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WOMEN'S LABOUR FORCE PARTICIPATION AND ECONOMIC GROWTH IN INDIA: AN EMPIRICAL STUDY

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ABSTRACT
Women's labour force participation is a central component of inclusive economic development because it influences household income, productivity, human capital formation, poverty reduction and the composition of national output. This paper examines the relationship between women's labour force participation and economic growth in India using secondary data and a descriptive empirical framework. The study draws on official information from the Periodic Labour Force Survey (PLFS), government labour reports and selected international development sources. The evidence indicates that female labour force participation has improved over the recent period, although the pattern differs between rural and urban areas, employment categories, education groups and sectors. The annual PLFS evidence for 2023–24 reported a female labour force participation rate of 41.7 percent for persons aged 15 years and above under usual status, while the 2025 annual release reported a female rate of 40.0 percent under its corresponding annual estimates. These figures should be interpreted in relation to survey design, reference period and measurement concepts rather than as a simple linear trend. The study argues that higher participation alone is insufficient: the quality, stability, remuneration, social protection and productivity of women's work are equally important for sustainable growth. The paper identifies childcare responsibilities, occupational segregation, limited mobility, unpaid domestic work, safety concerns, skills mismatch and unequal access to formal employment as continuing constraints. It concludes that India's growth strategy can become more inclusive through investment in care infrastructure, safe transport, flexible work, skill development, digital access, enterprise finance and gender-responsive labour-market institutions.

Keywords: *Women's Labour Force Participation; Female Employment; Economic Growth; India; PLFS; Gender Equality; Labour Market; Inclusive Development; Women's Empowerment; Formal Employment.*

Research focus: *The paper studies how women's participation in economic activity is connected with structural transformation and inclusive growth in India.*

BACKGROUND
India's economic transformation has been accompanied by changes in the sectoral structure of employment, educational attainment, urbanisation, technology and household aspirations. In this transformation, women's participation in paid work, self-employment, family enterprises, agriculture, services and formal employment has become an important policy concern. Labour force participation measures the share of the working-age population that is either employed or actively seeking and available for work. It is therefore not identical to the worker population ratio.

The PLFS has become the principal official source for employment and unemployment indicators in India. The annual report for July 2023–June 2024 recorded female LFPR at 41.7 percent for persons aged 15 years and above under usual status (principal status plus subsidiary status), compared with 37.0 percent in the previous annual period. The same release reported female WPR at 40.3 percent. These indicators show an important change in the participation profile, but they require careful interpretation because rural and urban labour markets differ substantially.

The Government's 2025 annual PLFS release reported female LFPR at 40.0 percent under usual status for persons aged 15 years and above. The variation between annual estimates does not automatically establish a decline in women's economic engagement; it reflects the importance of the reference period, statistical estimates, labour-market conditions and the distinction between annual usual status and other measures such as current weekly status. The present paper therefore avoids treating one indicator as a complete description of women's economic position.

The relationship between women's participation and growth is multidimensional. Women's entry into the labour market may increase household purchasing power, expand the effective labour supply, improve allocation of talent and strengthen investment in children's education and health. At the same time, low-quality

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or poorly paid work may not produce the same development outcomes as secure, productive and adequately remunerated employment.

INTRODUCTION

Women's labour force participation is both an economic indicator and a social institution issue. Labour markets do not operate independently of household responsibilities, gender norms, access to education, transport, technology, finance and public services. In India, the distribution of women's work across agriculture, manufacturing, construction, trade, education, health, public services, domestic work and self-employment reflects the interaction of economic opportunity and social constraints.

Economic growth can influence women's participation through the creation of new jobs, higher education, urban employment, service-sector expansion and increased demand for skills. The relationship can also operate in the opposite direction: when more women enter productive employment, the economy may benefit from a larger effective workforce, greater diversity of skills, improved household resilience and expanded domestic demand. However, growth concentrated in sectors with limited female recruitment, unsafe working conditions or inflexible schedules may not lead to broad-based participation.

