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Research Initiative

Empowering Women *for* Viksit Bharat



2025



Bharat Ratna Sir M. Visvesvaraya

(15 September, 1860 - 14 April, 1962)

FIFTY FIVE YEARS AND COUNTING

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Empowering Women for Viksit Bharat

By MVIRDC World Trade Center Mumbai

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Preface

The ever-evolving economic landscape necessitates the continuous advancement of policies that drive inclusive and sustainable growth. Empowering women is not just a social imperative but a crucial economic necessity for achieving Viksit Bharat by 2047.

A nation's progress is intrinsically linked to the full and equal participation of its women in the workforce. As India strives to become a USD 40 trillion economy, harnessing the potential of its female workforce will be instrumental in driving sustainable and inclusive growth.

India has taken strides in improving the legal and regulatory framework for women's economic participation, as reflected in its rising global scores on gender equality indices. However, female labour force participation still remains at 30% for females in age group of 15-64 years.

This coupled with wage disparity, and limited representation in leadership roles continue to hinder India's economic potential. Global comparisons with peer economies also highlight the need for stronger initiatives in skill development, employment policies, and financial empowerment to bridge these disparities.

Addressing these challenges requires targeted interventions, including workplace reforms, financial inclusion, and policy measures that promote gender-responsive economic development.

I am pleased to inform you that MVIRDC WTC Mumbai has prepared this study on 'Empowering Women for Viksit Bharat', which aims to contribute to the ongoing discourse on women's economic empowerment. It offers an in-depth analysis of key trends, challenges, and policy recommendations to strengthen women's economic participation.

The study underscores the critical role of gender parity in economic development and highlights key trends in women's employment across sectors, compares India's performance with peer economies, and outlines policy measures to enhance female labor force participation.

The findings also show that if women had equal economic opportunities as men, India's GDP would have been higher by USD 1.3 trillion in 2022 and the nation would easily reach target of becoming a developed economy. This reinforces the urgent need for strategic interventions in education, skilling, and workplace policies.

I extend my gratitude to all stakeholders from industry, academia, and policymaking institutions for their valuable contributions to this report.

By addressing structural barriers and fostering an enabling ecosystem, India can accelerate its journey toward becoming a developed economy. I hope this report serves as a valuable resource for policymakers, industry leaders, and stakeholders committed to building an inclusive and prosperous Viksit Bharat.



Dr. Vijay Kalantri

Chairman
MVIRDC WTC Mumbai

Executive Summary

India has set an ambitious goal of becoming a developed economy by 2047 through sustainable and inclusive growth. As the nation envisions Viksit Bharat, integrating women more effectively into the workforce will be crucial to unlocking its full economic potential.

Despite accounting for 48% of the population, women contribute only 18% to India's GDP. The Global Gender Gap Index 2024 ranks India 129th out of 146 nations, highlighting the persistent gender disparity. In response, the government has introduced several reforms and initiatives to enhance women's workforce participation, bridge gender gaps, and foster entrepreneurship.

Programs like Pradhan Mantri Jan Dhan Yojana (PMJDY) have expanded financial inclusion for women by improving access to banking services. Additionally, schemes such as Stand-Up India and Mudra Yojana have facilitated credit support for women entrepreneurs, enabling them to establish and scale their businesses.

The recent Union Budget has further reinforced these efforts by increasing financial support for women entrepreneurs, enhancing allocations for women and child development, and launching a multisectoral program to boost employment for rural women in 100 agricultural districts.

We hope these efforts will enhance women's labour force participation, which remains low at around 30% for women aged 15–64, compared to 80% for men in the same age group.

Against this backdrop, MVIRDC WTC Mumbai has conducted this study to underscore the pivotal role of mobilizing the female labour force in achieving India's vision of Viksit Bharat. The study analyzes trends in female labour force participation and highlights that achieving gender parity in workforce participation could increase India's GDP by approximately 42% by 2047, aiding the country in surpassing its USD 30 trillion target.

This study also examines key challenges that limit women's workforce participation, including inadequate women-centric infrastructure, weak gender-responsive policymaking, and the lack of gender-disaggregated data. Additionally, wage disparity remains a pressing issue, with women earning only 39.8% of what men earn on average.

Based on valuable insights from industry stakeholders and research institutions, the study presents key policy recommendations to increase women's participation in the labour force and achieve gender parity.

I hope this study serves as a valuable roadmap, providing insights to guide policymakers, industry leaders, stakeholders, and researchers in empowering women for a Viksit Bharat.



Rupa Naik

Executive Director
MVIRDC WTC Mumbai

Acknowledgements

MVIRDC World Trade Center Mumbai generously acknowledges the support of domain experts and industry representatives whose valuable insights have enriched the content of this study.

We extend our gratitude to Ms. Dakshita Das, Chair, Working Group to review format & methodology on Gender Budget Statement for her insights and suggestions on India's Gender Budget Statement.

We are grateful to Mr. Manish Sabharwal, Vice Chairman and Ms. Jayashri Patil, General Manager, Corporate Research and Marketing, TeamLease Services Limited for their valuable inputs.

We are thankful to Ms. Sonal Sharma, Programme Coordinator, SEWA Bharat and Ms. Sunaina Kumar, Senior Fellow and Executive Director, Think20 India, Observer Research Foundation for their insights on bridging the gender gap in India.

We also thank Mr. S. Irudaya Rajan, Chair and Ms. Anjana Rajagopalan Senior Research Fellow, International Institute of Migration and Development, Trivandrum for sharing their suggestions on gender equity in Indian labour force.

We sincerely acknowledge the research and analytical work of Ms. Priya Harikumar, Senior Officer- Research and Mr. Nilesh Dixit, Officer- Research, MVIRDC World Trade Center Mumbai in this study.

Objectives of the study

- To analyze trends in India's Female Labor Force Participation Rate (LFPR).
- To benchmark India's female LFPR against peer economies.
- To estimate the untapped potential of the female labour force in India.
- To highlight the critical role of mobilizing the female workforce in achieving India's vision of Viksit Bharat.
- To provide policy recommendations for enhancing female LFPR and promoting inclusive economic growth.



Key Highlights of the study

- The proportion of women aged 25–64 years in India's total female population is projected to rise from 50% in 2023 to 54% in 2047, highlighting a growing segment in their prime working years.
 - In this age group, there is a significant disparity between the male Labour Force Participation Rate (LFPR), which stood at 92% in 2022, and the female LFPR, which was only 36% in the same year.
 - Among those in the labour force, a substantial share of employed women remains concentrated in low-productivity sectors, particularly agriculture. In 2022, 59.2% of employed women worked in agriculture, compared to 37% of men.
 - Among peer economies, Brazil has the highest share (85%) of women employed in services, while China and Vietnam have the highest shares (30% and 26%, respectively) in industry.
 - Only 16.2% of employed women in India hold senior and middle management roles, among the lowest figures compared to peer economies.
 - India's World Bank score on the legal and regulatory framework for women's economic opportunities improved from 66.25 in 2008 to 74.37 in 2023. However, it remains below the global average of 77.86, indicating the need for further reforms.
 - India's score on pay equality stands at only 25, far below the global average of 71.58, highlighting a significant gap in gender wage parity.
 - If women had equal economic opportunities as men, India's GDP per working-age population (25–64 years) would be approximately USD 6,673.65. India's GDP could have risen by USD 1.3 trillion in 2022—a 39% increase—by adding 193.75 million women to the labour force.
 - According to the Time-Use Survey 2024, Indian women spend three times more time on unpaid domestic work and twice as much on unpaid care work compared to men, limiting their economic participation.
- Without adequate infrastructure and policy support, women's participation remains constrained.
- Inadequate policies on flexible work arrangements, parental leave, and mentorship opportunities hinder women's career mobility and representation in leadership roles.
 - Maternity and childcare support are critical for retaining women in the workforce. Policies such as on-site daycare facilities, flexible work arrangements, and paid parental leave play a vital role.
 - In the 2025-26 budget, the Gender Budget increased to 8.86% of the total budget, up from 6.8% in the previous year. However, we can realise its full impact if government conducts outcome-based evaluation.
 - Measures such as improving financial literacy, expanding credit access for women entrepreneurs, and reducing bureaucratic hurdles can boost women's participation in the economy.
 - A comprehensive, skill-driven approach that integrates education, urban development, and industrial policy will ensure a smoother transition from informal to formal employment.
 - Tailored skill programs for household women can be transformative in expanding employment opportunities.
 - The government should develop dedicated Women Employment Parks in key manufacturing hubs to create safe, accessible, and industry-driven job opportunities.
 - To encourage lending to women entrepreneurs, banks allocating a certain proportion of their loan portfolio to women-led businesses could be offered benefits such as interest rate subsidies, subvention schemes, and enhanced credit guarantees.
 - Partnerships with women-centric trade support organizations can be strengthened to organize trade shows, exhibitions, and networking events for women entrepreneurs.

Chapter 1: Introduction

India has set itself a goal to become a developed economy by 2047. With its current GDP at USD 3.5 trillion, achieving this goal would mean growing the economy ten-fold to a massive USD 30 trillion. To accomplish this, India must sustain an average nominal growth rate exceeding 8% over the coming decades. The country's per capita income, currently at USD 2485 would also have to grow by almost six times to USD 14,000 to qualify as a high-income economy.

Maintaining such a growth momentum requires the efficient mobilization of the country's factors of production, particularly its labour force. India's demographic structure provides a significant advantage in this regard. With around 1.4 billion people, the country houses the world's largest population. Of this, around 68% fall within the working-age group of 15–64 years, higher than the world average share and even that of high-income, middle-income countries, indicating a relatively youthful and dynamic labour force.

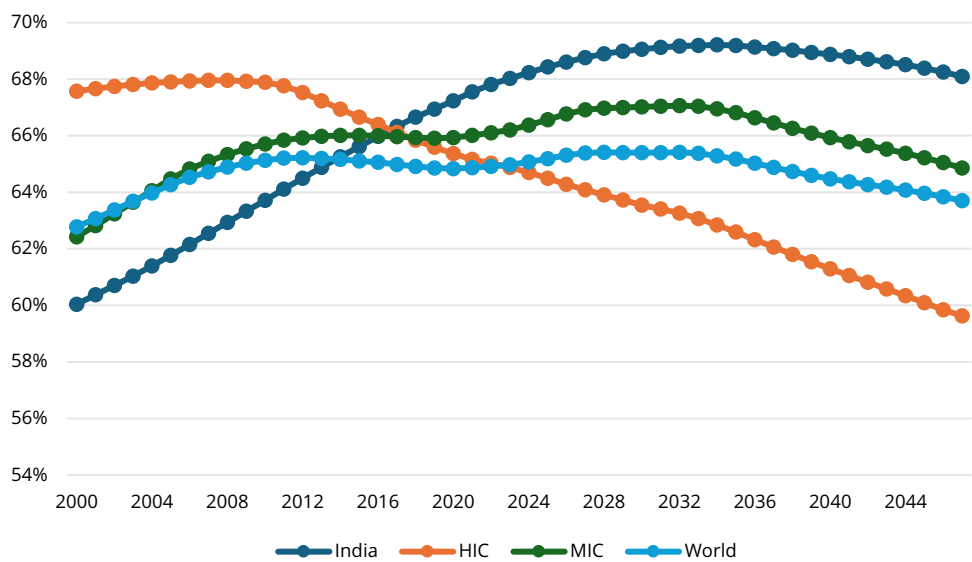
demographic dividend, provided the workforce is equipped to meet the evolving demands of both the domestic and global economies.

