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The Education–Employment Paradox in India: Structural Barriers, Policy Failures, and Pathways to Increasing Female Labour Force Participation

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ABSTRACT

The educational attainment of women in India has increased significantly, but this has not led to a corresponding increase in their participation in the labour force. Labour force statistics suggest that women's labour force participation has improved in recent years, but substantial gender, rural–urban, occupational, and job-quality gaps remain. This paper attempts to explore the reasons why increased levels of education have not always led to corresponding access to employment that is secure and productive for women in India. It critically reviews the key theories that have been proposed in the literature, such as labour demand constraints, skill–job mismatch, household-income effects, unpaid care work, gender norms, mobility and safety constraints, occupational segregation, informality and measurement effects. The review challenges this notion that these mechanisms are self-contained explanations, suggesting that they should be understood as a continuum of a process of converting education into employment. Education increases women's capacities but only if there is a job to play, skills are relevant to the labour market, women can move and access the job, and conditions in their jobs are acceptable and secure. The paper also explores the meaning of recent rise in female labour force participation in the context of and the disparities between national PLFS and internationally harmonized estimates. An integrated policy framework is suggested, highlighting the importance of demand-responsive skills, growth of the care economy, safe transport provision, accessible employment, labour market protection, formalization, gender responsive job creation and better measurement of the labour market. The challenge for India is to transform the gains of education into an opportunity for women to gain access to socially acceptable, secure, productive and accessible jobs to promote gender equality, inclusive development and efficient utilization of human capital.

Keywords: female labour force participation; women's employment; education; gender inequality; public policy; India; unpaid care work; labour market; employment policy

1. INTRODUCTION

In recent decades, there has been a significant improvement in India with regard to women's access to education. Rising school enrolment, improvements in literacy, declining fertility, economic growth, and increasing aspirations might ordinarily be expected to increase women's participation in paid employment (Chatterjee et al. 2018; Klasen and Pieters 2015). But the link between education and employment in India has never been as simple as it is commonly perceived. During the period of the 2000s and 2010s, India witnessed an education-employment paradox; that is, with women's education improving, the participation rate in the labour force among women (FLFP) either remained constant or fell. Under the conventional definition of principal and subsidiary labour status, the percentage of women in the labour force has dropped from 42.7% in 2004–05 to 31.2% in 2011–12, as documented in earlier research by the International Labour Organization (ILO). The drop came in the midst of rapid economic expansion and growing family incomes (International Labour Organization 2017).

The contemporary picture, however, needs a significant qualification. The decline in the percentage of female participation in India has not been sustained for the last few years. The PLFS data for the 2017-18 to 2023-24 period, under usual status, shows that the female LFP rate had a positive increase at the all-India level from 23.3% to 41.7% during this period (Ministry of Statistics and Programme Implementation 2026). World Bank estimates derived from ILO modelled estimates also suggest an upward trend, but estimates vary due to methodology and definitions (World Bank 2024).

The policy puzzle is thus developed. The question is no longer simply: Why is India's female labour force participation falling? Thus, this review focuses on two related questions: what are the key explanations in the current literature on the lack of a secure and productive pathway from women's education to employment in India, and what policy mix can bolster women's education-to-employment linkages? In this paper, the explanations found in previous studies are not treated as separate barriers, but rather as compared to each other at the various stages of the transition from education to employment. It suggests that the paradox can be explained as a conversion problem between education and labour that occurs when using education to develop capabilities is followed by an inability to access suitable labour opportunities, and that the mismatch between skill and occupation, the lack of practical accessibility due to unpaid care, social norms, mobility and safety, and the lack of quality and sustainability of the resulting employment, all affect the ability to access suitable employment opportunities. This paper contends that a system of education cannot resolve structural constraints in the labour market. The interaction of demand for women's labour, opportunities for women's work, unpaid care, social norms, mobility, safety, household income, and job quality that accommodates women's skills and goals shapes women's employment status. This policy goal should then be to go beyond the numeracy of FLFP. It should aim to enhance women's freedom and opportunity to engage in productive, safe and decent jobs.