This study adopts an empirical-descriptive approach. It uses published secondary data and a comparative reading of official labour indicators. The purpose is not to claim a single causal coefficient but to identify patterns, institutional barriers and policy areas that connect women's employment with inclusive economic growth.

OBJECTIVES

1. To examine the recent pattern of women's labour force participation in India using official PLFS indicators andrelated government data. [1][2]
2. To analyse the major economic and social factors that connect women's labour force participation with inclusiveeconomic growth, employment quality and household welfare. [3][4]

The objectives guide the selection of indicators, the interpretation of results and the discussion of policy implications. They also establish the limitation that the study is based on secondary information and does not estimate an independent causal effect using individual-level microdata.

RESEARCH METHODOLOGY

The research uses a descriptive and analytical methodology based on secondary data. The principal data source is the Periodic Labour Force Survey conducted by the National Statistical Office, Ministry of Statistics and Programme Implementation. Additional contextual material is drawn from government labour reports, official policy documents and international development databases.

Research design: The design is non-experimental and documentary. It compares reported labour indicators across years and categories, especially female LFPR, female WPR, unemployment rate, rural–urban differences and employment status.

Study population: The paper focuses on women aged 15 years and above in India, while recognising that different datasets may use different age groups, reference periods and status concepts.

Key variables: The main explanatory context is women's labour force participation. Related outcome dimensions include employment status, work quality, sectoral allocation, earnings, formalisation, household welfare and inclusive economic growth.

Analytical procedure: First, official indicators are identified and defined. Second, changes across reference periods are described. Third, rural–urban and sectoral differences are interpreted. Fourth, the findings are connected with the literature on gender, labour markets and development. Finally, policy implications and research limitations are presented.

Limitations: The study does not use a newly estimated econometric model, does not claim that correlation proves causation, and does not treat annual and monthly PLFS indicators as interchangeable. Survey-based estimates can be affected by reference periods, classification rules, sampling variation and the distinction between paid work, unpaid family work and domestic responsibilities.

The methodology is suitable for a short publication paper focused on evidence synthesis and policy interpretation. A future extended version may use unit-level PLFS data, state-level comparisons and sector-specific regression models.

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1. Recent movement in female labour force participation

Official evidence indicates a substantial improvement in female labour force participation compared with the low levels reported in the earlier PLFS period. A government response in 2025 stated that female LFPR under usual status increased from 23.3 percent in 2019–20 to 41.7 percent in 2023–24 for women aged 15 years and above. [5] The annual PLFS release for July 2023–June 2024 also reported female LFPR at 41.7 percent and female WPR at

40.3 percent. [1]

The 2025 annual report recorded female LFPR at 40.0 percent under usual status. [2] The difference between the 2023–24 and 2025 figures should be read with attention to the relevant survey period and statistical framework. A single percentage should not be used to describe every aspect of women's employment, because participation, employment, unemployment and work intensity are separate concepts.

Table 1. Selected official indicators

Indicator	Reported value	Reference / interpretation
Female LFPR	41.7%	PLFS 2023–24, usual status, age 15+
Female WPR	40.3%	PLFS 2023–24, usual status, age 15+
Female LFPR	40.0%	Annual PLFS 2025, usual status, age 15+
Female LFPR, 2019–20	23.3%	Government statement comparing annual usual-status estimates
Female LFPR, 2023–24	41.7%	Government statement comparing annual usual-status estimates

The table demonstrates why a publication should always identify the source, age group, reference period and measurement concept beside each percentage. [1][2][5]

2. Rural–urban dimensions

The rural and urban labour markets offer different opportunities and constraints. In the 2023–24 annual PLFS results, female LFPR was reported at 47.6 percent in rural areas and 28.0 percent in urban areas, while female WPR was 46.5 percent in rural areas and 26.0 percent in urban areas. [3] These figures indicate that women's participation is not uniform across space.

Higher rural participation does not necessarily mean that rural women enjoy better employment quality. Rural participation may include self-employment, agricultural work, unpaid family work and activities with low or irregular earnings. Urban participation may be restricted by childcare costs, commuting, workplace safety, social norms, housing conditions and the mismatch between education and available jobs.