However, this advantage is time-sensitive. The share of the working-age population (15–64 years) is projected to peak between 2032 and 2035, reaching 69%, before gradually declining. Despite this, the share is expected to remain robust at around 68% by 2047, exceeding global averages and those of high- and middle-income countries. This underscores the need for strategic planning and investment to maximize the economic potential of India's workforce during this critical period.

Labour force

Labour force of a nation generally includes people above the age of 15 years who are either employed or are actively looking for work. As per the ILO, the labour force participation rate is the proportion of a country's working

Chart 1: Population ages 15 - 64 years (% share)



Source: World Development Indicators, compiled by MVIRDC WTC Mumbai

Over the last 24 years, India's population has grown by 36%. According to World Bank projections, this figure is expected to grow by an additional 15%, reaching approximately 1.7 billion by 2047. This demographic trajectory offers India a unique opportunity to harness its

age population which is active in the labour market. It gives an indication of the availability of labour.

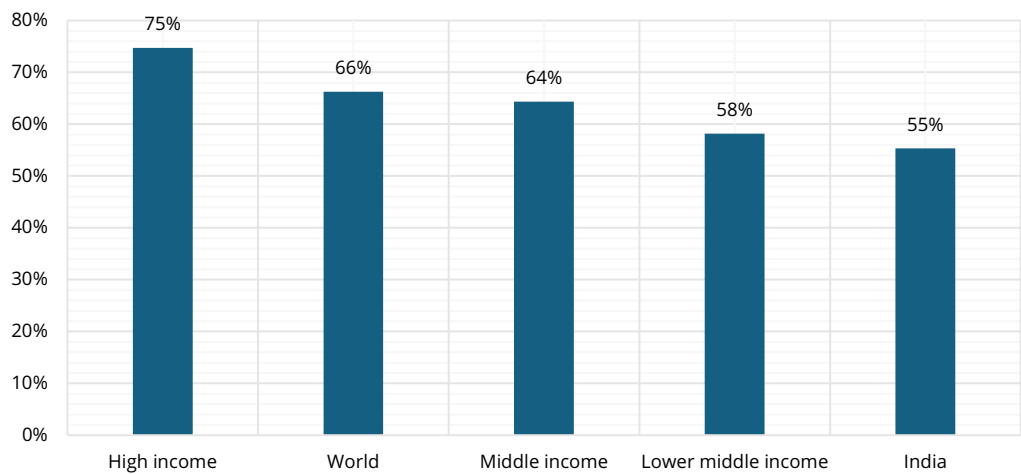
As per ILO estimates¹, India's labour force participation rate (LFPR) stood at 55% in 2022 for its population

¹These are modelled ILO estimates for LFPR, taken from World Development Indicators Database.

between 15-64 years. This rate is significantly lower than the world average which stood at 66% and even that of the lower middle-income group for the same period. Historically too, India's LFPR has remained between 55-60%, peaking at 59% in 2000 remaining below that of the world and lower middle-income average. When com-

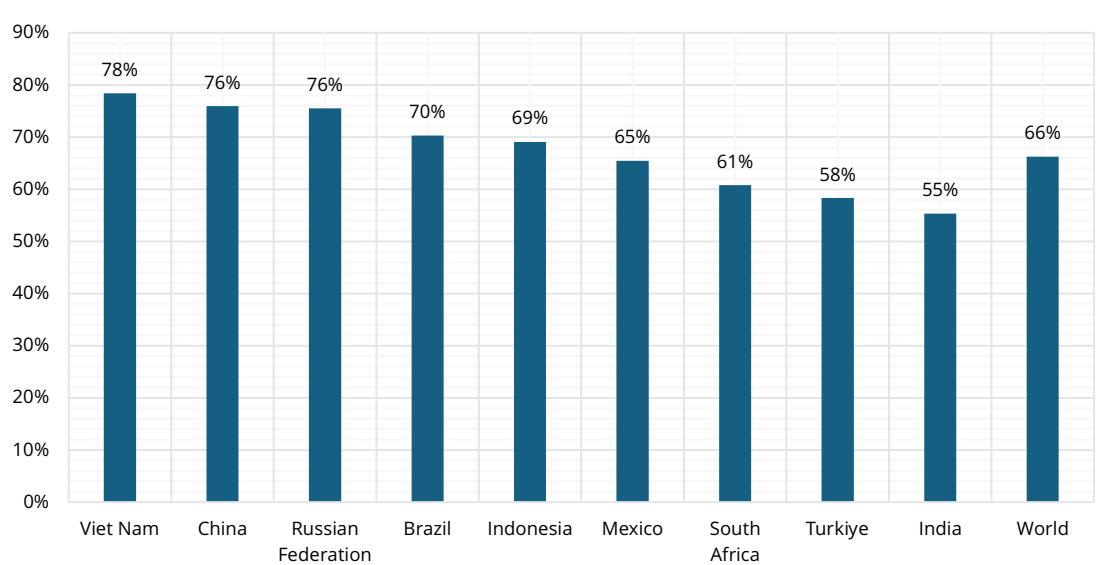
pared to its peer economies, India's LFPR still remains the lowest in the group with highest LFPR shown by Vietnam. This share of economically active people in the labour force has remained lower than the peer economies necessitating policy action to increase labour force participation.

Chart 2: LFPR (15-64 years)



Source: World Development Indicators, compiled by MVIRDC WTC Mumbai

Chart 3: LFPR (15-64 years)



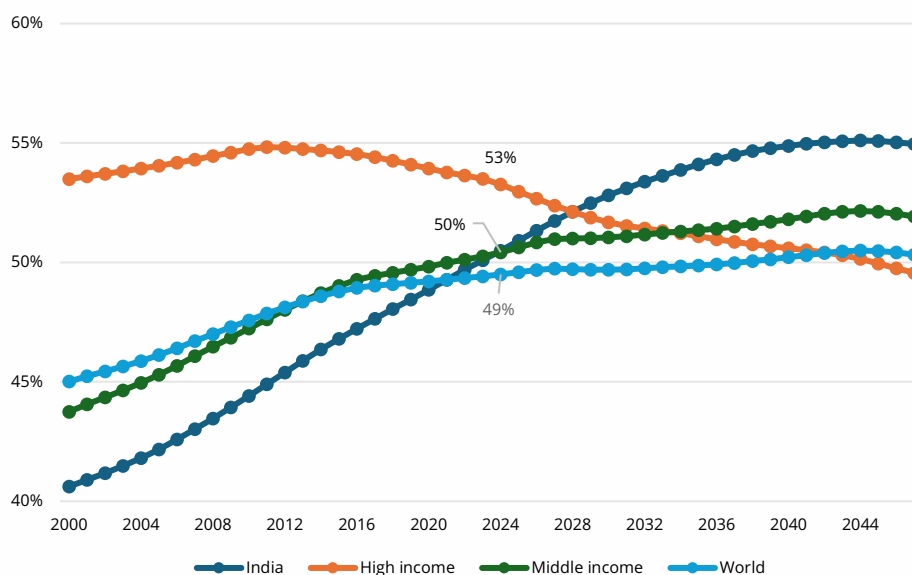
Source: World Development Indicators, compiled by MVIRDC WTC Mumbai

Though the working age population includes individuals in the age group of 15-64 years, for the purpose of this study, the ideal working age population will be considered to be the age group of 25-64 years. This is because the age group 15-64 years includes those in the age 15-20 years who are mostly engaged in part-time work or even unskilled/low skill work as well as those aged 21-24 years as they are just entering the labour force. Both these groups also include those who want to pursue higher education and hence have been discounted. Thus the age group 25-64 years would be ideal as it would include those having a basic degree level of education and majority would have already entered the formal workforce.

at 65% significantly below the global average and lower than the average for both middle-income and lower-middle-income countries. Historically, India's LFPR for this age group has remained below global benchmarks, peaking at 66.5% in 2000 before declining to 62% in 2020. But, over the past three years, it has rebounded to 65%.

Labour force participation within this demographic remains heavily skewed towards male employment. The male LFPR stands at 92% for the population between ages 25-64 years, while the female LFPR is significantly lower at just 36%. This gender disparity has remained persistent, reflecting structural challenges in women's workforce participation.

Chart 4: Population ages 25 - 64 years (% share)



Source: World Development Indicators, compiled by MVIRDC WTC Mumbai

As of 2024, half of India's population falls in the age group of 25-64 years, similar to that of most middle-income countries and is just marginally above the global average share. Historically, this share has increased from 41% in 2000. As per World Bank projections, India's share of this working age population will peak to around 55.1% in 2043 post which it will start declining. Despite the predicted decline, this share will be above that of global average as well as the middle-income countries. In order to become a developed economy by 2047, it is necessary to take measures related to the labour force before this share starts falling.

As of 2022, India's average LFPR for this age group stood

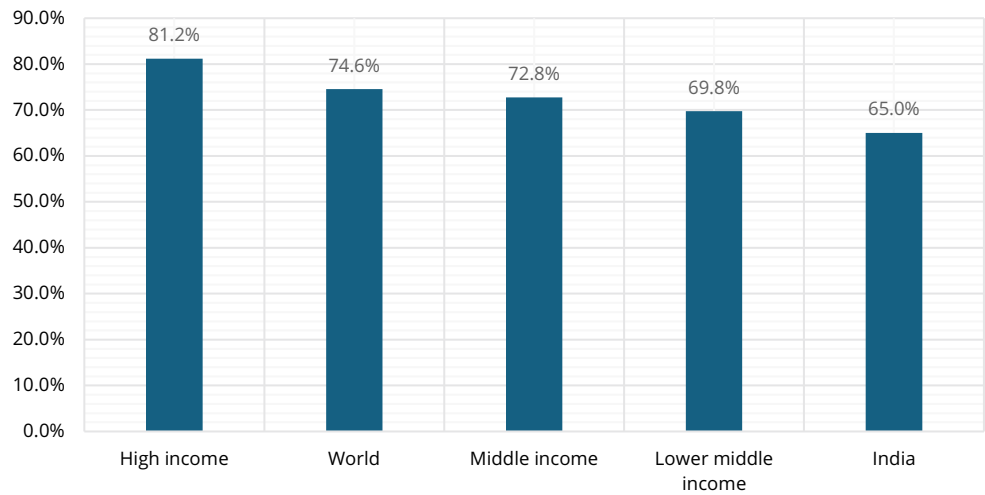
For India to successfully transition into a developed economy, it must expand labour force participation and invest in workforce skilling. Given that male LFPR is already near saturation at 90%, the only viable strategy to increase the workforce is by boosting female participation.