2. UNDERSTANDING THE PARADOX: COMPETING AND COMPLEMENTARY EXPLANATIONS

Traditional human-capital theory states that higher education raises an individual's productivity and earnings. As women gain access to higher levels of education, the opportunity cost of not taking up a paid job should also go up, thus incentivizing women to engage in the job market. This relationship is complicated in India. Research has found a U-shaped relationship between education and female labour force participation (Chatterjee et al. 2018; Klasen and Pieters 2015). Women with very low levels of education may be involved because there is an economic need for them to be involved in agriculture, informal or manual work. It is possible for the level of participation to drop off for women with intermediate education, only to rise again for highly educated women who will be able to pursue professional and less demanding jobs. This phenomenon shows an important difference between education and employability on acceptable terms.

An educated woman might have more human capital, but she might also be less inclined or may encounter greater household opposition to taking on an unpopular, low-paying job with little job security. Without jobs to match the increasing levels of education and expectations of the occupations, improvements in education will not automatically lead to jobs. Identifying the various reasons for India's poor history of engagement of women, ILO studies reveal several reasons for the low rate of female participation in India, such as greater access to education, rising incomes at home, measurement issues, and, crucially, lack of employment opportunities and occupational segregation (Kapsos et al. 2014). The paradox thus should not be taken as proof of failure of education. Instead, it shows that there is a lack of linkage between education policy and employment policy.

Thus, it is not possible to find one answer to the education–employment paradox in the literature. Human-capital explanations focus on education, productivity and expected returns to employment; household-income explanations focus on the potential for the increased availability of household resources to reduce the economic need for women to take up undesirable work; explanations of labour demand focuses on the lack of development of appropriate jobs; and explanations of gender focus on unpaid care, social norms, occupational restrictions, and mobility constraints. Measurement based explanations also warn that any observed changes in participation can be influenced by the definition of economic activity and the measurement of women's work.

These explanations feature varying degrees of analysis. Education-based explanations account for some of the non-linearity between education and participation, but do not explain why there may be a lack of suitable employment. Household-income effects account for some of the reasons for withdrawal from poor quality jobs, but cannot account for the inability of educated women to easily transition into better jobs. Labour-demand explanations focus on the availability of appropriate employment, and do not directly explain why women might not take up available employment. Explanations of care, social norm and mobility tackle this by separating out availability of jobs by name from their accessibility in practice.

The explanations are thus seen as being complementary processes that take place at different phases of the education-to-employment process. Skill–occupation correspondence, care responsibilities, norms, mobility and safety impacts on accessibility, while occupational segregation and informality on employment quality and labour demand creates opportunity, and education creates capability. The paradox can then arise if this conversion process does not succeed at one or more of these steps.

The rest of this review proceeds in this way. Preparations for women's education and skills must match the job opportunities; care requirements and social norms must allow women to participate; employment must be physically and safely available; employment must offer adequate quality and security to keep women in and promote their career progression. Failure to achieve gains at one or more of these stages can result in the failure of learning to lead to continued job security.

Table 1. Comparison of major explanations of India's education–employment paradox

Explanation	**Representative sources already in manuscript**	**Main mechanism**	**Explanatory contribution**	**Limitation**
Human capital/education	Klasen & Pieters; Chatterjee et al.	Education changes productivity, aspirations and returns to work	Explains non-linear/U-shaped education–participation relationship	Cannot alone explain insufficient suitable jobs
Household-income effect	Desai & Joshi; Kapsos et al.	Rising household income reduces necessity to accept undesirable employment	Explains withdrawal from some low-quality work	Does not explain absence of attractive alternatives
Labour-demand constraint	Deshpande & Singh; Kapsos et al.	Economy generates insufficient suitable employment	Explains why education may rise without equivalent employment	Does not alone explain inability to access existing jobs

