

A Historical Reflection On Indian Women In The Labour Economy

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In recent light of nomination of the economist claudia Goldin, for the esteemed nobel prize, I decided to search her up. I went through her biography (on the website), and got intrigued by her work. Her mix of history combined with riveting storytelling of statistical information left me awestruck.

Goldin's main work has been closely linked with the history of economic development of women, during various time periods, as well as the effect of ever evolving social norms in the lives of women. Her work is mainly associated with the American side of things (due to restrictive second hand data) however, it got me thinking, if the hypothesis put forward by her studies, applied in my home country of India, and if the playground has actually changed for women over time. Are there any government policies put into motion, for the benefit of society? How beneficial are they really on the grass roots level?

There are close to 692 million women in India as of 2023. According to the female labour utilisation report of 2023 (published by the Indian Government), 19.7% are self-employed, 5.3% are salaried employees, 6.8% are casual labourers and 1.1% are unemployed. Amongst the remaining 67.2% of women, close to 35% of women only attend to domestic duties, while the remaining 14.1% Attended Domestic Duties and Engaged in Free Collection of Goods, Sewing, Tailoring, Weaving, etc. for Household Use. These statistics are pertaining to women over the age of 15.

In the 2000s, India had an estimated **496 million women**, with their economic participation primarily concentrated in self-employment and informal sectors. Around **30-35%** of women were self-employed, largely involved in agriculture and other informal activities such as home-based work. A smaller percentage, about **3-5%**, were salaried employees, working mainly in sectors like education, health care, and clerical jobs. **10-15%** of women worked as casual laborers, primarily in agriculture, construction, and other low-wage sectors, while **1-2%** of women were actively seeking employment and classified as unemployed.

The remaining **45-55%** of women were not part of the formal labor market. Of these, approximately **25-30%** were engaged solely in domestic duties, focusing on household management and caregiving. Another **15-20%** were attending domestic duties while also contributing to household needs by engaging in activities like the free collection of goods, sewing, tailoring, and weaving for household use.

As you see, the amount of women not being part of the labour force has increased. According to the female labour utilisation report of 2023, close to 45 percent of the women stated child care/ personal commitments in homemaking. 33.6 percent of the women still want to keep studying (keep in mind the data also includes women aged 15 to 24). 9.3 percent of the women stated that they could not continue to keep working due to age / health related reasons. 3.4 percent of the women blamed societal pressure, while 3.2 percent did not have the required training/qualification/age for work. However, contrary to popular belief, only 0.7 percent of the women said they were financially well off and were not working due to their own personal choice.

“Further, education is one of the most important factors that influence the female labour force participation. Educational attainment has an important effect on an individual’s decision to participate in the labour market. There are many theories that underline the importance of education in employment outcomes. The theories also reveal that greater educational attainment leads to higher participation in the labour force and also increased productivity” (an excerpt from the female labour utilisation document 2023.)

The correlation between female education and employment is significant, as higher educational attainment often leads to increased participation in the labour force. Over the years, access to education for females has improved, resulting in a rise in employment opportunities. However, social norms and a lack of quality job options can restrict employment choices for women with secondary and tertiary education. Interestingly, as household income increases, women tend to pursue more education, which can lead to a decrease in labour force participation due to the need for income being less pressing. Conversely, when education and income levels are low, women are more likely to participate in the labour force out of necessity. This relationship is characterised by a U-shaped curve, where participation rates are lower for those with

moderate education levels (secondary and high school) compared to those who are either less educated or highly educated.

The Indian government has implemented various interventions aimed at improving female participation in the labour force and ensuring their economic security. One of the key initiatives is the Beti Bachao Beti Padhao Scheme, which focuses on creating awareness about the importance of educating girl children, addressing the declining sex ratio, and enhancing the effectiveness of welfare benefits for girls. Additionally, the Skill India Mission has been introduced to enhance the employability of female workers through vocational training provided at Women Industrial Training Institutes and other training centres.

To support working women, the government has also established Working Women Hostels to provide safe and conveniently located accommodation, which is crucial for women seeking employment in urban areas. Furthermore, policies like Child Care Leave allow women employees with minor children to take leave for up to two years, facilitating a better work-life balance. These interventions reflect a comprehensive approach to address the barriers faced by women in the workforce and promote gender equity in employment opportunities.