Currently, India's comparative advantage lies in the production of low-skilled, labour-intensive goods. However, as India's population continues to grow until 2047, it will face rising competition from emerging economies, particularly in Africa, where a young and expanding workforce will strengthen their position in low-skilled manufacturing.

To sustain long-term competitiveness, India must focus on both increasing labour force participation and upskilling its workforce to transition towards medium-

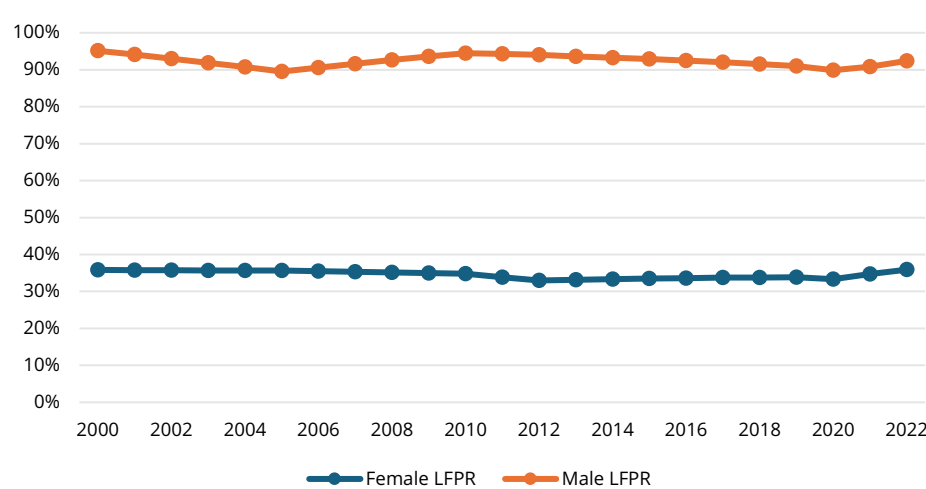
and high-skilled production sectors. This shift will be crucial to ensuring higher productivity, economic resilience, and sustained growth momentum.

Chart 5: LFPR (25-64 years)



Source: World Development Indicators and MVIRDC Calculations, compiled by MVIRDC WTC Mumbai

Chart 6: Gender-wise LFPR (25-64 years)



Source: World Development Indicators and MVIRDC Calculations, compiled by MVIRDC WTC Mumbai

Chapter 2: Female Labour Force in India

Empowering women with skills and employment is vital for India to achieve its vision of a ‘Viksit Bharat’ (Developed India) by 2047. This effort not only accelerates economic growth by boosting workforce participation and GDP but also reduces poverty through dual-income households. It also fosters gender equality by addressing disparities in income and decision-making power. Empowered women are more likely to invest in education, healthcare, and sustainable practices, creating a ripple effect that uplifts entire communities. They also contribute to entrepreneurship and innovation, playing a significant role in job creation and rural development.

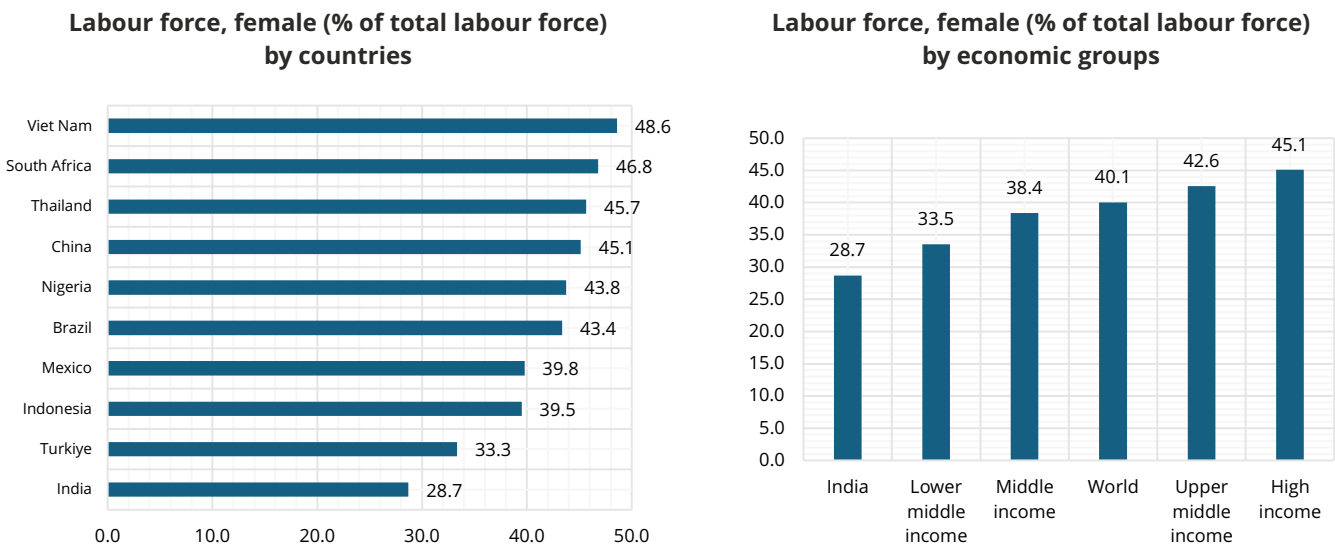
India is home to the world’s largest female population, accounting for 17% of the global female demographic. Additionally, this population is relatively young, with 68% of Indian women falling within the working-age group of 15–64 years. By 2047, India’s total population is projected to reach 1.67 billion, a 16% increase from 1.4 billion in 2023. While the male population is expected to grow by 14.8%, from 742 million in 2023 to 851.4 million in 2047, the female population is projected to rise by 17%, from 696 million in 2023 to approximately 815.2 million. Furthermore, the proportion of women aged 25–64 within the total female population is expected to increase from 50% in 2023 to 54% in 2047, highlighting a growing

segment of women in their prime working years. These statistics underscore the immense economic potential that women can contribute to India’s growth story.

However, this potential remains significantly underutilized. India has one of the lowest rates of female labour force participation globally. In 2023, as per data from World Bank, women accounted for only 28.7% of the total labour force—lagging behind other major economies and falling below the averages for low-income, lower-middle-income, and middle-income countries, as well as the global average as the following charts show.

Among employed women in India, a large proportion is concentrated in less productive sectors, particularly agriculture. In 2022, 59.2% of employed women worked in agriculture, compared to 37% of men. Interestingly, while the share of men employed in agriculture declined from 40% in 2020, the share of women increased from 58% during the same period. In higher-skill, higher-paying jobs, female participation remains substantially lower than male participation. For example, 33% of men are employed in the service sector and 29.6% in the industrial sector, compared to only 24.6% and 16% of women, respectively.

Chart 7: Female labour force (% of total labour force)



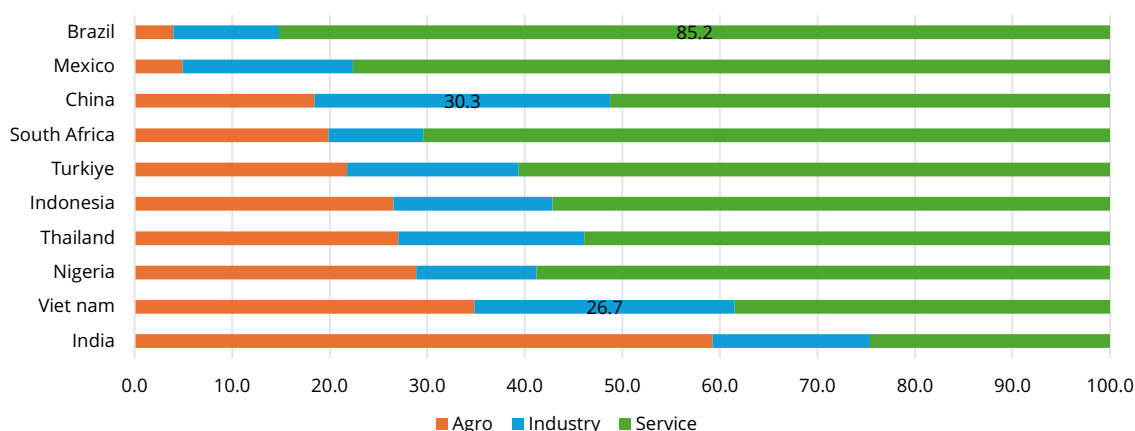
Source- World Bank, Compiled by MVIRDC WTC Mumbai

On the global stage, India's female employment figures are even less impressive. Globally, the average share of female employment in agriculture is 25.7%. Among peer economies in the lower-middle-income group, where 47.3% of women are employed in agriculture, India's share remains significantly higher.

Among peer economies, Brazil has the highest share (85%) of women engaged in services sector, while China

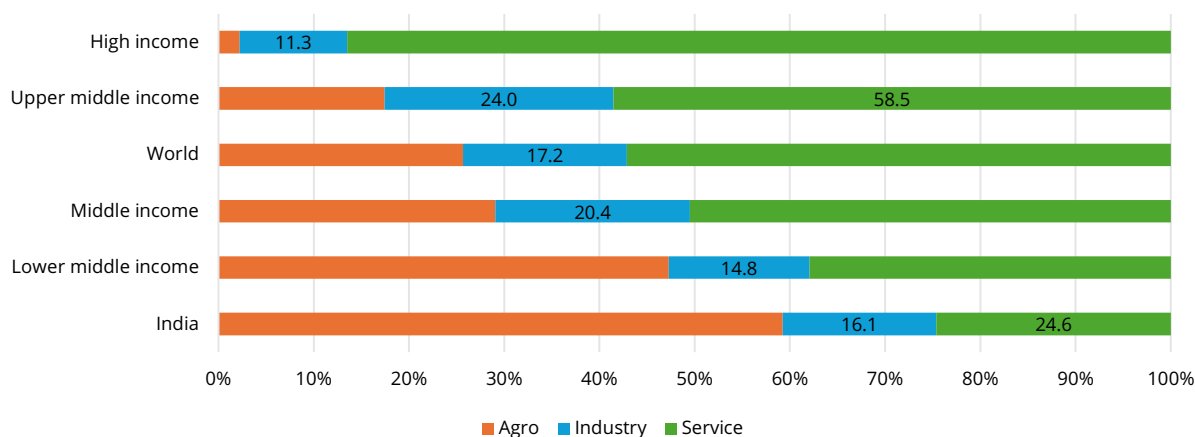
and Vietnam have the highest share (30% and 26%) of women engaged in industrial sector. China employs almost double that of India's share of women in industrial sector, while for Vietnam, this share is 10% higher than that of India. This shows that leading manufacturing countries employ greater share of women in their industrial sector.

Chart 8: Female Employment by sectors (% of total female employees) - country comparison



Source- World Bank, Compiled by MVIRDC WTC Mumbai

Chart 9: Female Employment by sectors (% of total female employees) - country groups



Source- World Bank, Compiled by MVIRDC WTC Mumbai

This heavy concentration of women in agriculture underscores the limited economic opportunities and restricted access to diverse job sectors, particularly in urbanized or higher-productivity industries.