Skill–occupation mismatch	Literature reviewed in Sections 2–3	Available occupations do not correspond to qualifications/aspirations	Explains educated unemployment/non-participation	Interacts with labour demand and norms
Unpaid care/social norms	Singh & Pattanaik; Srija & Vijay	Time constraints and gender expectations limit employment	Explains why qualifications do not ensure availability for work	Effects differ across households and contexts
Mobility/safety	ILO and related sources	Travel and safety constraints reduce accessible employment	Distinguishes nominal from effective job availability	Closely dependent on job geography
Measurement	Kapsos et al.; PLFS/ILO sources	Definitions and measurement affect observed participation	Helps explain variation between datasets	Does not eliminate underlying structural constraints

3. STRUCTURAL BARRIERS TO FEMALE LABOUR FORCE PARTICIPATION

3.1 Insufficient Creation of Suitable Employment

Perhaps the most fundamental constraint is the availability of jobs. An economic expansion is not always accompanied by the creation of jobs that are fair for women, as the composition and geographical location of growth also play an important role. Jobs can be gendered, in places that are hard for women to get to or in conditions that are unsuitable for family life. ILO analysis has highlighted the need for employment and entrepreneurship creation in smaller towns and in convenient locations, instead of simply taking for granted that women's employment situation will improve with general economic growth (Desai and Joshi 2019; Deshpande and Singh 2024).

This distinction changes the policy debate from: “Are women sufficiently educated to work?” to: “Is the economy providing them with enough suitable work?” The second question is considerably more challenging because it requires coordination between industrial, employment, urban, education and gender policies.

3.2 Skill–Job and Education–Occupation Mismatch

Education can raise women's wage aspirations, occupational status expectations, and work conditions. Yet available employment might not match up to these expectations. An educated woman may be confronted with the decision of either being unemployed or being forced to take jobs below her qualifications. This issue can be exacerbated by social norms in which families think that some jobs are not suitable for women with an education.

The research by the World Bank on the link between education and women's participation in India has focused on the unusual link between education and women's participation in India, including the potential for social stigma around educated women working in low-skilled roles to reduce participation rates at the intermediate education level (World Bank 2024). The question of whether or not women are educated or if they are in vocational training is thus not the question itself, but the question of the correspondence between training and labour demand is a question for policymakers. Skill programmes that involve the training of women into occupations where jobs are scarce, pay is low or working conditions are poor could raise the qualifications of women, but without raising the number of jobs. The relationship between labour demand and skill mismatch is not an either/or, but a both-and: providing more education without adequate employment opportunities can create educated non-participation, and expanding employment opportunities in occupations that are not consistent with women's education and expectations or acceptable working conditions may have similarly restricted impacts.

4. UNPAID CARE WORK AND THE “TIME TAX”

An unequal allocation of unpaid domestic and care work is one of the key structural barriers (Singh and Pattanaik 2020; Srija and Vijay 2020). Time spent on cooking, cleaning, child care, elder care, water collection and other household tasks could be used for work, skills building, or entrepreneurship. This amounts to a kind of women's time tax. This constraint does not go away with education. A university-educated woman can have the qualifications necessary for employment and is expected to also be responsible for most of the tasks associated with running a household and caring for her family.

The ILO identifies lack of quality care services and unequal sharing of care responsibilities as major structural obstacles to women’s employment. (International Labour Organization 2023). It has therefore advocated for childcare, eldercare, maternity protection, flexible working, and better infrastructure to save working hours on household activities (International Labour Organization 2017). Childcare is particularly significant for women in informal employment as the traditional entitlements to maternity and childcare benefits might not be extended to them. Evidence reviewed by the ILO and Women in Informal Employment: Globalizing and Organizing (WIEGO) demonstrates that care responsibilities affect both women’s income security and economic opportunities (International Labour Organization 2020). The policy of care for children should therefore be considered as an economic infrastructure, rather than social welfare. Unpaid care is thus a qualification/employment conversion constraint; if women have the right

skills and have access to a proper job opportunity, unequal allocation of time can make it 'un-practically' accessible.

