



## Investing in Women and India's Prosperity

*This editorial is based on "[Big gender shift in our workforce](#)" which was published in Hindu Business Line on 25/10/2024. The article brings into picture the significant rise in India's female labor force participation, which grew from 24.5% to 41.7% over five years. Despite this progress, concerns persist over job quality, with many women working unpaid, though a promising rise in women entrepreneurs points to potential transformative change.*

**For Prelims:** [India's female labor force participation](#), [National Education Policy 2020](#), [Digital Saksharta Abhiyan](#), [Remote work](#), [E-commerce](#), [Mudra Yojana](#), [Stand-Up India scheme](#), [Pradhan Mantri Kaushal Vikas Yojana](#), [Self Help Groups](#), [Deendayal Antyodaya Yojana-National Rural Livelihood Mission](#), [Total Fertility Rate](#), [POSH \(Prevention of Sexual Harassment\) initiative](#), [Ayushman Card](#), [Lakshpati Didi scheme](#).

**For Mains:** Major Factors that have Contributed to the Increase in Female Labor Force Participation in India, Existing Barriers to Women's Economic Empowerment.

In a remarkable shift over the past 5 years, [India's female labor force participation](#) has surged from **24.5%** to **41.7%**, marking a **silent revolution in women's economic engagement**. While the number of working women has nearly doubled from **11 crore** to **21 crore** between FY19 and FY24, a concerning trend emerges in job quality - **women are three times more likely than men to work as unpaid helpers** in family enterprises. Yet, there's hope in the rising tide of [women entrepreneurs](#), with those running their own enterprises increasing from **2.5 crore** to **6.4 crore**, potentially catalyzing a transformative shift in India's economic and social fabric.

### What Major Factors have Contributed to the Increase in Female Labor Force Participation in India?

- **Educational Empowerment:** Female enrolment in higher education increased to **2.07 crore in FY22** from **1.57 crore in FY15**, i.e. a 31.6% increase.
  - [National Education Policy 2020](#)'s emphasis on **gender inclusion** and vocational training has particularly benefited women in both rural and urban areas.
  - The establishment of **more women's colleges and gender-neutral institutions** has improved accessibility to education.
  - Growing digital literacy through initiatives like the [Digital Saksharta Abhiyan \(DISHA\)](#) has equipped women with crucial skills for modern employment.
  - The **correlation between education and workforce participation** is evident in states like **Kerala and Tamil Nadu**, where higher female literacy rates align with greater workforce participation.
- **Infrastructure and Mobility Improvements:** The expansion of **safe public transportation**, particularly in urban areas, has made commuting more feasible for working women.

- Initiatives like "**Pink Buses**" in major cities and improved last-mile connectivity have addressed safety concerns.
- **Metro rail projects** in 20+ cities have particularly benefited urban working women. The rise of **women-friendly workspaces** and **creches** in commercial areas has also supported this trend.
- **Digital Economy and Remote Work:** Covid-19 accelerated the **adoption of remote work**, creating flexible opportunities particularly beneficial for women balancing domestic responsibilities.
  - The growth of **e-commerce** and **social commerce platforms** has enabled women to start online businesses from home, with platforms like **Meesho** reporting **9 million women entrepreneurs**.
  - The gig economy's expansion has created flexible earning opportunities, with companies like **Urban Company** aiming to have **30% women in leadership roles in 2 years**.
  - Remote work policies have especially benefited urban educated women, with the IT sector showing **36% women participation**.
- **Government Policy Initiatives:** Targeted policies like **Mudra Yojana** have provided crucial financial support, with **69% of the total 44.46 crore loans** sanctioned to women as of **November, 2023**.
  - The **Stand-Up India scheme** has helped 1.34 lakh entrepreneurs, **81% of them are women**.
  - **Extended maternity leave (26 weeks)** and mandatory creche facilities in large organizations have supported working mothers.
  - The proportion of women trained under the **Pradhan Mantri Kaushal Vikas Yojana** has increased commendably, **from 42.7% in FY16 to 52.3% in FY24**.
  - **Jan Dhan Yojana** has brought **more than 29 crore women** into the banking system, facilitating financial independence.
  - Till **February 2023, 8.93 Crore women from Rural Households** have been mobilized into 82.61 lakh **Self Help Groups (SHGs)** under **Deendayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM)**.
    - The **Lakshpati Didi scheme** is a significant enhancement to the SHG initiative.
- **Changing Social Dynamics:** Shrinking family sizes (**Total Fertility Rate down to 2.0- National Family Health Survey-5**) have reduced domestic responsibilities.
  - The median age at marriage for women aged 25-49 increases from **17.1 years for women with no schooling to 22.8 years for women with 12 or more years of schooling**.
  - Growing urbanization has weakened **traditional social constraints on women's employment**. **Rising costs of living and aspirational lifestyles** have necessitated dual-income households.
  - The success of women leaders like **Kiran Mazumdar-Shaw** (founder of Biocon), **Falguni Nayar** (CEO of Nykaa), **Sudha Murty** ( Founder of Infosys Foundation and current **Rajya Sabha** member) has created positive role models, encouraging more women to pursue careers.
- **Corporate Sector Initiatives:** Companies have increasingly adopted diversity policies with specific targets for women employees.
  - **Flexible working hours, and return-to-work programs** have retained women talent.
  - The share of women employees across the **top five IT companies stood at 34.1% at the end of the first quarter of 2023-24**.
  - Additionally, the implementation of the **POSH (Prevention of Sexual Harassment) initiative** and the **Vishakha Guidelines** has established a safer and more inclusive workplace for women, further promoting gender equality in the corporate sector.
- **Healthcare and Wellbeing Support:** Improved access to healthcare through Ayushman Bharat has reduced health-related barriers to work.
  - Women represent about **49% of Ayushman Card recipients**. Additionally, there are **141 Health Benefit Packages (HBPs)** specifically designated for women.
    - Better maternal healthcare services have **supported working mothers' needs**.
  - The expansion of affordable childcare facilities has supported working parents, with Anganwadi services covering **more than 8.7 crore children**.