In contrast, higher-income countries have a larger share of female employment in the service sector, which generally offers better wages and working conditions. In India, only 24.6% of women are employed in the service sector, reflecting their underrepresentation in industries that drive economic growth and innovation.

This disparity not only limits women's income-generation opportunities but also hampers overall economic development. Participation in higher-productivity sectors is crucial for boosting GDP and reducing inequality.

Moreover, greater female participation in the industrial sector is essential to avoid the middle-income trap and facilitate India's transition from a lower-middle-income to an upper-middle-income and eventually a high-income country. As the chart illustrates, upper-middle-income countries have a higher share of women employed in the industrial sector than lower-middle-income countries.

Legal Factors

One key reason for low female participation in India's industrial sector is restrictive labour regulations. At the central level, the Factories Act governs labour regulations in manufacturing, while at the state level, the Shops and Establishments Act regulates working hours, wages, and other conditions, primarily in the service sector.

Indian entrepreneurs may hesitate to hire women for shop-floor roles due to Section 66 of the Factories Act, 1948, which prohibits women from working night shifts. However, recent labour law reforms have eased these restrictions. The Occupational Safety, Health and Working Conditions (OSHC) Code, 2020, consolidates several labour laws, including the Factories Act, and allows women to work night shifts, provided they give consent and adequate security measures are in place.

Similarly, many states, including Maharashtra, Karnataka, Tamil Nadu, and Andhra Pradesh, have amended their Shops and Establishments Acts to permit night shifts for women in the service sector under specific conditions. To further promote female employment in manufacturing and services, other states could follow suit, ensuring safety measures such as GPS-enabled

transportation, workplace CCTV surveillance, and helplines for women.

Bridging the gender disparity gap requires targeted interventions to improve education, skill development, and infrastructure to facilitate women's transition into diverse and productive industries. Limited access to education and training programs prevents women from entering manufacturing and service sectors. Societal norms and gender roles often confine women to agriculture and informal work, where wages and career growth opportunities are minimal.

Inadequate infrastructure—such as childcare facilities and safe transportation—also discourages women from seeking employment in urban and industrial sectors. These structural barriers perpetuate the concentration of women in less productive sectors, exacerbating income inequality and slowing economic progress.

Fostering an ecosystem for women empowerment

There is an urgent need to develop an appropriate policy framework and physical infrastructure ecosystem to facilitate the holistic integration of women into the labour force. A crucial first step is acknowledging that a conducive work environment differs significantly for men and women due to biological, social, and cultural factors.

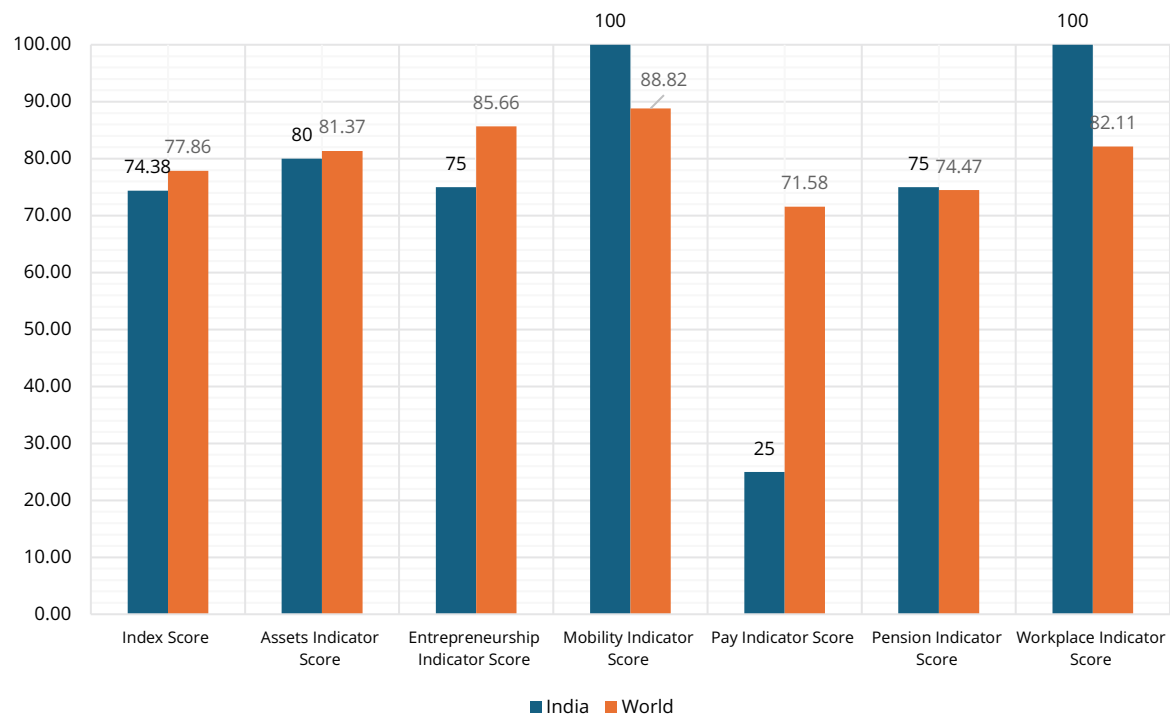
For women, access to sanitary facilities, transport infrastructure, and commute duration often have a disproportionately greater impact compared to their male counterparts. Safety concerns, especially during early morning or late-night shifts, can limit women's participation in certain job roles, requiring better-lit public spaces, secure commuting options, and workplace security measures.

Additionally, maternity and childcare support play a crucial role in determining women's ability to remain in the workforce, making on-site daycare facilities, flexible working hours, and paid parental leave essential.

India has made steady progress in enhancing legal and policy support for women's integration into the economy, but it still lags behind the global average in key areas.

The Women, Business, and the Law Index score, a comprehensive measure developed by World Bank to score the legal and regulatory framework affecting women's economic opportunities across different countries, for India improved from 66.25 in 2008 to 74.37

Chart 10: Women Business and the Law Index



Source- World Bank, Compiled by MVIRDC WTC Mumbai

in 2023, reflecting advancements in gender equality. However, this remains below the global average of 77.86 in 2023, suggesting that while reforms have taken place, there is still a gap in achieving full parity with global best practices.

India performs exceptionally well in mobility (100) and workplace rights (100), surpassing the global averages of 88.81 and 82.11, respectively. A score of 100 in mobility means that women in India face no legal restrictions on their freedom of movement, including travelling, obtaining a passport, or choosing their place of residence.

Likewise, a 100 in workplace rights suggests that laws prohibit gender-based discrimination in hiring and ensure legal protections against workplace harassment. These scores indicate that, at least from a legal standpoint, Indian women have equal access to employment opportunities.

In terms of assets (80) and pension rights (75), India closely aligns with global standards (81.37 and 74.47, respectively). A strong assets score means that women in

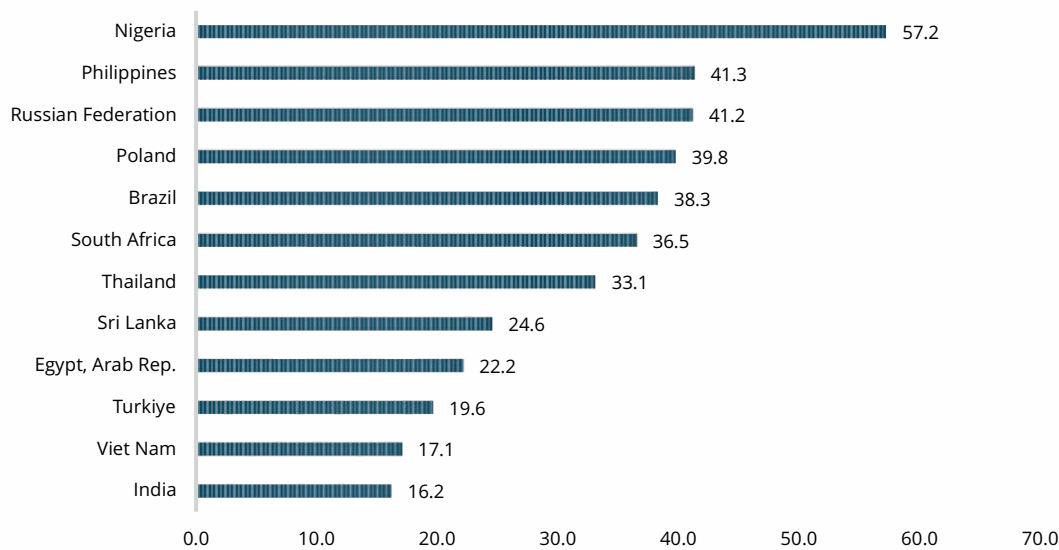
India have nearly the same legal rights as men in owning, managing, and inheriting property. The pension score of 75 suggests that while women have access to retirement benefits, there might still be gaps in coverage, particularly for those in informal employment.

However, one of the most concerning gaps remains in pay equality, where India's score is only 25, far below the global average of 71.58. This indicates that despite legal provisions, wage disparity remains a significant challenge.

Women in India still face wage discrimination, lack of pay transparency, and barriers to equal remuneration for equal work. Addressing this requires stronger enforcement of equal pay laws, wage transparency regulations, and incentives for businesses to close the gender pay gap.

Another area of concern is entrepreneurship, where India scores 75, trailing the global average of 85.66. This suggests that while Indian women can start businesses, they still face barriers such as limited access to credit, business networks, and regulatory challenges. Improving

Chart 11: Female share of employment in senior and middle management (%)



Source- World Bank, Compiled by MVIRDC WTC Mumbai

financial literacy, expanding credit facilities for women entrepreneurs, and reducing bureaucratic hurdles can help improve this score.

While India has made legal strides in protecting women’s rights, its lower overall index score compared to the global average highlights areas needing improvement. Strengthening equal pay laws, promoting female-led businesses, and ensuring better financial inclusion could help India match global standards and enhance women’s economic participation.

Workplace expectations and cultural norms significantly contribute to gender disparity in career advancement. Women often face unconscious biases regarding leadership roles and career progression, which can limit their opportunities for growth.

Many organizations continue to operate within rigid, traditional structures that fail to accommodate the unique challenges women encounter, such as the disproportionate burden of household and caregiving responsibilities. Additionally, workplace policies on flexible work arrangements, parental leave, and mentorship opportunities remain inadequate, further hindering women’s career mobility.

As a result, female professionals in India often struggle to break through to senior leadership roles. This is reflected in their low representation in decision-making positions within organizations.

In India, only 16.2% of employed women hold senior and middle management roles—one of the lowest percentages among peer economies with available data. Structural barriers, a lack of robust support systems, and societal expectations around gender roles exacerbate this issue.