5. SOCIAL NORMS, MARRIAGE AND HOUSEHOLD DECISION-MAKING

Women's labour force participation in India cannot be explained fully by economic models. Gender norms shape the kinds of jobs women can do, their ability to travel alone, how far to commute, ability to work at night and the balance of paid work against expectations for women to marry and take care of the household. In some families, higher income could lead to a decrease in the labour force participation of women (Desai and Joshi 2019). An increase in household economic conditions may lead to the reintegration of women from physically demanding and/or socially undesirable jobs, which may be considered a symbol of socioeconomic status. This contributes to the understanding that high family incomes and high levels of education do not necessarily have to go hand in hand, and that a low level of female employment can occur.

Thus, it's a matter of agency, in part. The woman can gain access to education and be theoretically able to have access to a labour market and yet not be able to access the available job. Public policy consequently needs to distinguish between formal opportunity and substantive accessibility. Social norms thus shape both women's receptivity to participation and the nature of the jobs that are perceived as accessible in household decision-making, which explains this disconnect between the formal availability and substantive accessibility of women's participation.

6. SAFETY, TRANSPORTATION AND MOBILITY

A job that is not accessible safely is not a good employment opportunity. Availability, affordability and travel times to and from work, street lighting, harassment and workplace safety may affect women's entry and stay in employment. These constraints can have particularly severe consequences in urban and peri-urban areas, where employment opportunities may be geographically separated from residential areas. The ILO identifies public transportation, toilets, street lighting and safer mobility as important components of policies designed to improve female labour-market participation (International Labour Organization 2017). The World Bank's recent estimates of structural conditions for women's economic participation in India also include safe and affordable transport (World Bank Group 2026). Mobility thus should be considered as a labour market variable.

For men, the effective labour market may include jobs located across an entire city. Women with limited mobility could have a smaller radius in which the effective labour market is available. This results in spatial inequalities in employment opportunities. Mobility therefore affects effective demand for labour: a job may be available but if the job can't be accessed safely, affordably and in reasonable travel time, then for the woman in question, the job may not be a viable employment opportunity.

7. OCCUPATIONAL SEGREGATION AND INFORMALITY

Women who do enter the workforce are not evenly distributed among occupations. The historical evidence shows that the concentration of women in certain occupations is ongoing, including agriculture, domestic work, bidi production, nursing and primary-school teaching, while professional and technical occupations (PTC) have increased in the workforce (Rustagi 2010). Occupational segregation is important because female-dominated sectors may provide lower wages, few opportunities for advancement and less social security.

Informality is a factor that exacerbates the situation. Being employed without a written contract, without regular wages, without social security, maternity protection and safe working conditions is technically an increase in labour force participation, but it does not necessarily bring a lot to long-term economic security. Thus, the quality of employment needs to go hand-in-hand with participation rates when assessing policies. An increase in FLFP on the back of unpaid family work or distress employment and/or vulnerable self-employment will have different welfare implications than an increase based on secure wage employment in productive sectors. The last phase of the conversion issue is thus not only the issue of whether or not women go into work, but the conditions in which they work. Participation does not necessarily lead to measures taken to improve income security, autonomy, or career advancement.

8. WHY EDUCATION ALONE IS INSUFFICIENT: SYNTHESIZING THE CAUSAL CHAIN

India has been investing a lot in the education of women and has now started making investments in skills training. The following policies are significant accomplishments. The problem with the policy is not its failure to educate women, but its implicit assumption that education will automatically lead women to participate in the labour market. Although education can develop skills that facilitate access to employment and income, these benefits do not necessarily translate into economic empowerment without suitable employment opportunities and supportive social and institutional conditions.

