

The Missing Half: Axis Bank study finds that the path to 'Viksit Bharat' goes through getting more women into paid work

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Plummeting fertility is narrowing the window for India to get rich before it gets old. Many more women need to enter and progress in paid work, according to a new study released by Axis Bank, one of the largest private sector banks in India.

Titled “**The Missing Half: Women and India’s Growth Challenge**”, the report draws on global evidence, deep analysis of Indian data, and a **proprietary survey of nearly 11,000 college-educated women across 42 Indian cities**.

The report argues that to **sustain a growth of around 7% over 25 years**, necessary for 'Viksit Bharat' by 2050, **overall worker participation in paid work must rise from about 47% to nearly 60%**. Women’s participation in paid work will be critical to achieving this.

A structural challenge

However, at present, India has one of the lowest female labour force participation rates in paid work among G20 economies. Further, even employed women are mostly in agriculture, self-employed, or in unpaid work.

- **~60%** of women in paid work are in **informal** arrangements without contracts or social security benefits. **61% of women workers are engaged in agriculture**.
- **125 million** educated women are outside the workforce with 60% of graduates opting to stay out of paid work
- Studies show a **~20% drop** in women’s workforce participation in India **post marriage**.
- Participation falls further **after childbirth**. It is a global challenge: even in advanced economies mothers’ employment falls **~25%** after childbirth, and earnings **~33%**.
- **61%** of surveyed women cite **safety and mobility** as the top barrier to entering the workforce.

The report finds India is climbing out of the bottom of the ‘U’ curve formed when countries’ participation is plotted against incomes, but the progress is slow given the growth ambitions. Recent improvements in household infrastructure -- electricity, clean cooking fuel, piped water and better housing -- have eased unpaid work burdens, and rising higher education enrolment among women, is softening the “marriage penalty.”

Major demand-side barriers persist

However, non-farm jobs in proximity to women’s homes remain scarce. Demand for labour is a general challenge in India, evidenced by high informality and low-quality self-employment even among men; cultural norms do not require women to go through this charade of disguised unemployment. This also slows the shift in norms necessary to accelerate their participation. Concerns around safety, mobility, childcare and inflexible job structures, continues to hold women back. Moreover, India has too few jobs in sectors that are globally dominated by women and employ women at scale.

Global lessons, contemporary relevance

To understand how other economies overcame similar constraints, the report traces a century long shift, best documented in the US, where women have moved from the margins to the center of economic life. This shift was driven by better education, changing economic structure, technological advancements, legal reforms, reproductive autonomy, and evolving norms. Women themselves shifted to viewing work as a 'career' and core to their identity, instead of a 'job'.

Whereas the gender gaps in income coming from the 'marriage penalty' and bias have nearly disappeared, the 'motherhood penalty' persists -- entry-level gaps have narrowed, but inequalities widen after childbirth. Occupations that reward long, inflexible hours penalise career breaks. The pressure to choose between careers and children is also why fertility rates are falling.

The study warns India, which still has a large 'marriage penalty', in addition to the 'motherhood penalty' and other biases, must address challenges with job design, childcare support and reentry pathways to accelerate participation.

What India's college-graduate women say

Axis Bank's proprietary survey shows a clear shift in aspirations. Most women now view paid work as a **career and part of their identity**, aiming to build their lives around "career and family" rather than choosing one over the other.

Yet marriage, caregiving demands, workplace structures and social expectations continue to influence how women enter, progress in and return to work. Reentry after breaks remains particularly challenging, with women citing **rigid hiring norms, skill loss, age bias and limited flexible roles** as major hurdles. **Structural support**, such as childcare, flexible work options, safer commuting and credible return to work pathways, matters far more than inspiration alone.

Not merely a social issue, but a growth imperative

The report concludes that raising women participation in the workforce is **central to India's long-term growth**, and an **economic imperative**, not just a social add-on. It calls for coordinated action to expand jobs in sectors where women work at scale, formalise flexible and parttime roles, invest in childcare and safer urban mobility, remove outdated regulatory barriers, and strengthen leadership pipelines.

Commenting on the launch, Neelkanth Mishra, Chief Economist, Axis Bank & Head of Global Research, Axis Capital, said, "Given how little time we have, we need 'all hands-on deck'. We have made significant progress in improving household productivity via pucca houses, electricity, piped water, and dense energy access. Several states have achieved gender parity in gross enrolment ratios. But we must raise demand for labour, improve urban infrastructure, remove outdated legal barriers, and work on childcare facilities and workplace flexibility to get the 'missing half' into the workforce."

Rajkamal Vempati, Group Executive & Head Human Resources, Axis Bank, said, “India’s growth ceiling is directly tied to its glass ceilings, with 125 million of our educated women remaining on the sidelines. The next decade of growth belongs to the organisations that redesign careers for fluidity – allowing women to step in and return without penalty. Adding 22 percent points to women’s workforce participation isn’t just a social goal; it is the single most important economic lever we have.”

Click here for full report - [The Missing Half: Women and India’s Growth Challenge](#)