 42 and ensured protection of women’s dignity and health.

Secretary, Ministry of Defence v. Babita Puniya (2020)

The Supreme Court held that women officers in the Indian Army are entitled to Permanent Commission (PC) on par with men. It ruled that denial of equal opportunities to women is unconstitutional and violates Articles 14 and 15 (right to equality). The Court rejected gender stereotypes and directed the government to ensure equal career opportunities for women in the armed forces.

Mackinnon Mackenzie & Co. Ltd. v. Audrey D’Costa (1987)

The Supreme Court held that women employees must receive equal pay for equal work as men. It ruled that discrimination in wages based on gender is illegal and violates the principle of equality. The Court directed the employer to pay equal remuneration to female stenographers who were doing the same work as male employees.

CONCLUSION

India has made significant progress in terms of economic growth, urbanization, education, and demographic changes over the past twenty-five years. However, this progress has not

translated into increased participation of women in the labour force. In fact, there has been a notable decline in women’s economic activity, particularly among women aged 25–59, highlighting a serious gap between growth and inclusion.

The evidence clearly shows that the nature and pattern of economic growth matter. India’s growth has largely been driven by capital-intensive and service-oriented sectors, which generate limited employment opportunities, especially for women. Labour-intensive sectors such as agriculture and manufacturing, which traditionally employ more women, have not expanded sufficiently to absorb the female workforce. As a result, economic growth has not been inclusive or employment-oriented.

Moreover, social factors such as gender norms, safety concerns, lack of flexible work options, and unequal pay further restrict women’s participation. Even with improvements in education, many women are unable to enter or remain in the workforce due to these structural and cultural barriers.

Therefore, it is evident that economic development alone is not enough to improve women’s labour force participation. A targeted and gender-sensitive approach is essential. Policies must focus on creating safe and inclusive workplaces, promoting skill development, expanding opportunities in labour-intensive sectors, and ensuring equal pay and flexible working conditions.

In conclusion, India has the potential to transform its economic growth into meaningful opportunities for women. However, this requires deliberate efforts to bridge the gap between growth and employment, and to ensure that women are not only included in the workforce but are also empowered with dignity, equality, and security. Only then can true and sustainable economic development be achieved.

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