In fact, there are multiple obstacles between education and employment: Job availability, care responsibilities, mobility, safety, social acceptance and employer practices all lie in between. Failure of any major connection can make learning investments not result in jobs. That's why there are many policies that only increase education or provide short-term training.

An effective approach should have to consider the supply side, women's education, skills and ability to work; and the demand side, jobs in quantity, quality, location and characteristics. The World Bank also identifies constraints on the labour demand side and on the labour supply side, and puts a high priority on creating non-agricultural jobs and enacting gender-equal laws and eliminating gender barriers to working off-farm (World Bank 2024). This synthesis brings into harmony explanations that may seem in conflict. Capability is determined by education; opportunity is determined by labour demand; skill–job correspondence is determined; unpaid care, norms, mobility and safety determine accessibility; and

occupational segregation and informality influence on employment quality. No single mechanism is, therefore, responsible for the whole education–employment gap. The Paradox arises from the interplay between constraints in these phases.

9. INTERPRETING THE RECENT RISE IN FLFP: NATIONAL AND INTERNATIONALLY HARMONIZED ESTIMATES

The traditional view of steadily declining FLFP needs to be modified in the light of recent Indian data. The estimates in PLFS indicate that the female LFPR (usual status) has increased from 23.3% in 2017-18 to 41.7% in 2023-24 (Ministry of Statistics and Programme Implementation 2024). This is a significant improvement on the previous recorded rate of women's employment. However, the participation rate as reported in the headline isn't the only indicator.

Three questions are necessary: What types of jobs are women entering? Are these jobs productive and adequately compensated? Can women remain in these jobs over time?

The difference between participation and quality of job is crucial. Even if both are working, according to the current statistical definition, a woman working in an unpaid role in a household enterprise could be economically active, while a woman under a formal contract may have a very different level of economic autonomy and social protection. This recent upward trend should therefore be welcomed with careful consideration of employment status, income, working hours, sector, job mobility, and rural–urban differences.

Also, as PLFS estimates are not internationally comparable, they differ from those estimates due to differences in definitions and modelling methods. For example, the World Bank Gender Data Portal reports a female LFPR of 32.4% for India in 2025 based on ILO modelled estimates (World Bank Group 2026). This highlights the importance of stating clearly the statistical definition being applied rather than comparing percentages without qualification from different data sets in public policy analysis. The difference does not necessarily indicate that one estimate is right and the other is wrong. However, the estimates given in PLFS are of a national kind based on the labour-force measurement framework of the Indian context, while the World Bank series mentioned here is based on ILO modelled estimates for international comparability. Variations in statistical objective, definition, harmonization and modelling may, therefore, result in different female labour force participation estimates.

Analytical significance of the difference is that the conclusions about the extent of the rise in India is in part dependent on the indicator chosen. National PLFS estimates are of a particular importance in studying intra-country change in India, if the same definitions are used over time, while harmonized ILO estimates have a different purpose, namely to enable country comparisons. The figures of labour force participation should always be used in conjunction with their definition, population coverage, reference period and methodology..

10. EVALUATING EXISTING POLICY APPROACHES

India's policy approach ranges from the education of girls to their skill development, entrepreneurship programs, maternity protection and childcare, financial inclusion and employment in rural areas and workplace safety. Yet the policy architecture remains fragmented. Education policy has the potential to enhance credentials without generating employment. Skill programmes can enhance employability without addressing mobility issues. Maternity protection can support formal workers but not many informal workers. Entrepreneurship programmes can be a way of boosting access to finance but don't necessarily address unpaid care benefits and market access.

These barriers are not discrete barriers but are interlinked. A working mother with educational aspirations, for instance, might want affordable and dependable child care services, a supportive work environment, and part-time work that is within a reasonable commuting distance. Addressing only one of these constraints may therefore have limited impact on women’s labour-force participation. The ILO therefore suggests that better employment outcomes for women can be achieved through a combination of coordinated interventions across four key areas: employment generation; education and skills development; reduction of unpaid care burden; transportation and infrastructure; legal protections; and the measurement of women's employment outcomes (International Labour Organization 2017).