In contrast, Nigeria, a country with socio-economic conditions similar to India, has made significant strides in improving women’s representation in leadership roles. Even for many developing countries, including most of BRICS countries, proportion of women in senior and middle management is more than double that of India.

This suggests that with targeted policy interventions, cultural shifts, and inclusive workplace reforms, India too can bridge this gender gap and create a more equitable professional landscape for women.



Chapter 3: Estimating Women's Untapped Contribution to the GDP

India's GDP per labour force, which represents the contribution of each worker to the economy, can be calculated by dividing the country's total GDP by its total labour force. This metric serves as a crucial indicator of economic contribution and efficiency, helping assess how effectively labour resources are utilized.

In 2022, India's GDP stood at USD 3.35 trillion, with a total labour force estimated at 535 million (based on modelled ILO estimates). This results in an approximate GDP per labour force of USD 6,267.16. However, this figure does not account for variations in economic contributions across different age groups. In particular, the younger workforce (ages 15–24) typically contributes less due to limited experience and skill acquisition.

To obtain a more precise estimate of GDP contribution per India's working-age population (25–64 years), adjustments must be made to exclude the labour force aged 15–24. According to ILO wage statistics, the hourly wage rate for workers aged 15–24 was around USD 48.6, compared to an average of USD 82 across all age groups.

This suggests that younger workers earn roughly about 60% of the standard wage. Using this as a proxy, the contribution of the 15–24 age group to total GDP can be estimated by applying this 60% factor to GDP per labour

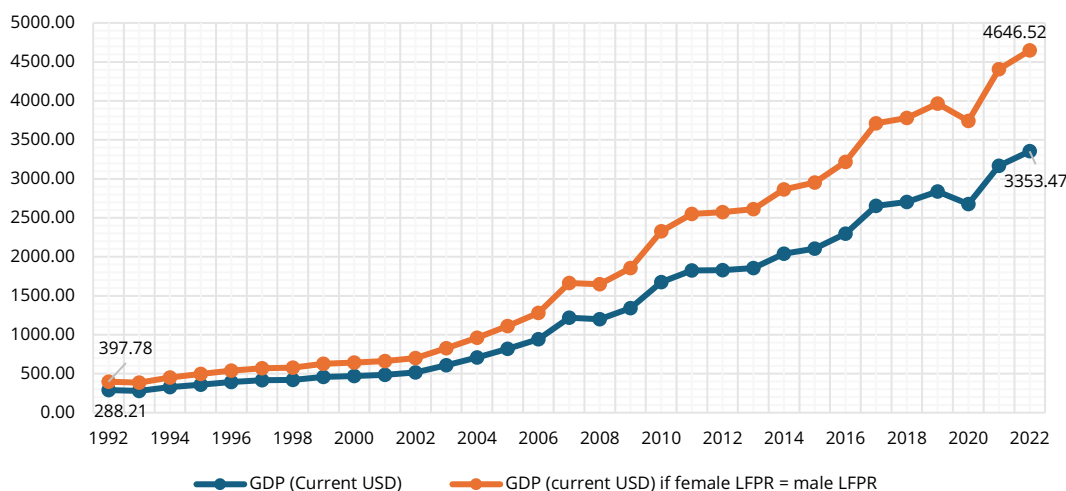
force and multiplying by the total number of workers in this age group. After making this adjustment, India's GDP per working-age population (25–64 years) increases to approximately USD 6,673.65.

The labour force participation rate (LFPR) for the 25–64 age group in India stood at approximately 65%. However, there is a stark gender disparity: while the male LFPR was around 92%, the female LFPR was significantly lower at approximately 36%. This gender gap has profound economic implications.

If women were provided with the same economic opportunities and freedom as men—through effective policies, social reforms, and cultural shifts—the female LFPR could potentially match the male LFPR. In such a scenario, India's GDP could have increased by approximately USD 1.3 trillion, representing a 39% rise over 2022 levels, driven by the addition of 193.75 million women to the labour force.

This analysis highlights that gender-inclusive labour policies and the economic empowerment of women are not only issues of social justice but also powerful catalysts for national economic growth and increased productivity.

Chart 12: GDP estimation with increased women labour force participation (in USD billion)



Source: Calculations by MVIRDC WTC Mumbai based on Data from World Bank

A Women-Centric Approach to Achieving a USD 30 Trillion Economy

To attain the goal of becoming a developed nation by 2047, India has set an ambitious target of reaching a USD 30 trillion economy. Over the past 25 years, India's GDP per labour force has grown at a compound annual growth rate (CAGR) of 6.6%, rising from USD 1354 in 1998 to USD 6673.6 in 2022. Assuming India maintains this growth rate in GDP per labour force and the LFPR remains at 2022 levels, the country's GDP is projected to reach approximately USD 19.6 trillion by 2047. Adjusting for the contribution of the 15–24 age group (which accounted for about 9% of GDP in 2022), the final estimated GDP figure for 2047 would be around USD 21 trillion—significantly lower than the targeted USD 30 trillion.

However, if India successfully develops adequate physical and policy infrastructure that enables women to participate equally in economic activities, the GDP target of USD 30 trillion could be achievable by 2047. This would require the female LFPR for the 25–64 age group to match the male LFPR of 92% (as observed in 2022), while maintaining the same contribution from the 15–24 age group at 9% of GDP.

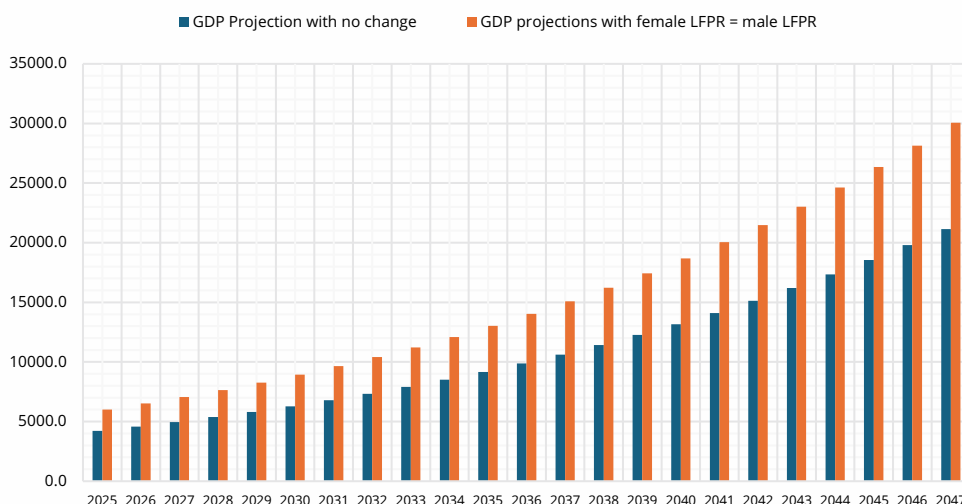
This presents a roadmap for India to develop a comprehensive strategy to achieve its goal of becoming a developed economy. While the male LFPR may have already peaked at 92% in 2022, the female LFPR remains significantly lower, indicating untapped economic potential. Investment in women's workforce participation could yield substantial economic returns.

To realize this potential, India must implement women-centric policies and develop supporting infrastructure. Key measures include:

- **Enhancing Women's Safety:** Ensuring a secure environment in public spaces and workplaces to encourage female workforce participation.

- **Skill Development Programs:** Providing targeted training and skill development initiatives to integrate women into high-productivity sectors.
- **Digital and Remote Work Opportunities:** Creating digital platforms and near-shore economic ecosystems to facilitate employment for housewives and semi-skilled women.
- **Development of Women Centric Infrastructure:** Developing an infrastructure ecosystem that focuses on creating safe, accessible, and inclusive spaces to support women's participation in economic and social activities. This includes secure public transport, workplace childcare centres, well-lit urban spaces, and hygienic sanitation facilities.

Chart 13: India's GDP Projections for 2047 (USD Billion)



Source- Calculations by MVIRDC WTC Mumbai based on World Bank Data

- **Women Health and Nutrition Programs:** Women's health and nutrition are critical for their overall well-being and economic participation. This includes access to quality maternal healthcare, menstrual hygiene initiatives like affordable sanitary pads and nutrition programs.

By addressing these challenges and investing in women's empowerment, India can unlock a significant growth driver and move closer to achieving its ambitious economic aspirations.



Chapter 4: Policy Recommendations

Achieving gender equality is essential for India's goal of becoming a developed economy by 2047. Women constitute nearly half of the population but contribute only 18% to GDP due to persistently low Female Labour Force Participation Rates (FLFPR). The Global Gender Gap Index 2024 ranks India 129th among 146 nations, with women earning only 39.8% of what men earn on average. Addressing these disparities requires targeted policies that enhance women's participation in formal employment, entrepreneurship, and decision-making roles.

1. Strengthening Gender-Responsive Policymaking

Despite progress in gender-inclusive policies, significant gaps remain in wage equality, gender budgeting, and gender data availability, limiting the effectiveness of policy interventions. Women in India continue to face a persistent wage gap, with salaried female employees earning 23.9% less than men, while rural women face an even higher disparity of 31.9%.

Additionally, while gender budgeting has been institutionalized since 2004-05, it remains largely an expenditure-tracking tool rather than a mechanism for driving gender-equitable outcomes. In the 2025-26 budget, the Gender Budget constituted 8.86% of the total budget, up from 6.8% share in the previous budget. While allocations toward the Gender Budget have increased, its effectiveness remains limited due to the absence of outcome-based evaluation.

Furthermore, the lack of comprehensive gender-disaggregated data on labour markets, financial inclusion, and entrepreneurship hinders evidence-based policymaking. Addressing these structural challenges is essential to advancing gender equality and unlocking India's economic potential.

Policy Recommendations

a. Strengthening Gender Budgeting for Impactful Outcomes

India's approach to gender budgeting must evolve from a focus on tracking expenditures to assessing tangible policy outcomes. Ministries should be required to conduct impact assessments that evaluate the effectiveness of budget allocations in advancing gender equality.

The classification of schemes within the Gender Budget Statement (GBS) must also be made more transparent. The methodology for categorizing schemes into Part A (100% for women), Part B (30-99% for women), and Part C (less than 30% for women) should be clearly outlined to ensure accountability. For instance, Jal Jeevan Mission, which directly benefits women by providing access to clean water, should be classified under Part A instead of Part B to reflect its significant impact on women's welfare.

The government must also increase the share of funding allocated to women-specific programs listed under Part A to ensure that these initiatives receive the necessary resources. Furthermore, gender-responsive budgeting units should be established within all ministries to integrate gender considerations into budget planning, implementation, and evaluation. This will ensure that gender budgeting is not just an accounting exercise but a strategic tool to promote gender equity in economic development.

b. Addressing Gender Wage Gap Through Legal Guidelines and Workplace Reforms

To address wage disparities, the government may come out with guidelines for companies to ensure equal pay standards among men and women.

In addition, the government should promote flexible work arrangements, including remote work options, part-time employment, and family-friendly policies, to support women's participation in the workforce without penalizing career advancement. Strengthening workplace protections by mandating safe mobility options, designated rest spaces, and accessible childcare facilities will create an environment where women can thrive professionally.