The rural–urban comparison highlights the importance of measuring the quality of work. A woman may be counted as a worker even when the work is seasonal, unpaid within a household enterprise or insufficient to provide economic security. Consequently, the analysis should be complemented by indicators of wages, working hours, social security, occupational mobility and decision-making power.

3. Education, skills and employment

Education can expand occupational choices, improve productivity and increase women's ability to access formal employment. Nevertheless, educational attainment alone does not guarantee labour-market participation. The transition from education to employment depends on job availability, safe mobility, recruitment practices, digital access, family support and the compatibility of work schedules with care responsibilities.

Skill development policies should therefore be linked with actual labour-market demand. Training in digital services, healthcare, education, food processing, logistics, green activities, entrepreneurship and modern agriculture may improve opportunities when combined with market linkages and institutional support. [4][6]

4. Employment quality and formalisation

The economic contribution of women's work depends not only on whether women participate but also on the conditions under which they work. Formal employment may provide relatively stronger access to written contracts, predictable wages, social security and legal protections, although formal status itself does not eliminate every workplace inequality. Informal and self-employed activities remain important sources of livelihood, particularly in rural areas and small enterprises.

Government labour information reported that 26.9 lakh net female subscribers were added to the Employees' Provident Fund Organisation during 2024–25. [5] This indicator is relevant to formalisation, but it should not be

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treated as a complete measure of all female employment because EPFO coverage reflects the types of establishments and workers included in the social-security system.

The 2025 annual PLFS release reported an increase in the share of regular wage or salaried employment and differences in nominal wage growth across self-employed, regular wage/salaried and casual labour categories. [2] These developments suggest the importance of examining not only participation rates but also earnings, employment stability and access to social protection.

5. Unpaid care work and time constraints

Domestic work and care responsibilities influence women's availability for paid employment. Childcare, eldercare, household management and social expectations can limit the time women can devote to paid work, training or commuting. Policies that expand childcare services, safe public transport, flexible work arrangements and shared household responsibility may reduce these constraints.

A labour-market strategy that ignores unpaid care work may overestimate the freedom with which women can respond to new employment opportunities. The participation decision is shaped by household bargaining, social norms, local infrastructure and the expected return from employment after accounting for travel and care costs.

The results support a multidimensional interpretation of women's labour force participation in India. The upward movement in official indicators over the longer recent period is important, but the evidence does not imply that all women have benefited equally or that all new participation represents secure employment. The rural–urban divide, the role of self-employment, unpaid family work, sectoral concentration and care responsibilities remain central to interpretation.

The relationship between participation and growth can be explained through four channels. First, a larger active workforce can increase the productive capacity of the economy when women have access to suitable jobs and skills. Second, women's earnings can improve household consumption, savings and investment in children. Third, greater economic autonomy can strengthen women's bargaining power and participation in community and institutional decisions. Fourth, diverse participation can improve the allocation of talent across occupations and sectors.

These channels are conditional. If women enter low-paid, unsafe or unstable work without social protection, the contribution to sustainable development may be limited. Likewise, if growth occurs mainly in sectors with high entry barriers for women, aggregate growth may not translate into proportionate female employment. The quality of institutions, infrastructure and labour demand therefore mediates the relationship.

The findings are consistent with the broader development literature, which treats gender equality as both a matter of rights and a component of economic efficiency. [4][6][7] The evidence suggests that policy should move beyond the narrow goal of raising participation percentages and should address the conditions under which women participate.

Policy implications

1. **Care infrastructure:** Affordable childcare, community care services and improved maternity and parental support can reduce the time constraints faced by women with care responsibilities.
2. **Safe mobility and workplaces:** Reliable public transport, street lighting, safe workplaces, grievance systems and effective enforcement can improve women's ability to accept and retain jobs.
3. **Skills linked to demand:** Training should be connected with employers, digital platforms, local enterprises and post-training placement or market support. Training without employment linkages may produce limited returns.
4. **Enterprise and credit:** Women entrepreneurs require accessible finance, business information, digital payments, market connections and simplified compliance procedures. Credit should be combined with mentoring and risk-management support.
5. **Sectoral diversification:** Policies should encourage women's participation in manufacturing, services, technology, green activities, logistics and higher-productivity agriculture, while improving conditions in existing sectors.
6. **Measurement and data:** Future research should combine LFPR and WPR with hours worked, earnings, job security, unpaid work, social protection and occupational mobility. Disaggregated data by state, age, education, social group and marital status can reveal inequalities hidden by national averages.