11. A POLICY FRAMEWORK FOR CONVERTING EDUCATION INTO EMPLOYMENT

The Indian education system should move from an 'education first' to 'education to employment' approach.

11.1 Create Jobs Where Women Can Access Them

Gender must be explicitly included in the gender dimension of industrial and employment policies in relation to anticipated job growth. More resources should be focused in areas that are more able to incorporate educated women, such as in health care, education, financial, digital services, tourism, professional services, modern manufacturing, and the care economy. There is also a need to promote employment creation in tier-2 and tier-3 cities and other smaller economic centres, thereby decreasing the reliance on long-distance migration and commuting to generate employment.

11.2 Align Skills with Labour-Market Demand

Evaluating skill development programmes should not be based only on the enrolment and completion of training. Training providers need to build better links with employers, better understand occupations where there is a real labour demand and report the placement and retention rates in each of the occupations by gender. The appropriate term for the metric should be changed to: training, placement, retention, and earnings progression instead of just: training completion and certification.

11.3 Treat Childcare as Employment Infrastructure

Accessibility of childcare can help mitigate one of women's biggest time challenges. Childcare services that are supported by the government, workplace crèches, community childcare centres and professionalization of care services could reap a "double dividend" by providing both childcare and paid work in the care economy. ILO has clearly associated enhanced care systems with gender equality and job creation (Addati et al. 2018).

11.4 Improve Safe and Affordable Mobility

Urban transport policy should be integrated with employment policy. Enlarging women's effective labour markets can be achieved through reliable public transport, safe last-mile connectivity, improved lighting, surveillance where appropriate, grievance mechanisms and better connectivity between residential and employment centres.

11.5 Promote Flexible Work Without Creating a Secondary Labour Market

Flexibility and new work arrangements such as hybrid and remote working could create more opportunities for women with limited mobility or care responsibilities. However, flexibility should not be used as an excuse to pay less and have fewer promotion opportunities or access to social protection. Flexibility should be in service of equality, not as a means for a lack of decent jobs.

11.6 Strengthen Workplace Protection and Formalisation

Compliance with the principle of equal pay, protection against discrimination, maternity rights and rights to protection against sexual harassment and occupational safety can boost women's and families' willingness to participate in the labour market. Formalisation also provides better access to social protection and mitigates economic vulnerability due to insecure employment.

12. A PROPOSED INTEGRATED POLICY MODEL

The education–employment paradox can be represented as a conversion problem. India has made remarkable progress in producing female human resources, while it has failed to ensure that these human resources can be translated into continuous economic involvement. Such a comprehensive framework would, therefore, have four stages:

Stage 1: Capability: The capability stage consists of Education, vocational skills, digital skills and access to information about careers.

Stage 2: Accessibility: Local jobs, safe transportation, child care, and access to digital connectivity make up the accessibility stage.

Stage 3: Employment Quality: Employment quality relates to “fair wages”, “safe workplace”, “contract”, “maternity protection”, “social security” and “career path”.

Stage 4: Retention and Advancement: Return-to-work programmes, flexible employment, reskilling, leadership opportunities, reduced care penalties are examples of factors that help to support retention and advancement.

The effectiveness of public programmes should be judged on women's progression through this whole cycle, not on single inputs.

13. POLICY RECOMMENDATIONS

The analysis proposes seven interrelated policy priorities for Indian public policy. First of all, the creation of female employment should be made a measurable goal of the policies, and not the primary goal of female education and training. Investment in childcare and the care economy should also be recognized as a valuable economic investment, as it can help lower barriers to women's participation in the workforce, while simultaneously creating new opportunities for employment. Gender-sensitive transportation planning should also be incorporated into employment strategies to enhance women's access to workplaces and increase their effective labour markets, on both the central and state level.