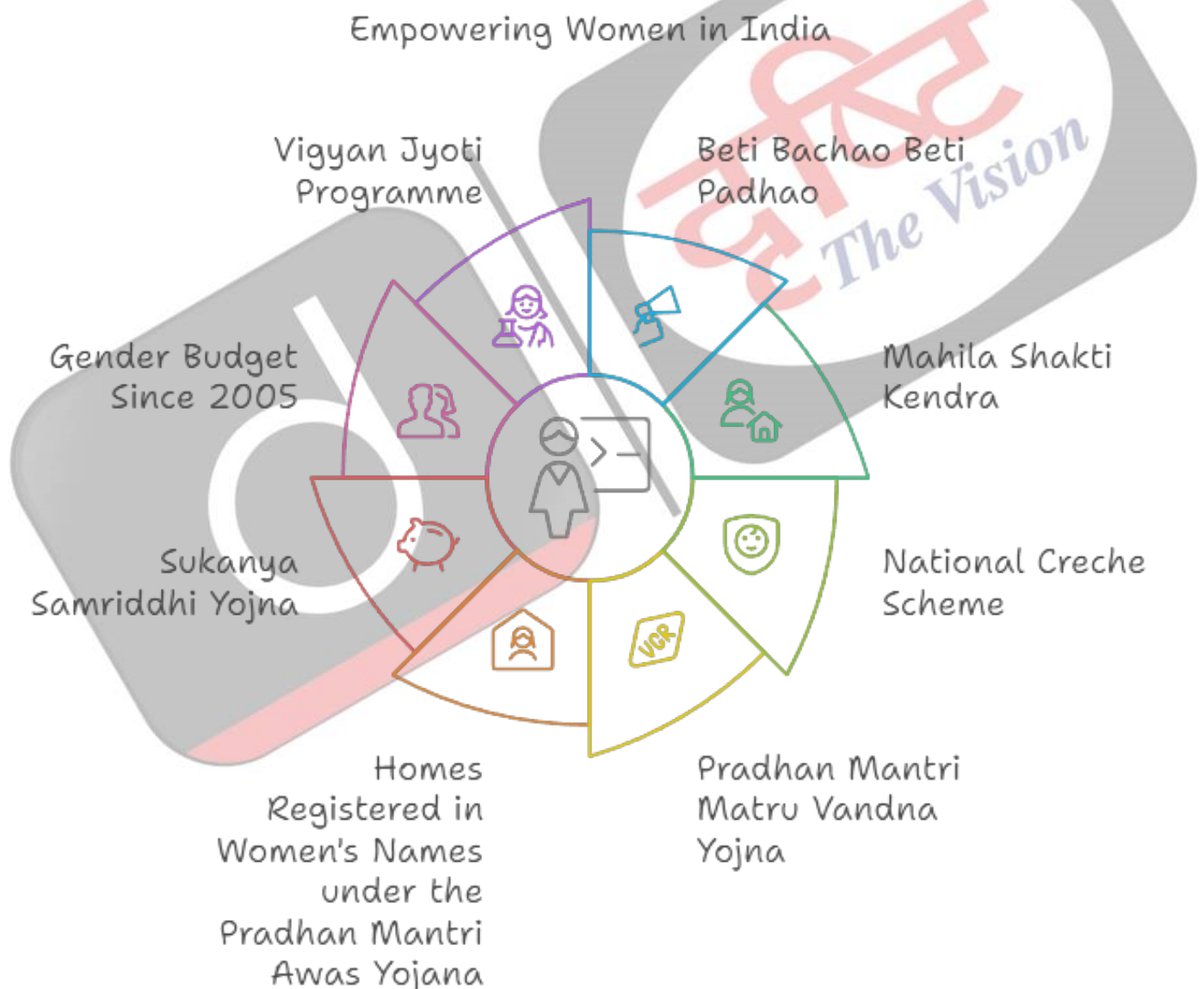
**What are the Existing Barriers to Women's Economic Empowerment?**