Encouraging gender-balanced hiring practices is also crucial. Companies that demonstrate improvements in gender pay equity and female workforce participation should be incentivized through wage subsidies and tax benefits. These measures will help bridge the gender wage gap and enhance women's economic security.

c. Enhancing Gender Data for Evidence-Based Policymaking

The government should invest in robust gender-disaggregated data collection to track key indicators such

as women's labour market participation, financial inclusion, entrepreneurship trends, and digital access. Reliable data will enable policymakers to design more targeted and effective interventions to close gender gaps in economic opportunities.

To better quantify and address gender disparities, India should integrate women's economic contributions into national accounts. This will provide a clearer picture of the value women bring to the economy and help ensure their contributions are adequately recognized in policy decisions.

Collaboration with global initiatives like Data2X can help bridge data gaps and refine gender-responsive policies. Establishing a National Gender Data Index will allow the government to track progress in areas such as workforce participation, wage equality, financial literacy, and access to credit. By improving the availability and quality of gender data, policymakers can make more informed decisions that drive inclusive economic growth.

By implementing these gender-responsive policies, India can ensure that women's contributions are fully integrated into the country's economic development, fostering a more equitable and prosperous future.

2. Skill-Driven transition to formal employment

Women in India remain disproportionately engaged in low-productivity informal jobs, with nearly 67% of working women being self-employed, many of whom contribute as unpaid family labour. This high level of informality limits their economic security, social mobility, and access to stable income opportunities.

A strategic transition toward formal employment, particularly in manufacturing and industrial sectors, is critical to unlocking their economic potential and ensuring long-term workforce participation.

Despite rising enrolment in higher education, skill mismatches and limited industry exposure continue to hinder women's workforce preparedness. The Gross Enrolment Ratio (GER) for women in higher education rose from 26% in 2020 to 29% in 2022, yet their employment rates remain low, signalling a gap between education and job market demands.

While urbanization and industrial expansion can create formal employment opportunities, women must be equipped with the right skills to seize these prospects. Practical training, modular learning, and digital literacy

are essential to bridging this gap and enhancing their employability.

The National Education Policy (NEP) 2020 targets 50% higher education enrolment by 2035, but this must be complemented by industry-aligned training initiatives. Industry-integrated apprenticeships, STEM education for women, and financial incentives for female workforce participation are crucial to ensuring that education translates into meaningful employment.

Policy Recommendations

To increase women's formal workforce participation, India should adopt a multi-pronged strategy that aligns education, industry, and policy incentives. The government should develop dedicated Women Employment Parks in key manufacturing hubs to create safe, accessible, and industry-driven job opportunities. These parks should offer infrastructure support, childcare facilities, and skill development programs tailored to the needs of women workers, encouraging greater participation in formal employment.

To encourage businesses to employ more women, the government should offer corporate tax rebates and wage subsidies for companies that meet gender diversity targets. Such incentives will help bridge employment gaps, particularly in sectors where female participation remains low, such as manufacturing and technology.

The government should mandate industry-integrated apprenticeships with co-funded stipends to ensure women gain hands-on experience and exposure to formal employment sectors. Collaborations between educational institutions, industries, and skill development bodies can help bridge the gap between academic training and real-world job requirements.

To equip women with future-ready skills, the government should expand initiatives focused on STEM (Science, Technology, Engineering, and Mathematics) education and digital literacy. Special scholarships, mentorship programs, and targeted curriculum enhancements should be introduced to encourage women to pursue careers in high-growth sectors such as technology, finance, and engineering.

Direct financial incentives such as wage subsidies and tax rebates for female workers should be introduced to promote workforce entry and retention. These incentives can help offset childcare costs, provide transportation allowances, and encourage greater economic participa-

tion of women in formal employment.

A comprehensive, skill-driven approach that integrates education, urban development, and industrial policy will ensure a smoother transition from informal to formal employment. These initiatives will empower women as active economic contributors, fostering gender-inclusive economic growth and a more resilient labour market.

3. Development of Women Centric Infrastructure

The absence of women-centric infrastructure is a significant barrier to their economic and social participation. Inadequate access to safe public transport, childcare facilities, well-lit urban spaces, and hygienic sanitation facilities limits women's mobility and workforce engagement. A lack of social safety nets further exacerbates the challenge, preventing many women from fully participating in the economy.

For instance, nearly 70% of women cite the unavailability of affordable childcare as a primary obstacle to joining the workforce. The 2024 Time-Use Survey highlights that Indian women spend thrice the amount of time on unpaid domestic work and double the amount of time on unpaid care work than their male counterparts, leaving them with limited opportunities for economic engagement. Without adequate infrastructure and policy support, women's participation remains constrained.

Policy Recommendations

Strengthening community-based childcare services and integrating maternity benefits, health insurance, and pension schemes into employment policies can help women sustain workforce participation. Employers and governments should collaborate to establish workplace childcare centers, particularly in industries with a high concentration of female employees.

Investing in secure public transportation with well-lit stations, CCTV surveillance, and dedicated women-only transport options can improve mobility and security. Expanding street lighting and ensuring safe public spaces in urban planning are essential measures to encourage women's participation in public life.

More than 494 Working Women Hostels have been developed under the Mission Shakti scheme. To enhance their effectiveness, the central and state governments should increase the number of such hostels and conduct regular rankings based on quality standards set by the

Quality Council of India (QCI). Ensuring safety, hygienic living conditions, and well-defined operational guidelines will help these hostels serve their purpose of providing a secure environment for migrant women in urban and semi-urban areas.

A holistic approach to infrastructure development—integrating safety, childcare, housing, and workplace policies—can significantly enhance women's workforce participation and economic empowerment.

4. Promoting self-employment and community-centered economy

In India, female employment remains predominantly concentrated in the less productive primary sector rather than in the higher-paying and more productive services sector. This disparity is driven by multiple factors, including a lack of adequate skills, limited access to training, and socio-cultural norms. However, one of the most significant reasons is the low workforce participation of educated women.

According to the Ministry of Labour's Female Labour Utilisation Report (April 2023), a higher proportion of women outside the labour force belong to the "educated category." Data from the Periodic Labour Force Survey (PLFS), which examines women aged 15 and above, reveals that while 40% of illiterate women participate in the labour force, this proportion drops to just 18% for women with higher secondary education and stands at 37% for those with postgraduate or higher degrees.

This trend highlights a paradox—higher education does not necessarily translate into higher labour force participation for women, indicating potential barriers such as workplace discrimination, lack of flexible job opportunities, and social expectations regarding domestic responsibilities.

Moreover, the PLFS 2021-22 underscores that 44.5% of women cited childcare and homemaking responsibilities as their primary reasons for not participating in the labour force. Poor transport infrastructure and the concentration of jobs in urban or industrial hubs further discourage women from seeking employment.

The time and energy required for commuting, coupled with safety concerns, often make it difficult for them to balance household duties with professional aspirations. As a result, many educated women either drop out of the workforce entirely or remain engaged in low-paying, informal sector jobs.

To bridge this gap, it is crucial to promote self-employment and community-driven economic initiatives that enable women to work within their local environments. Skill development programs tailored for household women can play a transformative role. Training in professions such as nursing, midwifery, geriatric care, counselling, teaching, digital marketing, and culinary arts can empower women to generate income while serving their communities.

By leveraging technology and remote work opportunities, women can also access online freelancing, tutoring, and home-based business ventures, further expanding their economic participation.

Additionally, the expansion of affordable childcare facilities, flexible work policies, and improved public transportation can help highly educated and skilled women remain in the workforce. Strengthening support systems—such as mentorship programs, financial literacy training, and networking platforms—can further encourage female entrepreneurship and professional growth.

Harnessing the untapped potential of educated women will not only enhance household incomes but also contribute significantly to India's economic growth.

Policy Recommendations

To promote localized employment, community-based skill development centers should be set up to train women in high-demand professions such as nursing, geriatric care, digital marketing, and home-based entrepreneurship.

Public-private partnerships can support these centers, while microfinance schemes can help women start small businesses. By creating job opportunities closer to home, this initiative will reduce the need for long commutes and increase women's participation in the workforce.

The government should establish a national digital database connecting companies with frequent digital work requirements to women seeking remote or freelance opportunities. This platform should include AI-driven job matching, digital skills training, and verification systems to ensure transparency and reliability. By enabling remote work, it will help women overcome mobility constraints and balance household responsibilities with economic participation.

Expanding affordable childcare and flexible work policies is essential to retain educated women in the workforce. The government should subsidize daycare centers, encourage hybrid work models, and provide tax incentives for companies hiring women returning from career breaks.

These measures will help women balance work and family responsibilities, increasing their long-term economic engagement.

5. Expanding Access to Finance and Entrepreneurship Support

Women-led enterprises account for 22.9% of businesses in India, but most operate in low-margin sectors with limited access to formal credit. Strengthening microfinance initiatives, providing collateral-free credit, and simplifying tax compliance can encourage more women to enter and expand their businesses.

Programs such as PM SVANidhi have successfully supported women street vendors in scaling their businesses, demonstrating the potential impact of targeted financial interventions. Additionally, facilitating market linkages through e-commerce platforms and buyer-seller networks can enhance the competitiveness and profitability of women entrepreneurs.

Policy Recommendations

Banks and financial institutions should be incentivized to design women-focused financial products with lower interest rates and flexible collateral requirements. To further encourage lending to women entrepreneurs, banks allocating a certain proportion of their loan portfolio to women-led businesses can be offered benefits such as interest rate subsidies, subvention schemes, and enhanced credit guarantees. These measures would improve access to capital, enabling more women to start and expand their businesses.

The government should consider establishing dedicated banking support desks for women entrepreneurs, particularly in rural and semi-urban areas. Additionally, partnerships with women-centric trade support organizations can be strengthened to organize trade shows, exhibitions, and networking events.

These initiatives would help women entrepreneurs connect with buyers, investors, and mentors, ultimately fostering business growth and long-term sustainability.



Chapter 5: Views from Industry Experts

Empowering Women to Attain Viksit Bharat Goal

Ms. Dakshita Das

Chair, Working Group to review format & methodology on Gender Budget Statement

The current and tragic reality is that worldwide women will take almost five generations to achieve parity with men. In this, India scores low, ranking 129th amongst nations in gender gap.

Various studies indicate that despite all efforts at equity and equality, the Indian women continue to perform a disproportionate amount of domestic work, is burdened by the CARE work, is bogged down by patriarchy which limits her choices to join the workforce. The issue therefore is how and what should be done to reduce the gender gap and encourage women to achieve their deserved space in the workforce.

It is here that government initiatives and government run schemes play a critical role in fostering women centric development detailed as the Gender Budget Statement (GBS) in the budgets of the Union and the States.

A GBS is usually described as an accountability/explanatory document to show what programmes and budgets are doing in respect of gender. This is important since budgets are an important policy tool of the governments to ensure, amongst other economic parameters, equitable distribution of resources.