The effectiveness of skills-development funding must be assessed by employment outcomes, such as placement, retention and progression of earnings, to be progressively evaluated over the years, broken down by gender. Appropriate incentives for industries and investment projects should also take into account their ability to provide women with safe and good quality and accessible jobs, especially in areas where the labour participation rates of women are low. Meanwhile, policies need to be reinforced to promote formalisation, workplace safety, equal opportunity and social protection, particularly for the transition of women out of insecure and informal employment. Labour-market statistics should also go beyond being a simple indicator of whether women are working to indicate quality of employment, unpaid work, time use, earnings, underemployment and the factors that keep women out of the labour force.

These priorities are in addition to each other and not in place of one another. Without job growth, childcare will have only a small impact; and without safe, affordable transportation, jobs will be out of reach. Likewise, a lack of demand for labour in the context of skill development can lead to educated unemployment, and a high rate of labour force participation without decent, secure and productive work can not lead to meaningful economic empowerment. Therefore, it is imperative that an effective policy strategy tackle these constraints in tandem with an integrated approach bringing together women's capabilities and opportunities for accessible and sustainable employment opportunities.

14. DISCUSSION

The comparative analysis in this review, in fact, indicates that the education–employment paradox is not a failure of education but rather a problem of its conversion to employment in India. There is a literature on a variety of mechanisms – education effects, household income, insufficient labour demand, occupational mismatch, unpaid care, social norms, mobility constraints and measurement effects – each of which works at a different juncture between education and sustained employment. The apparent competition may thus be partly a result of the different stages in this transition which each study covers.

The conditions for the successful conversion developed in this synthesis can be summarized as four broad conditions. First, the building of capacities through education and skills needs to be geared towards the possibilities of the labours market. Secondly, there has to be enough appropriate jobs. Third, women need to have access to those opportunities despite having care responsibilities, social norms, safety and mobility issues. Fourth, remuneration, security and progression within the employment must ensure sustainability of participation. This explains why interventions that focus on one stage may yield limited results: skills programmes can do little to address a lack of access to labour market, job creation can do little to address childcare and transport issues, and expanding participation can be insufficient to achieve economic empowerment if jobs are insecure, informal or non-paid.

But, there is reason for cautious optimism due to recent improvements in FLFP. In 2026, the World Bank suggested that women's economic involvement has increased and pointed out that it could significantly boost India's long-term growth agenda (World Bank Group 2026). However, increasing participation does not have to be the only goal. The goal is not to “raise the female LFPR at any cost”, but rather to enhance the opportunities available to women to make a choice of decent and productive work (Chatterjee et al. 2018).

This is particularly pertinent for public policies. A successful policy isn't simply shifting a woman from being "outside the labour force" to being "employed"; it should get her from "outside the labour force" to "employed and earning income. It should expand her capabilities, choices, income security and economic agency.

15. CONCLUSION

The education–employment paradox in India is not due to any single failure of education, labour demand, household behaviour or social norms is found in this review. Rather, the learning outcomes need to go through a chain of labour market and institutional circumstances to be transformed into a stable job. Opportunity is limited by the lack of good jobs and skill–occupation mismatch, accessibility by unpaid care and household norms, and quality and sustainability of the jobs that are actually achieved by occupational segregation and informality. These mechanisms should thus be seen as sequential steps in a process of changing from education to employment, and are not standalone explanations.

Public policy needs then to go beyond one-off solutions. There is a distinction between education policy and employment policy, skill development and job creation, and between encouraging women to take up employment and providing the conditions under which such employment is possible. The right policy target is a system for integrated education-to-employment transition and gender-responsive job creation, child care facilities, safe transport, workplace protection, social security, and improved measures of labour-market performance.

India has made significant efforts to empower women through education. The next step in the development challenge is to make these capabilities translate into meaningful economic opportunities. Closing the education-employment gap is not, therefore, only a women's policy target. It plays a vital role in India's overall vision of inclusive growth, human capital utilization, gender equality and sustainable economic growth.

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