- **Wage Discrimination and Pay Gap:** According to **PLFS data**, women earn only **₹16,500 monthly in regular jobs** compared to **₹22,100 for men**, showcasing a stark 25% gender pay gap.
  - The disparity is even more pronounced in **self-employment**, where women earn just **₹5,500 against men's ₹16,000**.
  - Industry-specific analysis shows that even in sectors like IT, where women representation is high, **they earn 26-28% less than male counterparts**.
  - This persistent **pay gap discourages enhanced workforce participation** and limits financial independence.
- **Undervaluation of Care Economy:** Women's unpaid care and domestic work in India represents an **economic value of almost 15%-17% of the GDP**. (Time Use Survey conducted by the [National Statistical Organization](#) in 2019)
  - According to [Organisation for Economic Co-operation and Development \(OECD\)](#) data, women in India currently spend up to **352 minutes per day** on domestic work, **577% more than men (52 minutes)**.
  - Professional caregivers (**nurses, childcare workers, elderly care providers**) face systematic wage penalties, earning less than comparable skill jobs.
    - Despite contributing significantly to human capital formation, care work remains **invisible in policy frameworks and national accounts**.
- **Safety and Mobility Concerns:** There has been a **4% increase in registered crimes against women** in India, according to the 2022 report of [National Crime Records Bureau \(NCRB\)](#) affecting workplace commuting decisions.
  - In 2021, an online survey across metropolitan areas indicated that almost **56% of the women** who used public transport reported **being sexually harassed**.
  - Recent incidents like the **tragic assault of a young female doctor at RG Kar Medical College** have further underscored the fear and insecurity that many women experience while engaging in public life.
- **Access to Capital and Financial Resources:** According to the latest "**Men and Women**" report from the [National Statistical Office](#), women account holders hold only **20.8% of the total bank deposits in India**.
  - Women-led businesses make up nearly **one-fifth of MSMEs**, but they **only receive 7% of the total outstanding credit** allocated to this sector, according to the RBI.
  - Collateral requirements affect women disproportionately, with only **13% owning agricultural land assets**.
  - Also, digital financial literacy remains low among women. According to **National Family Health Survey-5**, only **22.5% of women** with mobile phones use them for financial transactions.
- **Educational and Skill Gaps:** While enrollment has improved, women's **dropout rates** remain high at **33% (UNICEF)**.
  - Women make up **only 28% of the workforce in STEM** (science, technology, engineering, and math).
  - Vocational training reaches **only 2% of women in workforce age**, compared to 8% of men.
  - In 2022-23, **only 18.6% of women** aged 18-59 had ever received vocational training and this gap has increased over the years.
    - Alarmingly, in 2021, women made up **only 7% of skill trainees**, despite **17% of Industrial Training Institutes (ITIs) being women-only**.
- **Entrepreneurial Ecosystem Challenges:** Women-owned MSMEs constitute only **20% of registered enterprises**.
  - The **Periodic Labour Force Survey-2020-21**, reveals that 59% of the female workforce is engaged in self-employment, with **38% operating their enterprises independently**, likely as **subsistence entrepreneurs** who may not have the same access to markets as larger, more established businesses.
  - Also, a recent survey also shows that in rural areas, **27% of women entrepreneurs** do not plan to sell any part of their produce, using it solely for household consumption, compared to 10% of men entrepreneurs.
    - This reflects the pronounced market access issues faced by women.
- **Legal and Policy Implementation Gaps:** India boasts some of the **most progressive maternity benefit laws** globally.

- However, since a significant portion of the workforce is engaged in **informal employment**, approximately **93.5% of women workers in the country** are unable to access these maternity benefits
- Sexual harassment prevention laws show weak implementation, **70% of affected working women** do not report workplace sexual harassment.
- In terms of the government's total expenditure, the **gender budget** only remains at **4.96%**.
- **Climate Change and Women's Livelihood at Risk:** According to the UN Environment, **80% of the people displaced by climate change are women** or girls facing heightened risks of poverty, violence or unintended pregnancies as they migrate to safer locations.
  - **Heat stress** in an average year is reducing the income of female-headed households by **8%** compared to male-headed households, and extreme precipitation events by **3%** compared to male-headed households
  - Women comprise a low percentage of the workforce in sectors pivotal for green transition, such as renewable energy and manufacturing.
    - Women comprised merely **11% of workers in the solar rooftop sector**.