For over two decades, the Government of India has been implementing GBS as a key strategy to achieve gender equality. While political economy governs one end of the spectrum, recognizing and incorporating women's economic contribution into formal economic calculations is essential for the comprehensive understanding of a nation's financial landscape.

Women play a pivotal role in both formal and informal sectors, contributing significantly to productivity and economic growth. By acknowledging and quantifying their economic activities, policymakers gain insights that



can lead to targeted interventions, fostering an inclusive and dynamic economy. The International Monetary Fund (IMF) underscores the economic potential, asserting that achieving gender equality could boost India's GDP by 27%.

To propel towards a mega trillion economy, focused attention on enhancing women's participation is crucial by recognizing that "Nari Shakti" is pivotal in achieving developmental goals, the stated objective of this present government.

For Gender Budgeting to be effective in bringing actual change we need to move into a critical analysis of what has worked and what has not. While the GBS is firmly institutionalized in its two-decade old journey a deep dive reveals the reporting to be straight-lined and schematic and non-data based.

Essentially schemes determine outlays, and we need to see the efficacy of data convergence into schemes for policy making or tweaking to deliver further desired objectives. Currently, the GBS only gives outlays and there is no result-based outcome analysis.

The journey of GBS in India has been steady and consistent with successive governments. However, it requires innovation and tweaking to make it result based. The Indian women is rapidly coming of age and has in fact made significant strides in the political economy and employability both.

If the vote of the Indian woman counts with political parties wooing her with welfare schemes, then her mainstreaming in the Indian economy, the labour force as well as her independence needs to be rapidly nurtured to make her an economic asset in which only the government can play a role. Which is why Gender Budgeting matters.

Women Equality: Strategies for Breaking through the Glass Ceiling

Mr. Manish Sabharwal

Vice Chairman, TeamLease Services Limited

Ms. Jayashri Patil

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Gender injustice is not a new phenomenon nor unique to India. Women represent nearly 48% of the population but contribute only 18% to the nation's GDP due to India's historically low Female Labour Force Participation Rate (FLFPR). The World Economic Forum's Global Gender Gap Index 2024 ranks India 129th out of 146 nations and 165th position globally in terms of FLFP, with a disheartening rate of just 32.7% in 2023.

In contrast, countries like the United States (56.5%) and Iceland (70.1%) showcase the potential of women's participation. India is 20.7% behind the global economic gender parity benchmark of 60.5%, with women earning only Rs 39.80 for every Rs 100 earned by men.

However, gender justice is not merely a one-time intervention; it must embody a systematic and sustained commitment to change; economist Minouche Shafik's book, *What We Owe Each Other*, poignantly suggests moving away from the metaphor of glass ceiling to sticky doors. The societal challenges include infant mortality, family laws, unequal property rights, differential education, early marriage for girls (with 23% of young women married before 18), polygamy, dowry demands, son preference, violence against women, and systemic leniency within legal frameworks. A possible change agenda must include structural and more doable flick-of-pen reforms and would cover:

Industrialisation: The Indian economy's evolving landscape offers challenges and opportunities for female employment, especially in agriculture. Female employment in agriculture (representing 63% in 2022 vs. 64.4% in 2024) not only produces a small amount of GDP but is only made possible by the huge self-exploitation of women. Many women are stepping into the growing service sector, charting new paths for themselves instead of transitioning to industrial jobs.

The best way to help women is to transition them to formal, non-farm activities with higher productivity (and therefore quality higher incomes). India's manufacturing employment can go from 11% to 20% of the total labour

force, even though manufacturing is much less labour-intensive than it used to be in previous decades.

Urbanisation: Cities offer greater access to formal work, training, capital, flexibility and other support systems to accommodate women's diverse workforce needs. Urbanization also offers the anonymity that blunts cultural barriers. The sweet spot for good urbanization is cities with around a million people (India only has 52 cities, but China has 408).

Good urbanization needs fixing the current imbalance of power and resources between the central government (budget of Rs 48 lac crore), 28 state governments (budget of Rs 60 lac crore) and 2.5 lac local governments (budget of Rs 4.4 lac crore) to foster an inclusive and supportive atmosphere, thus paving the way for achieving a truly reimagined future state where women can thrive.

Formalisation: Currently, 67% of women are engaged in self-employment (31% as own-account workers; 37% as unpaid workers in household enterprises), 17% work as casual laborers and a mere 16% hold regular salaried positions (57% lack written job contracts, 58% do not receive specific social security benefits) as per Periodic Labour Force Survey. Women are hurt by the low productivity of India's informality.

This informality has intensified by 69,000+ compliances with more than 6000 filings, which changed 8000 times last year (Source: TeamLease RegTech). Much of this burden comes from labour laws favoring job preservation over job creation and sabotaging flexibility. Providing tax reliefs to women-led businesses, simplifying tax compliance procedures and incentivizing women to invest in startups will encourage FLFPR.

Human Capital: Women with higher education are actively entering/engaging in the workforce (graduates have risen from 33% to 38%; for higher secondary education, LFPR grew from 19% to 25%). Additionally, the rising GER for females in higher education has seen a promising increase of 3% (26% in 2020 to 29% in 2022). However, preparedness to enter the workforce is a must

to bridge gender gaps, aligning with the NEP goal of 50% by 2035. Skill development strategies must be designed around five key principles: learning while earning, learning by doing, modular learning, multimodal delivery, and signalling the value of the skills acquired.

While urban India is making significant strides toward gender equality, the journey is ridden with multiple challenges in the rural landscape. Considerable progress in education and policy reforms indicates that the country is committed and "on the path" to achieving gender parity, even if full equality has not yet been reached.

The Government of India has set an inspiring target to accomplish a remarkable GDP of USD 30 trillion by 2047, coinciding with the centennial celebration of India's independence. The active participation of women is

essential to realizing this ambitious goal. It is projected that nearly 45% of this target, translating to an impressive USD 14 trillion, will stem from the contributions of Indian women in the workforce.

To reach this goal, the FLFPR among women aged 15 to 59 needs to double. Currently, at 45%, this rate includes around 270 million women. It must rise to approximately 70% to result in a formidable workforce of over 400 million women by 2047, underscoring women's vital role in driving the vision of Viksit Bharat.

As we witness a transformation in how the world values women, let us remember that the road to true gender equality is ongoing. When it feels like the odds are against you and your fellow women, lean on other strong women for support and hold onto the belief that brighter days are indeed ahead.

Bridging the Gender Gap in India's Labour Market: Empowering Women in the Informal Economy

Ms. Sonal Sharma

Programme Coordinator, SEWA Bharat

India's pursuit of becoming a Viksit Bharat (Developed India) hinges on ensuring inclusive growth. Expanding women's participation in the workforce and boosting their entrepreneurial ventures is paramount. While the latest Periodic Labour Force Survey (PLFS) indicates a gradual rise in female labour force participation, data from the All-India Survey of Unincorporated Sector Enterprises (ASUSE) 2022–23 conducted by the National Sample Survey Office (NSSO) sheds new light on women's entrepreneurship in the country.

According to ASUSE 22–23, 22.9 percent of enterprises in the country are women-led—majority of which are subsistence enterprises with 70 percent of women-owned enterprises having an annual turnover of under 1 lakh, often operating with family labour or a solitary owner-operator model. A substantial proportion of these women-led enterprises operate in low-capital, low-margin sectors. Many are home-based units producing garments, offering beauty services, producing food items or providing domestic and care services.

These figures exemplify the challenges women entrepreneurs face: limited access to formal credit, technology

and technical qualifications, marketing channels, and social security. They also mirror broader labour market trends—PLFS data continues to show that India's women are predominantly concentrated in informal, low-wage agriculture and service occupations, while men enjoy higher participation in higher paying informal or formal jobs, and skilled segments.

1. Targeted Skill Development and Capacity Building

A key policy imperative is offering targeted skills and capacity-building programs for women casual workers and aspirational entrepreneurs, especially in rural and semi-urban areas.

The ASUSE 2022–23 data reveals that while both men and women owned enterprises proportionally grow in size with levels of higher education and technical qualification, this increase is more pronounced for women led enterprises. For women, educational and technical qualifications appear to be prerequisites for the growth of their enterprises.

This includes **financial literacy, digital marketing, product development, and compliance training** to meet quality standards. Collaborations between government agencies and grassroots organizations—like SEWA—can ensure that these training modules are **tailored to local contexts** and deployed at scale. In agriculture and allied sectors, integrating modern farming practices, post-harvest management, and climate-resilient strategies can raise both productivity and profitability for women farmers venturing into agri-entrepreneurship.

2. Enhancing Access to Credit and Market Linkages

The ASUSE 22-23 highlights that the majority of women-led unincorporated enterprises depend on friends, family or microfinance loans. **Introducing low-interest, collateral-free credit lines** with simplified application procedures through microfinance institutions and public banks, can spur growth in these enterprises.

A report by SBI has revealed that collateral free loans availed under PM SVANidhi by street vendors has successfully enabled street vendors to incrementally borrow higher loan amounts under the scheme, expanding their businesses with higher earning potential. 43% beneficiaries of PM SVANidhi are women street vendors. Such low-cost and trade/enterprise focussed credit linkages can promote women's foray into entrepreneurship.

Simultaneously, **robust market linkages**—whether through e-commerce platforms, local buyer-seller meets, or government procurement—help women entrepreneurs transcend local demand constraints. Facilitating collective models such as **producer cooperatives** also improves bargaining power, reduces input costs, and opens pathways to larger, more sustainable markets.

3. Expanding Social Security and Childcare Support

Women entrepreneurs and other informal workers often operate without **social safety nets**. A universal framework covering health insurance, maternity benefits, old-age pensions and childcare support is essential to cushion business shocks and encourage continuity in operations. In fact, 70 percent of women cite lack of affordable and accessible **childcare services** as one of the primary reasons for being unable to join the workforce.

Time-Use Survey of 2019 conducted by the National Statistical Organisation reveals that Indian women spend eight times more hours on unpaid care work as compared to men, significantly reducing their income earning potential. There is a need to collectively invest in affordable and quality childcare services, whether via community daycares or public-private partnerships, which can help women dedicate more time and focus to income generating activities, driving better growth and overall well being of their families.

4. Strengthening Collective Bargaining and Leadership

The ASUSE 22-23 findings also reveal that **collective efforts**—for instance, self-help groups and federation structures—can enable women to pool resources, share best practices, and demand more supportive policies. Fostering women's leadership within these collectives ensures their voices shape decisions around credit, technology adoption, and market access. This collective agency is critical in advocating for fair regulations and for bridging the gap in traditionally male-dominated spaces, but more so for envisioning a developed nation with its women not left behind.