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A coordinated policy framework is more likely to support sustained participation than isolated schemes. Public investment, employer practices, community institutions and household-level changes should be treated as complementary rather than competing explanations.

Research gap and future research

A major research gap is the limited integration of participation indicators with employment quality and household-level constraints in short descriptive studies. National averages are useful for identifying broad change, but they may conceal variation between states, districts, age groups, education levels and social categories.

Future empirical research may develop a panel dataset at the state level and examine whether changes in female LFPR are associated with per-capita income, sectoral employment, female education, urbanisation, childcare access, transport infrastructure and public expenditure. A multivariate model could control for demographic structure and time effects. Unit-level PLFS data could also be used to estimate the probability of participation while distinguishing between regular wage employment, casual labour, self-employment and unpaid family work.

Another gap concerns the difference between participation and empowerment. Participation may increase without a comparable increase in control over earnings, occupational choice or household decisions. Future studies should therefore include indicators of earnings control, financial inclusion, work-related decision-making and exposure to workplace protections.

The present paper contributes by bringing together official participation statistics, rural–urban interpretation, employment quality and policy implications within a concise framework. Its findings should be understood as an evidence-based synthesis rather than as a final causal evaluation of a single government programme or macroeconomic relationship.

RESULT

Summary of empirical observations

Observation	Interpretation	Citation
Female LFPR has increased o	ver the longer recent periodThe change indicates greater reported participation, but measurement concepts and reference periods must be retained.	[1][5]
Rural female participation exce	eds urban female participation in the cited annual dataThe difference may reflect agricultural and self-employment patterns as well as urban	barriers.[3]
Female WPR is below female	LFPRSome women in the labour force are unemployed or seeking/available for work under the relevant definition.	[1][3]
Formalisation indicators are ex	pandingEPFO additions are relevant but do not cover every form of female employment.	[5]
Employment quality matters	Wages, stability, social security and working conditions determine the developmental value of participation.	[2][4]

Taken together, the observations show that women’s participation is connected to economic growth through labour supply, household income, productivity, human capital and social inclusion. Yet the strength of these connections depends on employment quality and the removal of institutional barriers.

The study’s central implication is that India should pursue not merely more participation, but more productive, safe, fairly paid and sustainable participation. This approach is consistent with inclusive growth because it links labour-market expansion with human development and social protection.

CONCLUSION

This paper examined women’s labour force participation and economic growth in India through a descriptive analysis of official labour-market evidence. The study finds that women’s participation has become a more prominent component of India’s employment and development discussion. Official PLFS data show significant changes over the recent period, while rural–urban differences and employment categories continue to shape the meaning of participation.

The analysis demonstrates that female LFPR should not be interpreted in isolation. WPR, unemployment, hours worked, earnings, employment status, social security and unpaid work provide necessary context. The same participation rate can represent very different economic realities depending on whether women are engaged in productive regular employment, seasonal work, unpaid family work or low-return self-employment.

Women’s labour force participation can support economic growth through expanded labour utilisation, higher household income, improved human capital and greater economic resilience. However, these outcomes require supportive conditions: childcare, safe mobility, equal opportunity, relevant skills, access to finance, digital inclusion, social protection and fair remuneration.

The paper concludes that women’s economic participation should be integrated into India’s broader growth strategy rather than treated as a separate welfare concern. A gender-responsive labour-market framework can strengthen both the efficiency and inclusiveness of economic development. Future studies should apply state-level and micro-level econometric methods to examine causal relationships and differences in employment quality.

Final statement: Sustainable economic growth is strengthened when women can enter, remain in and progress through decent work on terms that support dignity, productivity, security and agency.

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