## What are the Indian Government Initiatives Related to Women's Economic Empowerment?

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## What Measures can be Undertaken to Strengthen Women's Economic Empowerment in India?

- **Care Economy Recognition and Support:** Pilot a **Universal Basic Care Income (UBCI) Scheme** to recognize and compensate unpaid care work.
  - Create a **National Care Economy Framework** with comprehensive benefits and social security for care workers.
  - Establish **Care Credits in pension systems**, recognizing years spent in unpaid care work.
  - Develop **Professional Care Service Hubs** in urban centers, supported by public-private partnerships (similar to **successful models in Japan**).
  - Mandate **care infrastructure (childcare)** in all workplaces above 25 employees with tax incentives for compliance.
- **Digital Inclusion and Technology Access:** Launch a new "**Digital Shakti**" combining smartphone subsidies with digital literacy training for women.
  - Create **women-focused digital banking products** with simplified KYC and lower transaction costs.
  - Establish **Digital Skills Centers** modeled in the lines of the **Common Service Centre** with focus on emerging technologies and remote work skills.
  - Introduce "**Tech-Sakhis**" **program** for peer-based digital mentoring in rural areas.
  - Provide tax incentives for companies hiring women in remote tech roles, following successful models like **Nasscom Foundation's Women Wizards**
- **Gender-responsive Financial Services:** Mandate gender-disaggregated lending targets for banks with incentive structures.
  - Create **specialized credit scoring models** accounting for women's unique financial patterns.
  - Establish a **Women Entrepreneurship Fund** with credit guarantee coverage. Launch **women-focused angel investment networks and venture funds** with government backing.
  - Simplify collateral requirements through **group guarantee mechanisms** and innovative credit products.
- **Workplace Safety and Mobility Solutions:** Implement "**Safe City**" initiatives with tech-enabled public transport monitoring and emergency response.
  - Mandate **safety audits and infrastructure upgrades** in all business districts.
  - Strengthen workplace harassment prevention through **anonymous complaint management systems** with strict measures to prevent its misuse.
- **Skill Development and Career Progression:** Establish **Industry-Academia Women's Skill Councils** for demand-driven training.
  - Create "**Second Chance**" **education programs** with flexible timing for working women.
  - Launch mentor networks connecting experienced professionals with emerging women leaders.
  - Implement **paid apprenticeship programs** specifically for women in non-traditional sectors.
- **Entrepreneurship Support Ecosystem:** Create **One-Stop-Shop Business Facilitation Centers** for women entrepreneurs.
  - Establish **market linkage platforms exclusively for women-owned businesses**.
  - Mandate a **fixed percentage of procurement from women-owned enterprises in government contracts**.
- **Legal Framework and Policy Implementation:** Strengthen **equal pay legislation with mandatory pay transparency** (as done by **Board of Control for Cricket in India** recently) requirements.
  - Implement **gender-responsive budgeting** at all government levels with clear outcome metrics.
  - Enhance maternity benefit implementation through **technology-enabled monitoring systems**. Strengthen property rights enforcement for women through **simplified legal procedures**.
- **Rural Women's Economic Empowerment:** Scale up **Farm-Producer Organizations with women leadership** and ownership.
  - Create **Rural Enterprise Zones** with specialized infrastructure for women-led

- businesses.
- Establish **Agricultural Technology Training Centers** focused on women farmers. Develop rural digital commerce platforms with integrated logistics support. Launch specialized financial products for rural women entrepreneurs with flexible terms.

## Conclusion:

The surge in India's female labor force participation is a testament to the country's evolving social and economic landscape. However, challenges like **wage discrimination, care economy neglect, safety concerns, and access to capital persist**. Addressing these barriers through targeted policies, inclusive infrastructure, and supportive social norms is crucial to unlock the full potential of women and drive India's sustainable development. By empowering women economically, India can not **only achieve inclusive growth but also shape a more equitable and prosperous future**.

### Drishti Mains Question:

Discuss the significant changes in female labor force participation in India over the past five years. What factors have contributed to these changes, and what challenges do women still face in terms of job quality and economic engagement?

## UPSC Civil Services Examination Previous Year Question (PYQ)

### Prelims

**Q. Which of the following gives 'Global Gender Gap Index' ranking to the countries of the world? (2017)**

- (a) World Economic Forum
- (b) UN Human Rights Council
- (c) UN Women
- (d) World Health Organization

**Ans: (a)**

### Mains

**Q.1** "Empowering women is the key to control population growth". Discuss. (2019)

**Q.2** Discuss the positive and negative effects of globalization on women in India? (2015)

**Q.3** Male membership needs to be encouraged in order to make women's organizations free from gender bias. Comment. (2013)

**Q.4** Distinguish between 'care economy' and 'monetized economy'. How can the care economy be brought into a monetized economy through women empowerment? (2023)

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