Towards Gender Equity in Indian Labour Force

Mr. S. Irudaya Rajan, Chair, International Institute of Migration and Development

Ms. Anjana Rajagopalan Senior Research Fellow, International Institute of Migration and Development

Among the focal pillars of India's recent Union Budget 2025 is 'Nari' (women), a welcome spotlight following an ongoing discourse on gender gaps in Indian labour market. Female Labour Force Participation Rate (LFPR, all ages) in India continues

to remain considerably lower compared to males; data from Periodic Labour Force Surveys (PLFS) reveal that male LFPR was 58.2 per cent and female LFPR just 31.7 per cent in 2023-24. Despite female LFPR doubling from 17.5 per cent in 2017-18, a substantial gap of 26.5

percentage points remained between male and female LFPR in 2023-24.

Rural women report consistently higher LFPR compared to their urban counterparts. While rural female LFPR rose from 18.2 per cent in 2017-18 to 35.5 per cent in 2023-24, a minimal increase was noted in urban female LFPR from 15.9 per cent in 2017-18 to 22.3 per cent in 2023-24.

Compared to their male counterparts, rural female LFPR was 22.4 percentage points lower and urban female LFPR was 36.7 percentage points lower. Gender gap in LFPR is stark and continues to remain significantly large.

A major deterrent for women is the wide and persistent wage-gap, with women consistently earning less than men. During April-June 2024, gender wage gap of 23.9 per cent was noted for regular wage/salaried employees, meaning that women earned only 76.1 per cent of men's earnings. Rural women earned just 68.1 per cent of rural male earnings, while urban women earned 76.2 per cent of urban male earnings.

Despite higher rural LFPR compared to urban female LFPR, gender wage-gap is more pronounced in rural areas at 31.9 per cent, compared to 23.8 per cent in urban areas. Rural women often work as unpaid labour in agriculture pushing up LFPR without real empowerment; creating productive non-farm jobs should thus be the strategy.

Ensuring gender equity in labour market requires not just increasing female LFPR but also guaranteeing decent jobs that provide formal employment through written job contracts, social security, and other statutory benefits such as paid leaves. As per PLFS 2023-24 data, 57.3 per cent of female regular wage/salaried workers had no written job contracts, and 45.9 per cent of female regular wage/salaried workers were not eligible for paid leave.

Lack of social security benefits remains a major challenge, with 58 per cent of all female regular wage/salaried employees not covered under any social security scheme. Rural women were the most disadvantaged, with 61.9 per cent lacking social security benefits, compared to 55.7 per cent of urban women.

Given these scenarios, what should the "Nari" focus look like? **First, create productive non-farm jobs for rural women, and more jobs opportunities for urban women to raise female LFPR. Second, reduce the wage gaps by way of enforcing laws to ensure equal pay for equal work.**

Third and most importantly, acknowledge the disproportionate time spent by women on unpaid care work and socio-cultural barriers faced by them, and create decent working conditions with social security safety nets- through ensuring flexible work arrangements, safety in mobility and working spaces, designated resting spaces, creche facilities and equitable access to training and growth.

New frameworks for cooperation for bridging gender gaps

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The persistent gap between male and female labour market participation is common to all parts of the world. This decade has brought out greater challenges to women's participation in economies, with cascading crises triggered by the pandemic along with increasing risks from climate, conflicts and economic inequality. These have disproportionately impacted women, who tend to bear the brunt of economic and environmental shocks.

Recent research from Asia and the Pacific shows that women are not benefiting from job growth in new sectors that offer better pay and conditions as much as men.^[1]

Expanding economic opportunities for women leads to long-term effects on growth and productivity and improved health and education outcomes. Estimates from the World Bank show that closing the gender gap in employment and entrepreneurship could increase global GDP by more than 20 percent.^[2]

Women's low participation in the labour force in India, has the contours of a wicked problem, one that is seemingly impossible to solve. While structural changes to labour markets to address pernicious issues that prevent women from participating in them are a long-term resolution, women's entrepreneurship offers a near

term solution for addressing these gaps. Women-led entrepreneurship could potentially create 150–170 million jobs in India until 2030, according to one study.^[iii]

India, which has a robust digital public infrastructure and has made substantial progress in women's financial inclusion, is showing signs of improvement in female entrepreneurship. The barriers for women entrepreneurs in accessing finance, networks and markets are greater than men.

Policymaking plays a key role in addressing these barriers. The inclusion of women is an integral part of several programmes by the government that support entrepreneurship like the MUDRA Yojana and Stand Up India.

Role of international cooperation

Along with gender-inclusive policies, international cooperation is critical for advancing women's equality and inclusion. All essential global agreements, treaties and conventions that advance gender equality and hold governments to account, including the Beijing Platform for Action and the CEDAW (Convention on the Elimination of All Forms of Discrimination Against Women) are a result of the multilateral system.

However, recent intersecting crises have led to a historic reversal in development cooperation between countries.^[iv] This is also reflected in a decrease in development finance for gender equality, according to OECD data.^[v]

India has acknowledged the need for a more “gender-balanced foreign policy”. It is advocating for gender mainstreaming in knowledge-sharing and capacity-building initiatives with countries in South Asia, Africa and the Pacific. India also prioritised “women-led-development” as a means for women to drive economic, social, and political progress during its G20 presidency.

By building new frameworks of cooperation that are responsive to current and emerging global challenges, India can work with advanced and developing countries to further women's economic empowerment.

Further, by integrating local communities, civil society, and regional institutions, new approaches to cooperation and partnerships can tackle barriers like limited access to finance and technology that women face.

These actions and recommendations can create a more inclusive, sustainable, and gender-responsive approach

in international cooperation to address the economic vulnerability of women.

Recommendations:

1. South-South and Triangular Cooperation:

Promoting the exchange of knowledge, expertise, and resources among countries of the Global South in partnership with countries from the Global North, on projects that support women to access capital and markets.

Many such projects are already underway between countries, they can be scaled up. For instance, Markets for Change, a project by the Australian government, which focuses on improving the safety and livelihoods of women market vendors in Pacific countries.

2. Promote locally-led development solutions:

India has championed locally-led development solutions internationally like the Solar Mamas programme, which operates in 93 countries and trains rural women to become solar engineers in remote areas. Similarly, Lighting a Billion Lives program, led by The Energy and Resources Institute (TERI), a civil society organisation, involves women in last-mile energy service delivery models in South Asia and Africa.

It is essential to tap into the strength of non-state actors by ensuring greater involvement of civil society organisations, women's groups, women's collectives and self-help groups to build these programmes.

3. Increase public and private financing for women entrepreneurs:

It is necessary to increase the share of public finance for women's economic empowerment. At the same time, countries should prioritise mobilising private finance. The World Bank project We-Fi is a partnership among 14 governments, eight multilateral development banks, and public and private sector stakeholders to promote female entrepreneurship.

4. Promote technology cooperation:

Through bilateral and multilateral cooperation on technology countries can enhance women's economic inclusion. India's scalable frugal innovation through digital public infrastructure stands out as an example that can be promoted. The eTrade for Women initiative by

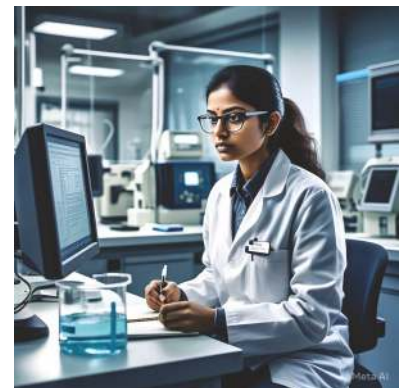
UN Trade and Development supports female digital entrepreneurs.

5. Prioritise gender data:

Countries can jointly prioritise and support programmes to close significant gender data gaps to enhance data collection and analysis, which in turn can improve the impact of programmes that address gaps in labour

market and entrepreneurship. Data2X, a partnership between UN agencies, governments, civil society, academics, and the private sector to fill gender data gaps, is one such example.

By leveraging their combined strengths, countries can enhance women's economic participation and ensure long-term resilience and prosperity.



Endnotes:

^[i] Where women work in Asia and the Pacific: Implications for policies, equity and inclusive growth, International Labour Organization, Asian Development Bank, 2023, https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40asia/%40ro-bangkok/documents/publication/wcms_897987.pdf

^[ii] World Economic Forum, Global Gender Gap Report, 2024, https://www3.weforum.org/docs/WEF_GGGR_2024.pdf

^[iii] Powering the Economy With Her: Women Entrepreneurship in India, Google and Bain & Company, 2019, https://www.bain.com/contentassets/dd3604b612d84aa48a0b120f0b589532/report_powering_the_economy_with_her_-_women_entrepreneurship_in-india.pdf

^[iv] Development Co-Operation Report 2023: Debating the Aid System, OECD, 2023, <https://doi.org/10.1787/f6edc3c2-en>

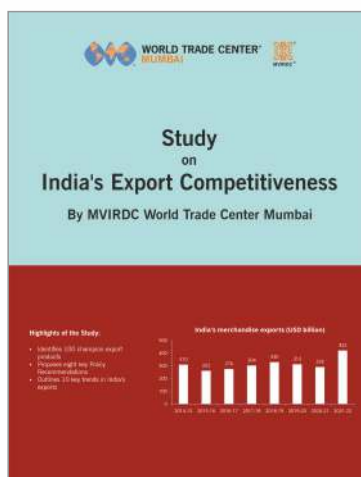
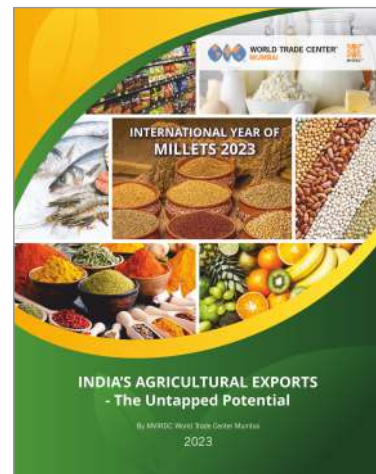
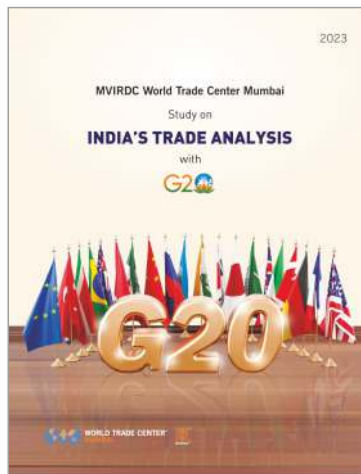
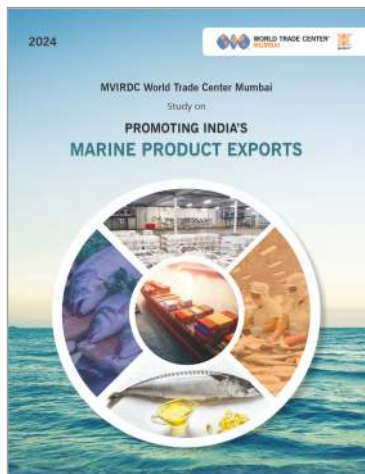
^[v] Development Finance for Gender Equality 2024, OECD, https://www.oecd.org/en/publications/development-finance-for-gender-equality-2024_e340afbf-en.html

Notes

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